AGENDA FOR

CABINET

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To: All Members of Cabinet

Councillors : E O'Brien (Leader and Cabinet Member, Finance and Growth) (Chair), C Cummins (Cabinet Member, Housing Services), R Gold (Cabinet Member, Communities), C Morris (Cabinet Member, Culture and the Economy), A Quinn (Cabinet Member, Environment, Climate Change and Operations), T Rafiq (Cabinet Member, Corporate Affairs and HR), A Simpson (First Deputy and Cabinet Member, Health and Wellbeing) and T Tariq (Deputy Leader and Cabinet Member Children, Young People and Skills)

Dear Member/Colleague

Cabinet

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

Date:	Wednesday, 16 February 2022
Place:	Bury Town Hall
Time:	6.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

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

3 PUBLIC QUESTION TIME

Questions are invited from members of the public about the work of the Cabinet.

Notice of any question must be given to Democratic Services by midday on Monday, 14 February 2022. Approximately 30 minutes will be set aside for Public Question Time, if required.

4 MEMBER QUESTION TIME

Questions are invited from Elected Members about items on the Cabinet agenda. 15 minutes will be set aside for Member Question Time, if required.

Notice of any Member question must be given to the Monitoring Officer by midday Friday, 11 February 2022.

5 MINUTES *(Pages 5 - 16)*

Minutes from the meeting held on 12 January 2022 are attached.

6 THE COUNCIL'S FINANCIAL POSITION AS AT 31 DECEMBER 2021 *(Pages 17 - 46)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

7 HOUSING REVENUE REPORT *(Pages 47 - 68)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

8 2022/23 BUDGET REPORTS *(Pages 69 - 252)*

Budget reports from the Leader of the Council and Cabinet Member for Finance and Growth are attached:

- The Council's Budget 2022/23 and the Medium Term Financial Strategy 2022/23 - 2025/26 (Appendix 4 attached)
- The Dedicated Schools Grant and setting the Schools Budget 2022/23
- Capital Strategy and Capital programme 2022/23
- Flexible use of Capital Receipts Strategy 2022/23
- Treasury Management Strategy and Prudential Indicators 2022/23

9 BURY CORPORATE PLAN PERFORMANCE AND DELIVERY REPORT QUARTER THREE 2021-22 *(Pages 253 - 286)*

A report from the Cabinet Member for Corporate Affairs and HR is attached.

10 BURY COUNCIL AND CCG CORPORATE PLAN 2022/23 *(Pages 287 - 314)*

A report from the Cabinet Member for Corporate Affairs and HR is attached.

11 APPOINTMENT OF A DEVELOPMENT PARTNER FOR PHASE 2 OF CHAMBERHALL BUSINESS PARK, BURY - PART A *(Pages 315 - 322)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

12 GREATER MANCHESTER ONE (GMONE) ICT NETWORK - PART A *(Pages 323 - 332)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

13 CHILDREN'S SERVICES IMPROVEMENT PROGRAMME

The Chief Executive to provide a verbal update.

14 MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES / GREATER MANCHESTER COMBINED AUTHORITY *(Pages 333 - 380)*

To consider the minutes of meetings of the Greater Manchester Combined Authority held on 26 November 2021, 17 December 2021, and 28 January 2022.

15 URGENT BUSINESS

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

16 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.

17 APPOINTMENT OF A DEVELOPMENT PARTNER FOR PHASE 2 OF CHAMBERHALL BUSINESS PARK, BURY - PART B *(Pages 381 - 390)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

18 GREATER MANCHESTER ONE (GMONE) ICT NETWORK - PART B *(Pages 391 - 398)*

A report from the Leader and Cabinet Member for Finance and Growth is attached.

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Agenda Item 5

Minutes of:	**CABINET**
Date of Meeting:	12 January 2022
Present:	Councillor E O'Brien (in the Chair) Councillors C Cummins, R Gold, C Morris, A Quinn, T Rafiq and T Tariq
Also in attendance:	Councillors N Jones, M Powell, R Bernstein, C Birchmore, N Boroda, R Brown, J Harris, J Lancaster and J Rydeheard
Public Attendance:	Members of the public and press were present at the meeting.
Apologies for Absence:	Councillor A Simpson and Councillor J Mason

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CA.198 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Andrea Simpson and Councillor James Mason.

CA.199 DECLARATIONS OF INTEREST

Councillor Quinn declared a personal interest in respect of all matters under consideration, as he is a member of the Down's Syndrome Association and a member of the trade union, Unite.

Councillor Jones declared a personal interest in respect of the Willow Street item, as he is a governor at Elms Bank school.

CA.200 PUBLIC QUESTION TIME

There were no public questions.

CA.201 MEMBER QUESTION TIME

The following question was submitted in advance of the meeting by Councillor Carol Birchmore:

On Appendix 3(A) of the report submitted to Cabinet summarises "explicit Ofsted findings". Under the Workforce section three issues are included:

1. The recruitment and retention of social workers, to stabilise the workforce and reduce multiple changes in social worker for children
2. Manageable caseloads for social workers
3. The quality of supervision and management challenge to ensure social workers have time to reflect on complex cases

At a number of meetings I have attended recently I have listened to discussions about Bury Council's over reliance on agency staff and social workers in particular have been mentioned, it appears that this has been a problem for some time. I have noticed that the Council's solution to difficulties it encounters is to recruit highly paid executives who the Council appears to believe will magically come along and sort out all the problems. In fact, according to the MEN in April 2021, Bury has around ten executives who are paid over £100K compared to Salford with around four. In light of the highlighted shortage of social workers would it not be better to consider ways of incentivising recruitment and retention of more on the ground workers to reduce caseloads and provide stability in service delivery? I suspect problems in recruitment and retention of staff are more related to the working conditions than pay.

Responding, Councillor Tamoor Tariq reported that a more stable workforce with lower caseloads will be a crucial factor in improving the support we provide. This is challenge is in no way unique to Bury and it is something I will be working on as a key priority together with colleagues in HR, building on work already undertaken over recent weeks, to help Bury stand out as an employer of choice for potential social work recruits.

Benchmarking data looking across Greater Manchester suggests you are also correct that our level of base pay is not out of step with other Councils as you suggest. In order to be successful our work in this area will need to take account of our wider approach to reward as well as creating the environment and conditions where social workers can flourish through our approach to development, wellbeing and engagement for example.

A number of measures have already been agreed as initial steps in our strategy here including:

- The introduction of two managed services to work within the court team and the initial response team to support reduced caseloads and assist in retention – this has reduced caseloads
- Agreement to an initial additional capacity investment of five new social workers
- Agreement to cover the costs of social workers' professional fees each year
- Agreement to pay a retention bonus after year 1 and Year 2 of £1000 to encourage retention and develop skill in the workforce.
- A simplified approach to assist in the conversion of agency social care staff to permeant employees where appropriate.

In addition to this we are working on further measures which will support a targeted recruitment campaign to launch later this month. This will include new recruitment media and be aided by a retention payment to support both candidate attraction and the retention of those we recruit.

Bury has had positive experiences of recruiting newly qualified social workers and supporting our own workforce to qualify through social work apprentices. Attracting and retaining more experienced social workers will be a key focus and, to support this, we will be undertaking work to strengthen our learning and development offer and also improving the mechanisms we have in place around employee voice, with a new board bringing together representatives of front-line social workers from across teams so I can properly understand the on-the-ground experience of our staff and respond to any practical issues and challenges being faced.

Supervision - Regular and effective supervision is the cornerstone of good social work practice and staff support and retention – we have begun to report on the frequency of supervision, there has been some audit activity undertaken, more is planned to understand the quality and impact of the supervision. The practice standard is monthly supervision.

A further supplementary question was submitted:

Being a social worker is a really tough job and it can take a toll on people's health. The Ofsted report by its nature was focussed on the children, but there is a wider impact on families in general. Quite often the parents of children known to social services have had problems in the past and we need to be able to provide stability for those people. Support needs to be available for families, especially due to the added pressures from covid.

Councillor Tariq agreed and reported that while it's clear the Children's Services department works for and protects our vulnerable children, it also offers a service that relates to and impacts the families as well. Some families we're in contact with have complex and challenging circumstances which impacts the children and also on mental health and wider NHS services, and as such the work we've been doing around public sector reform over the last 4 or years has been important. Through the Early Help Team, an Early Help Worker is now attached to each school, which helps to link to young people and families facing challenges in and out of school. It is hoped that the Early Help work will reduce pressures on the system and enable direct access to young people and families in need of support. I am keen to ensure the three divisions within Children Services work collaboratively and integrate across workstreams and all levels of management to ensure we are facing all challenges met by the department collectively.

The following question was submitted in advance of the meeting by Councillor Jo Lancaster:

Can the Cabinet Member Children, Young People and Skills outline when was the last time action was taken to reduce the casework for Social Workers, prior to the OFSTED inspection?

Responding, Councillor Tamoor Tariq reported that a managed team was commissioned in July 2021 in response to continuing increases in case load activity. Additionally, a further commissioned service was agreed in October 2021 which started in November 21. Since this time, we have seen a decrease in the average case load across the service.

We also reviewed all child in needs cases and moved the support to our early help teams where appropriate. We continue to review cases between early help and social care to ensure children move quicky out of the social care system where this is appropriate to do so.

We have a recruitment campaign which was initiated in December and will continue to roll this out every three months to support continuous recruitment of social workers.

A further supplementary question was submitted:

At the focussed visit on 31 July 2019 it stated that the child in need of help and protection had declined since the last inspection in 2016 – why had it taken until October 2021 to do anything for the social workers?

Councillor Tariq reported that the focussed visit took place at the height of Covid, in October 2020, when a number of Children's Services departments across the country were selected for inspection. We did come out quite well from that visit, with inspectors praising how we dealt with Covid-19. This was a sensitive period for our staff and we got recommendations from Ofsted at that point including those around help and protection. The level of change needed did not take place, and the scale and focus required did not come to fruition and the priority at the top of the department was not there. This meant that some of the challenges identified were unable to be delivered on. Issues had been identified from the Peer Review, prior to the Ofsted report, and we had already started to take action to deliver on them.

The following question was submitted in advance of the meeting by Councillor Jackie Harris:

Can the Cabinet Member Children, Young People and Skills outline what the reasonable number of caseloads are per Social Worker dependent on Social Workers level and how Bury MBC compares to other Metropolitan authorities?

Responding, Councillor Tamoor Tariq reported that our ambition is to ensure caseloads are at 15 for social workers and between 0-10 for newly qualified social workers. Whilst we have reduced case load averages some of our experienced social workers continue to have higher caseloads and we are working at pace with our commissioned services to reduce this. Case load averages vary across Greater Manchester but there is national issue in relation to social work recruitment and shortage of experienced social workers which also influences case load numbers.

A further supplementary question was submitted:

I have great empathy for Social Workers, they work very hard and it's a difficult job, but surely the issue here is leadership. What are you going to do about making sure that we have continuity and efficiency in the leadership to get us out of this horrendous and unacceptable mess?

Councillor Tariq reported: I agree that leadership and management in any department is the focal point of delivery and that is why we took steps before Ofsted arrived to make changes in the leadership of the Children's Services department. We appointed Isobel Booler as Interim Director of Children's Services and I would like to place on record my thanks to her and Sandra Bruce (Interim Director of Children's Social Care) for taking us through this difficult time. We have also made a permanent appointment to the role of Executive Director of Children's Services, Jeanette Richards, who brings a wealth of experience taking other Local Authorities through similar circumstances and will be leading on Bury's improvement work. This has allowed Isobel to back to her substantive post and strengthened the department overall. It also means that three members of the senior leadership team for the department have experience working with children's social care challenges. This will ensure the divisions of the department are interlinked and work collectively as well as alongside wider Council departments. My ambition is not only to get out of the Ofsted rating, but to ensure the changes we put in place are there for the long term so we have a Children's Services offer that we can all be proud of.

The following question was submitted in advance of the meeting by Councillor Russell Bernstein:

Can the Cabinet Member Children, Young People and Skills explain what are the reasons for the deterioration of service delivery as outlined in the OFSTED report since October 2020?

Responding, Councillor Tamoor Tariq reported that from October 2020 social workers and managers remained primarily working from home and business continuity measures were in place which ensured statutory work continued but there is no doubt that aspects of continuous development and monitoring was more challenging in this environment when teams were not meeting together.

In hindsight, the decision to continue to implement a new practice model was ambitious in light of the changes in leaderships and the instability of the workforce.

Since new interim leadership arrangements were put in place we are developing a more robust approach to all areas of practice and quality assurance which will ensure continuous improvement.

A further supplementary question was submitted:

Can I ask, Councillor Tariq, what you believe your personal, political responsibility is in this period?

Councillor Tariq reported that it was to carry out my duties as Cabinet Member, as well as the responsibility all Elected Members have as Corporate Parents, to protect the most vulnerable people and the families that we support. In my role of Cabinet Member I have been involved in thorough, challenging and constructive conversations and meetings before the Peer Review or Ofsted inspection. I initiated the Peer Review, and some of the issues that came out were as a result of those conversations I was having at the top of the department. I was amongst the first people in the Council to raise concerns when I saw poor leadership and poor practice, so, as Cabinet Member, I would say that I have been at the heart of what's been happening and able to identify issues and have uncomfortable conversations to address them. I have championed the department, calling out issues where I've seen them, and fighting from within. This might be the first time these issues have come into the public domain, but they are issues I have been challenging for over 12 months.

The following question was submitted in advance of the meeting by Councillor Roger Brown:

The OFSTED report states, "when children go missing, the local authority response is not consistently robust". Can the Cabinet Member for Cabinet Member Children, Young People and Skills explain what the Council intends to do to improve this?

Responding, Councillor Tamoor Tariq reported that a piece of work has been generated from the inspection in October 21 and has included:

- Refresh of missing panel chaired by the service manager for Multi Agency Safeguarding Hub and with multi agency attendance. The panel was established in April 21 but needs to mature to ensure that as a partnership we are sighted on missing children and the quality of service they receive and the impact this is having on their lives.
- The panel has set priorities:
  - Review children with more than one missing episode in the month to immediately quality assess and ensure due process has been completed
  - Refresh missing process to ensure children at higher risk of missing have regular strategy meetings chaired at escalating levels of seniority in both police and children's services;
  - Multi agency auditing of return interviews to build in continuous learning on quality of interviews and themes around push/pull factors;
  - Data and performance for missing children will be reported into social care performance management meetings quarterly;
  - Reports on missing children will be shared with the complex safeguarding sub-group of the Bury Integrated Safeguarding Partnership.
- The Assistant Director has set up with immediate effect and Friday meeting with strategic leads to review highest risk children – which includes those children with high levels of missing and vulnerabilities in relation to CSE/CCG to ensure as senior leadership team we are sighted on our most vulnerable young people and escalating their concerns and reviewing the service to them and impact weekly.

A further supplementary question was submitted:

Bearing in mind that the report makes it clear that the standards have been slipping for some years and have got worse since the last two years, if there has been an attempt to change this in April 2021 it doesn't appear to have been manifest when the Ofsted report was being prepared. Secondly, when there has been a recent act by the Assistant Director to set up a new scheme, why that has been left so long when it was clear to the Ofsted report that these matters were causing them considerable concern?

Councillor Tariq reported that, to be clear, the Ofsted report does not talk about decline over the last two years. As you say, the Panel was only established in April 2021, around 6 months ago, and the benefits of some of these changes in practices are very complex and the impact from them is not necessarily seen within a short period of time. This is alluded to in the Ofsted report, that a number of changes are taking place and are being evidenced following the Peer Review, but the full impact of those changes are unable to be similarly evidenced. With the additional relationship we now have with the DfE and with Ofsted, we met with them this morning and will have a focussed inspection in May/June 2022, at which I am confident that we will be able to evidence the impact of the changes established before the inspection took place. We are accelerating our commitment and our improvement journey to ensure the department turns around in the quickest time possible.

CA.202 MINUTES

It was agreed:

Minutes of the meeting held on 15 December 2021 be approved as a correct record and signed by the Chair.

CA.203 COUNCIL TAX ON EMPTY PROPERTIES AND SECOND HOMES

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report regarding the consultation on the proposal to remove the Council Tax discount applied to empty properties and second homes. Members discussed the report, noting the majority of responses had been against the proposal but this had to be weight against the financial context the Council was in. With regards to alternative savings, it was noted that the property portfolio brought in revenue funds and that one off savings was not a sustainable way to address revenue pressures.

Decision:
Cabinet:

1. Considered the outcomes of the consultation exercise attached at Appendix 2; and
2. Agreed to the removal of the discretionary Council Tax discount for empty properties and second homes with effect from 1 April 2022.

Reasons for the decision:
Bury Council, like other local authorities, has seen an increase in demand on public services with reduced funding levels. A number of savings will be proposed to enable it to balance its budget. Some of the savings will affect front line services and may reduce service provision and other savings, like this proposal, have no impact on the levels of service the Council currently provides.

The Council has a strategy of bringing long-term empty homes back into use at the earliest opportunity. The return of long-term empty homes back into the community will not provide the complete solution for the demand for homes within the area, but it will play a part in its solution reducing pressure on the existing housing stock. A new level of charges should help encourage the reintroduction of long-term empty properties. Empty homes have a detrimental impact on surrounding areas and can lead to anti-social behaviour in the vicinity of empty properties.

The proposal affects a small proportion of Bury's population for a period of time but can deliver significant income for the Council. Other neighbouring authorities in the Greater Manchester area no longer provide discounts on empty properties or second homes and haven't done for some time.

The policy will reduce the number of empty properties in the Borough and support the Council in achieving a balanced budget for 2022/2023. Recognising that this will protect savings from having to be made from front line services.

Other options considered and rejected:
The Cabinet could choose to make no change to the council tax discounts for empty properties; however, alternative proposals would be required to support the production of a balanced budget, which is a legal requirement.

CA.204 BURY COMMUNITY STADIUM, GIGG LANE

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report which sought approval for the Council to engage in negotiations with the Bury Football Supporters Society in relation to a proposed financial contribution in the Gigg Lane Stadium site. Councillor O'Brien and all those present thanked supporters and community groups for their work, as well as James Daly MP for Bury North, local Councillors, and Council officers.

Members discussed the report, praising the work and response from the people of Bury, and confirmed their cross-party support for the proposal. It was noted that this was just the beginning, with more work required to ensure the stadium was safe and suitable, and ongoing conversations to ensure a one-club, fan-owned club with a successful governance system.

Decision:
Cabinet:
1. Agreed in principle to work with the Bury Football Supporters Society to explore how the Council can provide financial assistance to bring football back to Gigg Lane; and
2. Agreed that a further report be submitted to a future meeting of Cabinet seeking approval to any funding proposals.

Reasons for the decision:
Gigg Lane is an important community asset, and the Council has been asked to help with the process of re-commissioning and re- developing the facility.

The proposals to re-commission Gigg Lane as a football venue are complex and the plans involve a considerable amount of risk and challenge. Given the community benefits associated with the project it is right that the Local Authority play a proactive role in working with the various stakeholders.

Other options considered and rejected:
The alternative option is for the Council to not offer support however a solution must be found for the future of the Gigg Lane site, as it currently sits an abandoned building in the middle of a residential neighbourhood.

CA.205 BURY TOWN CENTRE GOVERNANCE

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report which proposed governance arrangements for the implementation of projects planned for Bury town centre, including the Bury Market Flexi Hall. In response to Members' questions it was noted that a report on the establishment of the Regeneration Programme Board and the Programme Management Office would be brought to Cabinet before the end of the municipal year.

Decision:
Cabinet:
1. Approved the creation of a Bury Town Centre Advisory Panel with the terms of reference set out in section 2 of the report; and
2. Approved the arrangements for governance of the implementation of the Bury Flexi Hall, as set out in section 3 of the report.

Reasons for the decision:
The full range of developments currently being planned for Bury town centre will have a significant impact on the economic, environmental and social development of the Borough as a whole. The outcomes that can be achieved will play a key role in delivering the Let's Do It strategy. The proposals for their governance set out in this report are designed to bring long term coherence and an inclusive approach to leadership.

Other options considered and rejected:
None.

CA.206 APPROVAL OF TERMS TO DISPOSE OF THE FORMER CPU KITCHEN SITE ON WILLOW STREET, BURY FOR THE DEVELOPMENT OF SPECIALIST/SUPPORTED HOUSING FOR ADULTS WITH A PHYSICAL AND/OR SENSORY DISABILITY OR LEARNING DISABILITY - PART A

Councillor Clare Cummins, Cabinet Member for Housing Services, presented the report which sought approval for the disposal of Council-owned brownfield land in Bury, which has the potential to provide much needed supported housing for young adults with a physical and/or sensory disability or learning disability. Full financial details were contained in Part B of this report.

Members voiced their support for this scheme and the support it provided for those with a disability. It was noted that the housing would be built to the latest low carbon and eco-friendly standards and, in response to a Member's question, Councillor Cummins undertook to report back outside the meeting as to whether provision for electric car parking was included. It was also noted that this site would also be subject to a planning application.

Decision:
Cabinet:
1. Approved the disposal of this site for supported living in accordance with the terms included within Part B of this report; and
2. Delegated the finalised terms of the agreement to the Director of Economic Regeneration and Capital Growth in consultation with the Cabinet Member for Finance, the Cabinet Member for Housing Services, S151 Officer and Monitoring Officer.

Reasons for the decision:
To facilitate the Councils Brownfield first approach to housing delivery, to accelerate the delivery of specialist accommodation to help meet the requirements

of young adults with additional support needs, and to reduce revenue cost to the Council for holding, maintaining, and securing long-term derelict sites.

Other options considered and rejected:
Do nothing: Bury has high levels of housing need for specialist accommodation and supply is required in the marketplace immediately.

Market the site: Irwell Valley are proposing to deliver a bespoke supported housing scheme which would not be delivered in the current housebuilding marketplace.

The Council is currently disposing of 50+ additional sites through the Accelerated Land Disposal Programme. Capacity is limited and there is an acute shortage of specialist accommodation in the Borough. This disposal is 'oven ready', allowing resources to be spent unlocking other brownfield housing sites.

CA.207 INSPECTION OF CHILDREN'S SERVICES

Councillor Tamoor Tariq, Cabinet Member for Children, Young People and Skills, presented the report which informed Cabinet of the findings of an Ofsted inspection of the Council's children's services. The inspection found the services to be inadequate. The report explained the form of intervention by the Secretary of State for Education and the action already taken to implement improvements. The report also sought approval to the framework for an Improvement Plan which the Council will submit to the Department for Education by 31st March 2022.

Members discussed the report thoroughly, noting the less severe interventions recommended for Bury, being a DfE advisor rather than commissioner. The advisor would work with Bury to develop their improvement plan and feedback regularly to DfE on progress made.

In response to Members' questions it was noted that pressures had been known internally for some time with work underway before the inspection to address problems. This work was recognised in the Ofsted inspection and means the Council was in a better position to progress and implement changes. Members debated the briefings given to Opposition Members, but it was stated that these problems should be above party politics. With regards to scrutiny, this had been encouraged and a dedicated Children and Young People Scrutiny Committee set up to recognise this.

Councillor Tariq advised that, as Cabinet Member, he had been raising concerns for a long time and had been taking actions to improve the situation, and it was noted this was a managerial failure not a political one. Councillor Tariq advised that it was the responsibility of the Council as a whole to fix these problems, and he was confident we would do.

Decision:
Cabinet:
1. Noted the Ofsted report following the inspection of the Council's children's services; and
2. Approved the framework for the Improvement Plan attached at Appendix 2.

Reasons for the decision:
To take swift and decisive action to address the areas for improvement identified by Ofsted.

Other options considered and rejected:
None.

CA.208 URGENT BUSINESS

CA.209 APPOINTMENT OF MAYOR/DEPUTY MAYOR

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, confirmed that Councillor Shaheena Haroon was currently Deputy Mayor and therefore Mayor elect for the forthcoming year, and he proposed that Councillor Sandra Walmsley be appointed as Deputy Mayor. Members praised Cllr Walmsley's work in the borough, her dedication, empathy, and understanding of the borough and her ability to connect with its residents.

It was noted that should either of these Councillors lose their seats in the upcoming election, new candidates would be brought forwards to the Democratic Arrangements Forum and then on to full Council.

Decision:
That Council be recommended to appoint Councillor Shaheena Haroon as Mayor and Councillor Sandra Walmsley as Deputy Mayor for the Civic year 2022/23.

CA.210 EXCLUSION OF PRESS AND PUBLIC

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

CA.211 APPROVAL OF TERMS TO DISPOSE OF THE FORMER CPU KITCHEN SITE ON WILLOW STREET, BURY FOR THE DEVELOPMENT OF SPECIALIST/SUPPORTED HOUSING FOR ADULTS WITH A PHYSICAL AND/OR SENSORY DISABILITY OR LEARNING DISABILITY - PART B

Councillor Clare Cummins, Cabinet Member for Housing Services, presented the Part B report which contained the full financial details.

Decision:
Cabinet:
1. Approved the disposal of this site for supported living in accordance with the terms included within Part B of this report.
2. Delegated the finalised terms of the agreement to the Director of Economic Regeneration and Capital Growth in consultation with the Cabinet Member for Finance, the Cabinet Member for Housing Services, S151 Officer and Monitoring Officer.

Reasons for the decision:

As set out for the Part A report.

Other options considered and rejected:
As set out for the Part A report.

COUNCILLOR E O'BRIEN
Chair

(Note: The meeting started at 6.00 pm and ended at 8.12 pm)

Agenda Item 6

Classification: Open	Decision Type: Non-Key

Report to:	Overview and Scruity Committee – 8 February 2020 Cabinet- 16 February 2022	**Date:** 16 February 2022
Subject:	The Council's Financial Position as at 31st December 2021	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

1. This report outlines the forecast financial position of the Council at the end of 2021/22 based on the information known at the end of the third quarter, 31st December 2021. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.

Recommendations

2. Overview and scrutiny Committee is asked to note the contents of this report

Cabinet is asked to -

3. To note the forecast underspend of £1.247m within the revenue budgets at quarter 3 and the need for Directorates to continue to work with their finance managers to maintain tight budgetary control and to ensure services work within their budgets;

4. To approve the establishment of a £3m Children and Young People's reserve to support the funding requirements identified as a consequence of the actions required following the OFSTED report and a £1m reserve for the balance required to meet the employers pay award offer of 1.75%;

5. To note the use of the Covid Outbreak Management Fund and departmental reserves in line with the criteria and one off departmental priorities;

6. To note the position on the Dedicated Schools Grant, Collection Fund and the Housing Revenue Account;

7. To note the underspend of £0.457m on the capital programme;

8. To approve a reduction in the capital programme of £6.209m due to timing of grant conditions and additional external funding being secured;

9. To approve re-phasing of the capital programmes into 2022/23 financial year of £57.734m from the current programme;

10. To approve a contribution of £567k to reserves for free school meals during school holidays which wasn't required in 2021/22;

Reasons for recommendation(s)

11. To ensure the Council's budgetary targets are achieved.

Purpose of the Report

12. This report outlines the forecast financial position of the Council at the end of2021/22 based on the information known at the end of the third quarter, 31st December 2021. The report sets out the position for both revenue and capital andprovides an analysis of the variances, both under and overspending.

Background

13. These are unprecedented times for LA budgets with huge volatility and uncertainty caused by Covid. This is affecting all LAs. We expect to haveongoing resource gaps caused by additional services, additional demand on existing services and reductions in income. It should be noted that the Covid financial uncertainty is on top of the pre-existing uncertainties in the future of Adult Social Care funding and the Fair Funding Review.

14. In response to the COVID-19 crisis the government made significant funding available to Bury Council in the 2020/21 financial year to cover additional costs that were incurred, or where income was not achieved as a result of thepandemic. The funding allocations of £10.523m which were not utilised last financial year were carried forward into 2021/22 via reserves in accordance with the guidance and various individual grant conditions. These funds are available to contribute to ongoing costs in the 2021/22 financial year and are restricted to specific eligible expenditure which meet the criteria of the individual grant conditions.

15. There are a number of overspends identified within this report at quarter three and Finance are working with Directorates to identify mitigating actions.

Financial Overview - Revenue

16. The forecast out turn position is set out in Table 1 below and shows a forecast underspend at quarter 3 of £1.247m. Where budgets are over spending work is taking place between Directorates and finance to identify mitigating actions to bring budgets back into line.

Table 1

Directorate	Approved Budget	Revised Budget	Forecast	(Under)/ OverSpend
	£m	£m	£m	£m
One Commissioning Organisation	79.171	79.171	77.996	(1.175)
Children and Young People	40.214	40.061	41.831	1.770
Operations	18.007	17.983	17.883	(0.100)
Corporate Core	11.110	11.607	11.468	(0.139)
Business, Growth & Infrastructure	2.977	2.727	2.731	0.004
Housing General Fund	0.705	0.705	1.288	0.583
Non-Service Specific	19.667	19.599	17.374	(2.191)
TOTAL	**171.851**	**171.851**	**170.571**	**(1.281)**

One Commissioning Organisation – Underspend £1.175m

Table 2

2021/22 Forecast Revenue Position – as at 31 December 2021			
One Commissioning Organisation	**Approved Budget**	**Forecast**	**(Under)/Over Spend**
	£m	**£m**	**£m**
Adult Social Care Operations	8.228	7.314	(0.914)
Care in the Community	42.383	42.793	0.410
Commissioning & Procurement	16.154	16.191	0.037
Public Health	10.755	10.522	(0.233)
Departmental Support Services	1.571	1.097	(0.474)
Workforce Modernisation	0.078	0.078	0
TOTAL	**79.171**	**77.996**	**(1.175)**

17. The OCO budget is forecast to underspend by £1.175m. The material variances by OCO service areas are analysed below.

18. **Adult Social Care Operations** - The Adult Social Care Operations budget is forecasting a £0.914m underspend. The underspend is being driven by one-off Hospital Discharge Programme (HDP) income to help recover some of the cost of post discharge recovery and staffing underspends within Choices for Living Well (Killelea), Assessment & Care Management and Integrated Neighbourhood Team budgets. These services are working hard to fill these vacancies as they are having a detrimental effect on the ability to maintain good service provision

19. **Care in the Community** - The Care in the Community budget is forecast to overspend by £0.410m. The overspend is being driven by overspends on Residential, Respite and Direct Payment budgets which are partly offset by underspends on Learning Disability Respite & Direct payment budgets

20. The in -year Care in the Community budget forecast includes a net £0.033m pressure regarding non-achievement of savings and also includes a £0.100m provision regarding the Controcc Project implementation delay

21. The forecast also reflects the Infection Control and Rapid Testing grant programmes, both of which are a net nil cost to the care in the Community budget. The M9 forecast also includes a £0.231m cost pressure regarding Workforce, Recruitment and retention grant, however, because the Workforce grant income budget is held in the Corporate Core directorate the cost pressure is offset against the corresponding £0.231m underspend reported in the Corporate Core

22. Although funding of c.£3.7m is built into the Care into the Community forecast regarding the Hospital Discharge Programme (HDP) the in-year community care budget is incurring unfunded legacy costs regarding those HDP clients discharged into a care home or home care setting who continue to receive care beyond the 4 week ‘funded’ period. This pressure is expected to be a recurrent £1m pressure in 2022/23, which will need to be managed.

23. **Commissioning and Procurement-** The Commissioning and Procurement budget is forecasting a £0.038m overspend. The overspend is the net impact of the £0.203m

underachieved Persona contract savings target and employee related overspends within Safeguarding, both of which are largely offset by salary underspends within the Reviewing Team and Community Commissioning budgets

24. **Public Health -** The Public Health budget is forecast to underspend by £0.233m and is due to the Containment Outbreak Management Fund (COMF) funding a proportion of core staffing costs and therefore the core staffing budget is underspent by the value of the COMF funding

25. **Departmental Support Services** - The Departmental Support Services budget is forecasting a £0.474m underspend and is due to staff vacancies and a line by line zero based budget review identifying recurrent underutilised budget of circa £0.3m which will be utilised in 22/23 by strengthening teams within ASC Operations

Children and Young People – Overspend £1.770m

Table 3

2021/22 Forecast Revenue Position – as at 31 December 2021			
Children and Young People Directorate	**Revised Budget**	**Forecast**	**(Under)/Over Spend**
	£m	**£m**	**£m**
Children's Commissioning	1.289	1.302	0.013
Early Help and School Readiness	2.492	2.270	(0.222)
Education and Skills (non-schools)	12.272	12.326	0.054
Social Care and Safeguarding	24.008	25.932	1.924
TOTAL	**40.061**	**41.831**	**1.770**

26. The Children and Young People Directorate is currently forecast to overspend by £1.770m. The main variances are:

27. **Early Help & School Readiness -** forecast underspend of (£0.222m) – efficiency savings due to delays in recruiting to vacant posts and cover for an internal secondment.

28. The Early Help Locality teams were launched in October 2019, based in the 3 areas of greatest need across the borough to provide the right support at the right time for children, young people and their families to reduce the requirement for long term statutory intervention. The Team Around the School approach, whereby each school has a named Early Help Social Worker to provide a direct link for schools to discuss emerging concerns. Since the model commenced there have been approximately 700 children and young people identified and a variety of outcomes decided, 34% of recommendations resulted in the Locality Team taking the lead to support the family.

29. Key performance indicators to determine the success of the Team Around the

School approach determine that there have been a reduced number of contacts into the Multi Agency Safeguarding Hub (MASH), as needs are identified much earlier and the relevant support is offered through Early Help. Of the contacts from schools into the MASH there has been an increase in cases progressing into a social care referral and a reduction of approximately 54.4% of contacts requiring no further action indicating that the schools are directing their concerns to Early Help and the appropriate support is being received and not progressing directly to MASH.

30. **Education & Skills -** forecast overspend of £0.054m – due to the ongoing pressure within the home to college transport (overspend £0.251m) due to high demand has been mostly mitigated by savings on staffing costs in other areas due to vacancies

31. **Social Care and Safeguarding** - forecast overspend of £1.924m is madeup of the main variances as follows:

32. Approval has been granted for the use of COMF funding to support the budget pressure in relation to additional agency staff to reduce the departmental overspend. Reserves have also been identified to mitigate further pressures within Children's Social Care and the funding of an additional Social Work team.

33. The COMF funding is mitigating the cost of an additional project team of agency workers recruited for 6 months to alleviate caseload pressures allowing more support to be given to the newly qualified social workers and agency social workers required for maternity and vacancy cover across the Safeguarding Teams. An additional team of agency social workers have been brought onto the Initial Response Team. There is additional pressure on the budget from the Section 17 payments (overspend of £0.227k) which has arisen due to support packages in place, payments to friends and families.

34. The Residential and IFA placement budget is forecast to overspend by £1.448m based on the current number and complexity of looked after children, the higher cost placements are due to mother and baby unit costs, secure accommodation and sibling groups. During December there were 2 new cases of young people requiring residential placements who were previously not known to Children's Social Care.

35. There have been several new Through Care placements and changes to a number of existing cases, the overspend has been mitigated by Unaccompanied Asylum Seeking Children (UASC) funding allocated.

36. Mitigations across the department reported to offset the areas of overspend include Care and Support Service (CASS) (-£0.057m) and the Adoption Service (-£0.0151m) due to vacancies and Adoption Support payments. The payment to foster carers are lower than previously reported (-£0.100m). Early Help also reported further savings due to vacancies (-£0.222m).

37. Work is ongoing to further understand these issues and to identify mitigating actions wherever possible, including developments being considered by the CYP Senior Leadership Team across all four Divisions of the Department, with a focus on Early Help and Intervention outcomes to evidence any forecast reductions of high-cost Social Care cost pressures

Operations Directorate – Forecast Underspend £0.100m

Table 4

2021/22 Forecast Revenue Position – as at 31st December 2021			
Operations	**Approved Budget**	**Forecast Out Turn**	**Forecast (Under)/Over Spend**
	£m	**£m**	**£m**
Wellness Operations	3.405	3.590	0.185
Engineers (including Car Parking)	0.262	0.151	(0.111)
Street Scene	4.937	5.027	0.090
Commercial Services	(0.251)	(0.284)	(0.033)
Waste, Transport and Stores	6.442	6.283	(0.159)
Operations Senior Management	1.569	1.573	0.004
Health & Environmental Protection	1.534	1.424	(0.110)
Corporate Landlord	0.084	0.118	0.034
TOTAL	**17.983**	**17.883**	**(0.100)**

38. The Operations Directorate is forecasting an underspend of £0.100m, which is net of any Covid related variances that are to be met by the various grants receivable. The material variances within Operations are as follows:

39. **Wellness** – an overspend, predominantly due to reduced Leisure admissions linked to Covid, partially offset by staffing savings (£0.369m), increased income in Bereavement Services (£0.100m) and vacancies in Wellbeing Services (£0.126m)

40. **Engineers** – an underspend due to Staffing vacancies and contract savings (£0.208m) Penalty Charge Notices issued (£0.048m), offset by Parking Enforcement Contract savings not yet achieved (£0.145m)

41. **Street Scene** - the overspend is largely due to Highways income loss from staff diverted to support Waste operations (£0.065m)

42. **Commercial Services –** the underspend is due to extra income from increased levels of service in Cleaning and Caretaking (£0.050m) and savings in Market staffing following a restructure (£0.083m), these are partly offset by Schools Catering shortfalls on income as demand continues to recover from Covid (£0.100m)

43. **Waste & Transport** – the underspend is due to extra income in Trade Waste (£0.055m) and Stores (£0.086m), staffing and running cost savings within Street Cleaning (£0.055m) and Transport (£0.050m), partially offset by under recovery of income within the Transport Workshop (£0.095m)

44. **Corporate Landlord –** the overspend is due to Architectural Services - staffing vacancies (£0.161m) and Admin Buildings - pressures on rates, cleaning and utilities budgets (£0.195m).

Corporate Core and Finance Directorate – Underspend £0.139m

Table 5

2021/22 Forecast Revenue Position – as at 31st December 2021			
Corporate Core and Finance	**Approved Budget**	**Forecast**	**(Under)/Over Spend**
	£m	**£m**	**£m**
Corporate Core	5.964	5.804	(0.160)
Corporate Core Finance	5.643	5.663	0.021
TOTAL	**11.607**	**11.468**	**(0.139)**

45. Corporate Core and Finance are forecast to underspend by £0.139m. The underspends in corporate core are largely as a consequence of vacancies and recharging staff to COMF.

Business, Growth and Infrastructure – Overspend £0.004m

Table 6

2021/22 Forecast Revenue Position – as at 31st December 2021			
Business, Growth and Infrastructure Directorate	**Approved Budget**	**Forecast**	**(Under)/Over Spend**
	£m	**£m**	**£m**
Economic Regeneration & Capital Growth	1.429	1.238	(0.103)
Housing Needs & Options	1.298	1.493	0.195
TOTAL	**2.727**	**2.731**	**0.004**

46. The Business, Growth and Infrastructure Directorate is currently forecast to overspend by £0.004m as a result of:

47. **Economic Regeneration and Capital Growth** - the forecast underspend of £0.103m is due to vacant posts in the Senior Management Team.

48. **Housing Needs and Options** - the forecast overspend of £0.195m is due to a savings target for Housing Needs and Options of £0.250m which is part of the restructure which is currently in progress. This will only be partially achieved due to the part year implementation and the one-off severance costs.

49. Work is underway to realign the budgets following the restructures which will result in changes between the two divisions. There is also an urgent need to identify how the additional transformation stretch targets applied as part of the BGI phase two restructure will be achieved.

Housing General Fund – Overspend £0.583m

Table 7

2021/22 Forecast Revenue Position – as at 30th September 2021			
Housing General Fund	**Approved Budget**	**Forecast**	**(Under)/Over Spend**
	£m	**£m**	**£m**
Housing General Fund	0.705	1.288	0.583
TOTAL	**0.705**	**1.288**	**0.583**

50. The Housing General Fund overspend of £0.583m is due to a forecast increased contribution to the bad debt provision (£0.156m) this is in relation to reclaiming overpayments of housing benefit from individuals, net Housing Subsidy (previously known as housing benefit) as a consequence of increased number of claimants (£0.431m) offset by minor underspends (-£0.004m). The budget will be realigned as part of the 2022/23 budget setting.

Non Service Specific – Underspend £2.225m

Table 8

2021/22 Forecast Revenue Position – as at 30th December 2021			
Non-Service Specific	**Approved Budget**	**Forecast**	**(Under) / Over spend**
	£m	**£m**	**£m**
Accumulated Absences	(0.650)	(0.650)	0.000
CAR Lease Salary Sacrifice	(0.025)	(0.028)	(0.003)
Chief Executive	0.373	0.373	0.000
Corporate Management	1.605	1.605	0.000
Cost of Borrowing	9.099	2.068	(7.031)
Grants/COVID-19	0.000	(0.606)	(0.606)
Disaster Expenses	0.011	0.011	0.000
Environment Agency	0.100	0.104	0.004
Pension Service Costs	(4.992)	(4.992)	0.000

GMWDA levy	13.815	13.447	(0.368)
Passenger Transport Levy	13.650	12.964	(0.686)
Persona Dividend	(0.200)	0.00	0.200
Town of Culture	0.645	0.645	0.000
Townside Fields	(0.058)	(0.058)	0.000
Provisions / Reserves	(13.775)	(7.509)	6.266
TOTAL	**19.599**	**17.374**	**(2.225)**

51. Non-Service Specific is currently forecast to underspend by £2.225m comprising of:

52. **Cost of Borrowing:** Forecast underspend of £7.031m which includes £3.7m long-term debtors for Council loans to Manchester Airport Group. This budget was originally removed as the cash will not be received until passenger numbers recover. However, the income is due and will be accrued as a debtor at year end and therefore, the budget has been reinstated. The remaining underspend of £3.3m is due to reduced loan interest payments as a consequence of slippage on the capital programme and external funding as a consequence of securing levelling up monies.

53. **Grants/COVID-19:** Forecast underspend as a consequence of receiving a retrospective grant for loss of income on Sales, Fees and Charges in 2020/21 of £375k and £231k relating to the Workforce and Retention grant which are both held centrally. The reduced income for sales, fees and charges was in 2020/21 and the expenditure in relation to the workforce and retention grant is shown as an overspend in the relevant department.

54. **Levies:** Forecast underspend of £1.050m which reflects amended levy charges.

55. **Persona Dividend**: No dividend expected in 2021-22 in line with 2020-21.

56. **Provisions/Reserves:** Reserves have been created of £3m to support any additional expenditure required as part of the improvement plan following the Ofsted inspection and a further £1m for the expected pay award, there is already £500k set aside within departmental budgets. Following the governments funding of free school meals for children during school holidays it is proposed to roll forward the existing budget that has not been required during 2021/22 into 2022/23 for the same purpose, noting that there is existing funding which covers the Easter holidays.

57. Transformation savings - schemes are progressing in terms of mobilisation this financial year but showing a forecasted underachievement of £1.316m after various mitigations and substitute schemes and it will be 2022/23 before they deliver their full year effect. Savings targets which weren’t achieved last financial year have been rolled forward and currently £0.950m is forecast as unachieved.

Delivery of the Savings Plan

58. Planned savings of £8.056m are included in the 2021/22 revenue budget. Of these £6.462m are forecast to be delivered with the remaining £1.594m requiring further investigation. The biggest single programme is the £1.5m transformation programme and whilst schemes are progressing in terms of mobilisation this financial year it will be 2022/23 before they deliver their full year effect. Work is ongoing to quantify what will be delivered this financial year and mitigations and substitute schemes have been developed to compensate in part. An update on the revised profiling of the Transformation Savings was provided to Cabinet in December 21. At quarter 3 the current forecast is that £525k of schemes and mitigations will be delivered this financial year leaving a shortfall of £975k against the original plans. A summary of all of the Councils savings is set out in the table below.

Table 9

Assessment of 2021/22 Cabinet Agreed Savings				
Directorate	**Description**	**2021/22 Target (£m)**	**2021/22 Saving Forecast (£m)**	**Saving Underachieved/(Overachieved) in 2021/22**
One Commissioning Organisation	LD Care Packages & Placement's	0.150	0.234	-0.085
One Commissioning Organisation	MH Care Packages	0.169	0.169	0.000
One Commissioning Organisation	Low-Cost Care Packages	0.478	0.478	0.000
One Commissioning Organisation	Persona Contract	1.000	0.797	0.203
One Commissioning Organisation	LD Supported Living	0.050	0.126	-0.076
One Commissioning Organisation	Care at Home Pricing Structure	0.200	0.000	0.200
One Commissioning Organisation	Provider Fees	1.187	1.187	0.000
One Commissioning Organisation	Debt Recovery	0.100	0.100	0.000
Public Health	Efficiencies	0.040	0.040	0.000
One Commissioning Organisation & Public Health Sub Total		**3.374**	**3.130**	**0.243**
Children and Young People	Efficiencies & Transformation	0.696	0.558	0.126
Children and Young People	Placements	0.300	0.334	-0.034
Children and Young People	Contracts / Commissioning	0.220	0.247	-0.030
Children and Young People Sub Total		**1.216**	**1.139**	**0.077**
Operations	Street Light Dimming	0.020	0.020	0.000
Operations	Closure of Civic Venues	0.132	0.000	0.132

Operations	Review of Waste Services and Fleet Rationalisation	0.237	0.237	0.000
Operations	Leasing	0.135	0.135	0.000
Operations	Capital Equipment Leasing	0.035	0.035	0.000
Operations Sub Total		**0.559**	**0.427**	**0.132**
NSS	Apprentice Levy	0.239	0.239	0.000
NSS	Corporate Management Initiatives	0.200	0.200	0.000
NSS	Bury MBC Townside Fields	0.058	0.058	0.000
NSS	Car Lease Salary Sacrifice Scheme	0.025	0.025	0.000
Non Service Specific Sub Total		**0.522**	**0.522**	**0.000**
Corporate	Tameside Pension Contributions	0.075	0.075	0.000
Corporate	Apprenticeship Corporate Budget	0.530	0.530	0.000
Corporate	Close Prestwich cash office	0.030	0.030	0.000
Corporate Sub Total		**0.635**	**0.635**	**0.000**
Business, Growth & Infrastructure	Housing Options	0.250	0.050	0.200
Business, Growth & Infrastructure Sub Total		**0.250**	**0.050**	**0.200**
Authority Wide	Transformation	1.500	0.559	0.941
Authority Wide Sub Total		**1.500**	**0.559**	**0.941**
Total		**8.056**	**6.462**	**1.594**

59. A savings target of £4.162m was included in the 2020/21 revenue budget. Due to the pandemic a number of these were identified as unachievable in year. The Medium Term Financial Strategy addressed some of the unachievable savings targets for the 2021/22 budget and a total of £2.846m (including OCO stretch targets) was achieved in the 2020/21 outturn position. Those savings targets which weren't achieved last financial year have been rolled forward and added to this financial years targets.

60. One Commissioning Organisation Savings Programme

The £3.374m 2021/22 OCO Directorate savings programme is forecast to achieve £3.130m which is a savings shortfall of £0.243m. However, it is anticipated that further savings derived from ongoing reviews of existing care packages will close the gap on any remaining shortfall by March 31st.

61. Children and Young People Savings Programme

The £1.216m 21/22 CYP savings target is currently forecast to achieve £1.139m which represents a shortfall of £0.077m. CYP Senior Leadership Team and finance colleagues are proactively identifying sufficient mitigations to address this in addition to attempting to find further mitigations to offset the risk of cost pressures being faced specifically impacting on Children's Social Care.

62. Department of Operations

Civic venues will not achieve the saving put forward of £0.132m as Cabinet agreed not to close according to the original proposal. Once the requirement to use as vaccination centres is over, there will be a partial reopening. A restructure has been designed to remove as much of the existing costs as possible, which is still being evaluated. Mitigation will partly come from identifying savings in other areas of Commercial Services. The Waste savings have not yet been achieved due to operational problems with the implementation of the new rounds. Unmet savings are mitigated by utilising Waste reserves.

63. Authority Wide

The Business Support aspect of the transformation review has progressed in-year through to the current live consultation. The full year cashable saving in respect to this review, is £0.900m, will not be achieved in this financial year and it is anticipated following the completion of the consultation, any consequential changes to proposals made, and implementation of the transformed structure, will deliver approximately £0.150m in 2021/22. The full year saving will therefore be factored into 2022/23 onwards.

Reserves

64. At the end of 2020/21 the council's usable reserves were £141.969m. Reserves will decrease during 2021/22 due to the decision made as part of 2021/22 budget setting to make a contribution from general fund of £12.958m. There is a change in the accounting treatment of the deficit on the DSG which applied for the financial year 20/21 which transferred the deficit from a usable to an unusable reserve.

Table 10

Forecast of Reserves at 31 March 2022	
	£M
General Reserves	24.430
Directorate Risk Reserves	3.512
Volatility and Fiscal Risk	36.383
Total Management of Risk Reserves	**64.325**
COVID-19 Related Grants	0.350
Corporate Priorities	13.497
Transformation Reserve	3.646
External Funding/Grants	0.000
Capital Reserves	3.306
Total Earmarked Reserves	**20.799**

TOTAL COUNCIL RESERVES	**85.124**
School Reserves	
Individual School Budgets	8.846
TOTAL SCHOOL BUDGETS	**8.846**
TOTAL RESERVES	**93.970**

65. The level of reserves increased over the last financial 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 2020/21 financial year relating to COVID-19 and are therefore fully committed and were originally planned to be fully utilised in 2021/22. Guidance released just before Christmas now allows for any unspent COMF monies as at 31st March 2022 to be carried forward into 2022/23 and this is forecast to be £0.350k. Further work will be undertaken in quarter 4 to monitor this roll forward. Monitoring of reserves is a key part of the overall financial strategy to manage the impact of COVID-19 in 2021/22 and future years.

Other Budgets

Schools

66. 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 and Early Years Finance (England) Regulations 2020. 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 (ISB). The Schools' Forum recommend the allocation of funding to schools and academies through the application of the funding formula.

67. The DSG has 4 main blocks:

Block	2021/22 Budget
	£m
Schools	139.599
High Needs	36.398
Early Years	14.064
Central Support Services	0.952
TOTAL	**191.013**

68. In addition to the DSG, schools and academies also receive external fundingfrom grants including:

Estimated External Funding 2021/22	
	£m
Pupil Premium Grant	9.059
Universal Infant Free School Meals Grant	2.074

Primary PE and Sport	1.045
Covid-19 Catch Up, Recovery, Summer Schools	3.214
Devolved Formula Capital	0.797
High Needs Capital	3.781
TOTAL	**19.970**

69. From 2019/20 the Department for Education (DfE) required all councils to complete a recovery plan should their overspend on the DSG exceed 1%. Given the scale of Bury's DSG deficit, which accumulated toover £27m by the end of 2020/21, the Council has entered into a formal agreement 'Safety Valve' with the DfE.

70. The Safety Valve agreement sets out a 5 year timeline to ensure SEND transformation and DSG deficit recovery priorities can be sustained. These priorities include:

- Strengthen Special Educational Needs assessment and placements process, including clarifying assessment thresholds for Education Health and Care Plans (EHCP) by March 2022. This should include reviewing transition arrangements for children and young people throughout 2021-22.

- Ensure robust planning for future provision, including reducing the use of independent school placements by increasing the availability and suitability of local provision within Bury. This should include developing a model for forecasting future needs by March 2022.

- Improve quality and timeliness of management information to enableevaluation of impact of central services.

- Support and drive schools in Bury to meet a higher level of need in a morecost-effective way within mainstream settings, while maintaining the quality of provision. Develop a culture in which demand is more effectively managed throughout the authority.

- Remodel financial practice to ensure accurate contributions fromappropriate funding sources.

71. The Safety Valve Agreement and Monitoring requirements outline the commitment required by Bury to address the deficit through SEND transformation and the review of all associated financial aspects.

72. A robust programme delivery plan has been developed and is actively progressing the following workstreams:

- Developing the governance arrangements for the delivery of thetransformation programme
- Developing a robust communication strategy and plan, mapping out key partners and stakeholders
- Developing a resource plan, aimed at building internal capacity and capability in key areas including SEND, data and specialist posts.
- Developing a new banding system for allocating high needs funding
- Developing project briefs for each of the workstreams to enable us to move towards the next phase of the SEND transformation programme.

73. The Safety Valve agreement has enabled Bury to secure an additional £20m DSG. This additional DSG is profiled to be allocated across 5 years in accordance with the Safety Valve agreement.

74. The Safety Valve development with the DfE has also provided a further £3.781m additional High Needs Capital funding to Bury. This will be targeted as a priority to develop, enhance and increase in-borough specialist provision and places across Bury's Special Schools and Mainstream settings.

75. The agreement in place requires continued liaison and updates to the DfE. During October 2021 Bury engaged in more detailed discussions with the DfE in respect to potential delays in the recovery of the DSG deficit when compared to the original profile submitted in February 2021. The DfE are aware of the revised recovery profile due to the increased cost pressures outlined in 15.10 above and have requested more detailed evidence and assurance of how the recovery will remain on track for 2025. A revised Safety Valve delivery plan was provided to the DfE in December 2021 to demonstrate the assurance that the recovery will be achieved with their continued support.

76. Excluding Safety Valve funding, the DSG deficit originally forecast for 2020/21 was circa £20m, however increased in-year cost pressures for high-cost out of borough SEND placements, in-year increased capacity and associated high-cost banded placements at Bury's Maintained Special Schools, plus in-year top-up funding for increased volumes of EHCPs in Bury's Mainstream Schools and Academies, resulted in a higher deficit.

77. The following highlights the revised recovery profile at 17th December 2021 and indicative forecast position on the DSG deficit, indicating in brackets the additional DSG provided in each year:

- DSG Deficit as at end 2019/20 £20.067m
- DSG Deficit as at end 2020/21 £21.407m (£6m)
- DSG Deficit as at end 2021/22 £22.172m (£4m)
- DSG Deficit as at end 2022/23 £16.141m (£4m)
- DSG Deficit as at end 2023/24 £9.107m (£3m)
- DSG Surplus as at end 2024/25 £0.207m (£3m)

78. The pressures referred to in 15.10 are ongoing during 2021/22 and mitigating actions are being developed as part of the Safety Valve programme priorities. The mitigations include the transformation of Mainstream EHCP top-up funding, Special School banding levels, Inclusion Partnership funding, and review of all High Needs Block funding contributions to non-statutory support services. The consideration of these mitigations will be subject to consultation with stakeholders and will result in the recovery profile at 15.11 being regularly updated and submitted to the DfE for their assurance.

79. The DfE have recently revised the funding increases to be forecast into 2023/24 and 2024/25 recovery years which has determined a risk to recovering the full deficit by the end of 2024/25. Further discussions with the DfE are taking place to reach agreement on how this will be managed.

80. The full Safety Valve report and delivery plan is subject to separate updates to Scrutiny, Cabinet and Council

81. Guidance on the treatment of DSG deficit reserves is included in the statutory DSG Conditions of Grant which states that the LA must co-operate with the DfE

in accordance with the provisions specified. These Conditions include, but are not limited to, communication, information sharing, meeting DfE officials as and when requested, deficit recovery, LA and external audit reporting requirements, and repayment of the DSG if the LA does not comply with DfE and external audit requirements.

Collection Fund

82. The increasing prominence of council tax and business rates in helping fund council services means that the collection fund is monitored on an ongoing basis. The current forecast position is an in-year deficit of £4.209m with a residual deficit brought forward from 2020/21 of £2.942m. (This is the difference between the statutory estimated deficit as at 15th January 21 and the outturn position) This is then adjusted for the year 2 mandatory spreading adjustment for the 2020/21 deficit of £1.068m bringing the overall forecast net deficit to £6.084m. The council's share of the deficit is £6.799m and the Greater Manchester Combined Authority's share is a surplus of £0.716m (forpolice and fire and rescue services).

83. The proportionate shares for Business Rates and Council Tax mean that Greater Manchester Combined Authority have a 1% share of the Business Rates deficit and a 16% share of the Council Tax surplus resulting in a netsurplus, whereas the council have a 99% share of the Business Rates deficitand a 84% share of the Council Tax surplus resulting in a net deficit.

84. The deficit on the collection fund is Covid related as a result of government mandated reliefs for retail and nursery establishments and the COVID Additional Relief Fund announced in December 2021. For these, the Council isexpected to receive increased compensatory grants of £10.486m which will partially mitigate when the Council is required to repay the deficit into the Collection Fund in 2022/23 per the Regulations.

85. The government also introduced the Taxation Income Guarantee scheme (TIG)to alleviate some of the impact of COVID on loss of income in the collection fund for 2020/21 and for Bury this was £2.474m.

86. The compensatory grant received in 2020/21 (£24.899m) and TIG amounts are held in reserves and will be released in 2021/22 to fund the repayment of the council's share of the deficit as required in the regulations.

87. Due to the impact on the Council's ability to collect both Council Tax and Business Rates, an important change to Collection Fund accounting was introduced for 2020/21, which (with the exception of the £24.899m Government grant funded Business Rate reliefs) gave the ability to smooth theimpact of COVID related deficits over three financial years, thus reducing the impact on the revenue budget. The Council's 2021/22 budget and future yearsbudget estimates have been prepared using this new facility and the year 2 impact can be seen in the table below.

88. Currently, the position on Business Rates is particularly difficult to forecast due to the complexities of the various part year retail and nursery reliefs. 100% relief was available from April to the end of June when the available relief dropped to

66% for July to the end of March 22. Businesses are required to reapply for the 66% relief and the uptake has so far been lower than expected,this is likely to vary as the year progresses and can be backdated if the application is valid. The compensatory grant for the reliefs will be adjusted to fund the final total of reliefs.

89. A discretionary scheme is being designed for the newly announced COVID Additional Reliefs Fund (Business Rates) and will be applied to the 2021/22 liabilities, increasing the reported deficit position by the grant amount (£0.022m). This is shown within the Additional Section 31 grants to apply in the table below. This results in a net surplus position for Bury's proportion of £3.687m.

Table 11

2021/22 Collection Fund Forecast Position as at 31 December 21			
	Council Tax	**Business Rates**	**Total**
	£m	**£m**	**£m**
Balance Brought Forward (deficit)	0.496	28.140	28.636
Prior Year estimated deficit repaid in year	(0.550)	(25.144)	(25.694)
Estimated (Surplus)/Deficit for the year	(4.784)	8.993	4.209
Year 2 of the spreading adjustment for 2020/21 deficit	(0.526)	(0.542)	(1.068)
Balance Carried Forward (surplus (-) / deficit (+))	**(5.364)**	**11.447**	**6.084**
Distributed:			
Bury Council	4.534	(11.333)	(6.799)
GMCA – Police and Crime Commissioner	0.585	0.000	0.585
GMCA – Mayoral / Fire and Rescue Service	0.245	(0.114)	0.130
Total 2020/21 Deficit	**5.364**	**(11.447)**	**(6.084)**
Additional Section 31 grants to apply	0.000	10.592	10.592
Net 2020/21 Deficit	**5.364**	**(0.855)**	**4.509**

Budget Management

90. During 2019/20 financial year, tighter budgetary control was introduced whereby all expenditure over £1,000 required approval by Directors or Assistant Directors in order to gain a higher level of budget management. This action has resulted in the delay of payments to providers and suppliers and an increasing switch to non-strategic activity for our most senior resources. Supporting budget managers to manage within their budgets and maintain financial control is a more appropriate use of our resources and therefore it is now appropriate to revert back to the financial regulations as set out in the Council's constitution.

Housing Revenue Account

91. The Housing Revenue Account (HRA) is forecasting an operating deficit of £0.064m; further information is set out in the table below.

Table 12

2021/22 Forecast Revenue Out Turn Position – as at 31st December 2021			
Housing Revenue Account	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
Income			
Dwelling Rents	(30.421)	(30.507)	(0.086)
Non-Dwelling Rents	(0.193)	(0.187)	0.006
Other Charges	(1.038)	(1.082)	(0.044)
Total Income	**(31.652)**	**(31.776)**	**(0.124)**
Expenditure			
Repairs and Maintenance	6.901	6.901	-
General Management	7.324	7.388	0.064
Special Services	1.391	1.374	(0.017)
Rents, Rates and Other Charges	0.045	0.035	(0.010)
Increase in Bad Debts Provision	0.491	0.465	(0.026)
Capital Charge	4.861	4.683	(0.178)
Depreciation	7.473	7.473	-
Debt Management Expenses	0.045	0.045	-
Contribution to/(from) reserves	(3.711)	(3.711)	-
Total Expenditure	**24.820**	**24.635**	**(0.167)**
Net Cost of Services	**(6.832)**	**(7.123)**	**(0.291)**
Interest receivable	(0.047)	(0.015)	0.032
Principal Repayments	0	0	-
Revenue Contributions to Capital	6.846	7.074	0.228
Sub Total	**6.799**	**7.059**	**0.260**
Operating (Surplus)/Deficit	**(0.033)**	**0.064**	**0.031**

92. The main changes resulting in the forecast deficit are:

- **Capital Charge** – the forecast reduction in expenditure reflects a lower pooled interest rate on historic HRA debt than was originally expected.
- **Revenue contributions to capital** – slippage (mainly Covid related) on Housing Capital Programme schemes in 2020/21 was higher than had been anticipated when the 2021/22 budget was set, therefore resources put into the HRA balances at the end of 2020/21 will need to be released to complete the programme in the current year.

93. In reviewing the in-year financial position, it is useful to consider some of the other aspects of performance regarding the Housing Revenue Account. These are still to some degree being affected by the financial impacts resulting from the pandemic; this makes forecasting with any certainty very difficult.

- ***Voids*** The rent loss due to voids for April to September was on average 1.03% which is slightly 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 £0.010m 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 September totalled £2.111m, an increase of 3% since the end of March. Of the total arrears £0.535m relates to former tenants and £1.576m relates to current tenants. An estimated £1.109m 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 £0.043m from the start of the year.

- **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 arrears, 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 December 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 is closely monitored.

- ***Right to Buy Sales*** The forecast for 2021/22 was set at 80, this being an increase of 34 on the level of sales assumed for Bury in the Government's self–financing valuation; the forecast was higher than in a usual year to reflect the build-up of applications during 2020/21 resulting from operating restrictions under the pandemic. There have been 34 sales in the period April to December which is 10 more than at this point last year. The number of applications currently proceeding is significantly higher than at this point last year (145 compared to 117). Whilst the valuation service has been resumed through an external provider there is now a build-up of applications at later stages in the process, for example there are now 60 applications with Legal Services for completion. Given the current situation it is difficult to forecast how many applications will proceed to completion however it is felt unlikely that the sales will exceed 60 by the end of the financial year; the projections of rental income have been calculated on this basis.

Capital Programme

Table 13

	Revised Budget 2021/22	Proposed reduction for year	Proposed re-phasing to 2022/23	Final Budget 2021/22	Variance under / (overspend)
	£m	£m	£m	£m	£m
Capital Programme 2021/22	113.407	(6.209)	(57.734)	49.007	0.456
Funded By:					
External Funding and Contributions	(40.727)	6.209	22.331	(12.187)	

Use of Capital Receipts	(0.290)		0.203	(0.087)	
Prudential Borrowing	(56.284)		33.872	(21.956)	(0.456)
General Fund and Reserves	(0.604)		0.483	(0.121)	
Housing Revenue Account	(3.344)		0.846	(2.498)	
Major Repairs Reserve	(12.158)		0.000	(12.158)	
TOTAL	(113.407)	6.209	57.734	(49.007)	(0.456)

94. The latest approved capital budget for 2021/22 totals £113.407m.

95. The table above identifies a reduction in year of £6.209m, £6.513m of this is due to timing restrictions on the Public Sector Decarbonisation programme where the grant has not been spent in a timely manner and the funding has expired. Other smaller schemes have been added where external capital funds have been secured with no change to the Councils use of Capital Receipts or Prudential Borrowing.

96. Also identified in the table is £57.734m of Re-phasing into future years of schemes that have not yet started or where there has been delays in spend, £2.6m of this is in relation to Radcliffe where funding from the levelling up funds received in 2021/22 has allowed for the Council resources to be phased into later years. Going forward work will be undertaken to phase spend appropriately reducing the level of slippage. This work has already commenced as part of the budget setting process for the 2022/23 capital programme and is referenced in the Capital Budget paper which is also on the agenda.

New Grants notified during Quarter 3

Table 14

Grant	£m
Levelling up fund (LUF)	40.000
Total grant notified	40.000

97. The Council has been successful in securing Levelling Up Funding after two bids were submitted earlier in the year to the Department for Levelling Up, Housing and Communities, DLUHC. The two successful schemes securing the full available value of £20m each are Radcliffe Civic Hub and Bury Market Flexi Hall.

98. This is part of the Government's Levelling Up agenda and total allocation of £4.8billion to invest in infrastructure, including regeneration of town centres, high streets, local transport, cultural and heritage assets.

99. There are significant grant conditions attached to the funding award, including the need for regular reports, governmental inspections and scrutiny of contracts awarded.

100. Cabinet will be kept fully and regularly updated on the progress of delivery and developments that have an impact on the schemes as they become apparent.

Expenditure and forecast 2021/22

Table 15

Capital Theme	Proposed Revised Budget	Forecast	Expenditure to December
Capital Scheme	2021/22	2021/22	2021/22
	£m	£m	£m
Regeneration	20.899	7.294	6.202
Place Shaping / Growth	1.776	0.601	0.468
Sport and Leisure	3.754	2.943	1.573
Operational Fleet	9.807	3.329	3.315
ICT	6.341	3.790	3.019
Highways	17.781	7.621	4.797
Children and Young People	18.854	3.078	2.443
Estate Management - Investment Estate:	0.237	0.178	0.006
Estate Management - Corporate Landlord:	4.212	1.404	0.489
Communities and Wellbeing	3.438	0.894	0.480
Housing	17.419	15.600	5.205
Climate Change	2.680	2.276	0.784
Total Capital Programme	107.198	49.007	28.779

101. At 31st December 2021, capital expenditure totalled £28.779m. Expenditure is lower than anticipated given the size of the programme.

102. Delivery of the capital programme has been significantly affected by reduced capacity of many services and supply delays. Additionally, resources that would have been delivering capital schemes and projects have been diverted to other areas as part of the Council's emergency response to the pandemic.

103. At the time of this report, £49.007m is forecast to be spent by the end of the financial year against a budget of £107.198m. This is an underspend of £58.191m of which, £57.734m is slippage as per the earlier table, resulting in an overall underspend of £0.457m.

Financing

104. The approved capital programme is fully financed as per resources approved at the February Budget meeting and subsequent Cabinet meetings and identified in table 17 above.

105. The approved capital programme is fully financed as per resources approved at the February Budget meeting and subsequent Cabinet meetings and identified in table 17 above.

106. Grants from external sources are monitored during the year against original approval notifications to ensure they are received for the schemes allocated to this type of funding. Capital Receipts from disposals of Council's surplus assets can only be reinvested as they are realised. Separate reports to Cabinet contain information on available planned, and proposed receipts to fund future capital spend. Financing of borrowing costs for the programme supported by Prudential borrowing has been built into the Council's revenue budget. General Fund and reserves represent amounts set aside that are restricted to finance expenditure of a capital nature and require additional approvals by members and the S151 officer. Funding from the Housing Revenue Account, in part is made up by the depreciation figure applied in year to the Council's Housing Stock, and is restricted to finance expenditure that will maintain and improve the social housing stock.

Monitoring

107. The capital programme requires ongoing scrutiny and careful monitoring. Work is required during quarter 4 to ensure the capital programme supports the ambitious regeneration plans Bury has and to work with officers to ensure capital budgets support the strategic needs of the Borough.

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Links with the Corporate Priorities:

A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**
The council is unable to manage its finances.	The content of the report supports the Council in managing the overall financial risks and financial planning for the Council.

Legal Implications:

Members are asked to note that there are no legal implications however as a part of our governance arrangements Members receive regular updating reports in line with our financial framework as set out in the Council constitution.

Financial Implications:

The financial implications are set out in this report

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	**Meaning**

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APPENDIX 1

Capital Theme Capital Scheme	Revised Budget 2021/22 (After adjustments)	Re-alignment Month 9	Proposed Budget Adjustments Month 9	Revised Budget at Month 9 2021/22	Forecast Outturn 2021/22	Forecast (under) / overspend	Proposed rephasing into future years	Expenditure to December 2021 (Month 9)
	£m	£m	£m	£m	£m	£m	£m	£m
Radcliffe Regeneration								
Radcliffe Market Chambers	0.100	0.400		0.500	0.050	-0.450	0.450	0.000
Radcliffe Town Centre	0.000			0.000		0.000		0.000
Radcliffe Library Refurbishment	-0.015	0.015		0.000	0.000	0.000		0.000
Radcliffe Regeneration (includes acquisi	12.518	-1.070		11.448	2.408	-9.040	9.040	2.123
Radcliffe Regeneration Action Plan	0.230	-0.230		0.000		0.000		0.000
Radcliffe Hub Pre Development	0.729	0.071		0.800	0.157	-0.643	0.643	0.156
Radcliffe Leisure – Design etc	0.250	-0.250		0.000		0.000		0.000
Radcliffe Programme Management	0.200			0.200	0.060	-0.140	0.140	0.038
Sub Total Radcliffe Regeneration	14.012	-1.064	0.000	12.948	2.675	-10.273	10.273	2.317
Prestwich Regeneration								
Prestwich Services Hub	0.075	-0.025		0.050	0.050	0.000	0.000	0.000
Strategic Acquisition	4.160			4.160	3.800	-0.360	0.360	3.721
Prestwich Urban Village	1.136	-0.072		1.064	0.436	-0.628	0.628	0.063
Prestwich Regeneration	1.128	-1.128		0.000		0.000		
Sub Total Prestwich Regeneratior	6.499	-1.225	0.000	5.274	4.286	-0.988	0.988	3.785
Ramsbottom Regeneration								
Ramsbottom Town Plan	0.180	-0.080		0.100	0.041	-0.059	0.059	0.009
Upper Floor Development	0.200			0.200	0.000	-0.200	0.200	0.000
Ramsbottom Market Chambers	0.063	-0.020		0.043	0.043	0.000	0.000	-0.049
Sub Total Ramsbottom Regenera	0.443	-0.100	0.000	0.343	0.084	-0.259	0.259	-0.040
Bury Regeneration								
Bury Market/Wider Market Area	0.035			0.035	0.112	0.077	0.000	0.112

Bury Business centre	0.035			0.035	0.035	0.000	0.000	0.000
Elizabethan Suite Update	0.080			0.080		-0.080	0.080	0.000
Bury Town Centre Masterplan Civic Cen	1.360			1.360	0.085	-1.275	1.275	0.085
Sub Total Bury Regeneration	1.511	0.000	0.000	1.511	0.232	-1.279	1.355	0.196
Commercial Sites Regeneration								
Commercial Sites (Bradley Fold) Regene	0.177	-0.100		0.077	0.002	-0.075	0.075	0.002
Radcliffe SRF	0.000			0.000	0.000	0.000	0.000	0.001
Chamber Hall Phase 2	0.200	-0.100		0.100	0.004	-0.096	0.096	0.004
Sub Total Commercial Sites Reger	0.377	-0.200	0.000	0.177	0.006	-0.171	0.171	0.007
Refurbishment of Bury Market								
Refurbishment of Bury Market	-0.040	0.686		0.646	0.011	-0.634	0.634	-0.063
Sub Total Refurbishment of Bury	-0.040	0.686	0.000	0.646	0.011	-0.634	0.634	-0.063
TOTAL - Regeneration	**22.802**	**-1.903**	**0.000**	**20.899**	**7.294**	**-13.604**	**13.681**	**6.202**
Place Shaping / Growth								
Prestwich	0.064	0.239		0.303	0.002	-0.301	0.301	0.002
Radcliffe	0.171	0.346		0.517	0.052	-0.466	0.466	0.052
Whitefield	0.071	0.008		0.079	0.000	-0.079	0.079	0.000
Place shaping / Growth programme	-0.885	1.060		0.175	0.000	-0.175	0.175	0.000
Other Development Schemes	0.954	-0.253		0.701	0.547	-0.154	0.154	0.414
TOTAL - Place Shaping / Growth	**0.375**	**1.400**	**0.000**	**1.776**	**0.601**	**-1.174**	**1.174**	**0.468**
Sport And Leisure								
Parks and Green Space Strategy	0.820	0.361		1.181	1.100	-0.080	0.080	0.375
Play Area Strategy	0.429			0.429	0.429	0.001	0.000	0.180
Outdoor Gyms	0.120	0.010		0.130	0.000	-0.130	0.130	0.000
Access, Infrastructure and Quality Parks	0.228			0.228	0.188	-0.040	0.040	0.067
Grass Pitch Vert Draining	-0.015		0.015	0.000	0.000	0.000	0.000	0.000
Leisure Gym Equipment Upgrade	0.248			0.248	0.218	-0.030	0.030	0.191
Bury Athletics Track	0.077			0.077	0.077	0.000	0.000	0.035
Flood Repair 3 G Pitch	0.047	-0.029		0.018	0.000	-0.018	0.018	0.000
3G Pitch Radcliffe	0.369			0.369	0.041	-0.328	0.328	0.041

3G Pitch at Goshen	0.669	-0.669		0.000	0.000	0.000		
Sustainable Tennis Strategy	0.349			0.349	0.323	-0.027		0.363
Match Fund Football Grants	0.150			0.150		-0.150	0.150	0.000
Non Turf Cricket Pitch	0.000	0.072		0.072	0.072	0.000		0.000
Flood Repair and Defence	-1.260	0.212	1.000	-0.048	0.284	0.332		0.284
Environmental Works	0.034	0.102		0.136		-0.136	0.136	0.000
Parks	0.312	-0.046		0.266	0.107	-0.159	0.159	0.029
Muslim Burial Site Extension	0.050			0.050	0.004	-0.046	0.046	0.004
Leisure Health and Safety Improvement	0.100			0.100	0.100	0.000		0.004
TOTAL - Sport and Leisure	**2.726**	**0.013**	**1.015**	**3.754**	**2.943**	**-0.811**	**1.117**	**1.573**
Operational Fleet								
Vehicle Replacement Strategy	9.343	0.240		9.583	3.105	-6.478	6.478	3.105
Grounds Maintenance Equipment	0.214	0.010		0.224	0.224	0.000		0.209
TOTAL **- Operational Fleet**	**9.557**	**0.250**	**0.000**	**9.807**	**3.329**	**-6.478**	**6.478**	**3.315**
ICT								
ICT Projects	4.951			4.951	2.400	-2.551	2.551	1.629
GM Full Fibre Project	-0.732	0.341	1.781	1.390	1.390	0.000		1.390
TOTAL - ICT	**4.219**	**0.341**	**1.781**	**6.341**	**3.790**	**-2.551**	**2.551**	**3.019**
Highways								
Highways Investment Strategy – Tranch	4.000	-3.576		0.424	0.000	-0.424	0.424	0.000
Cycling and Walking Routes Mayors Ch	2.770	0.067	-2.289	0.548	0.295	-0.253	0.253	0.197
Growth Deal	0.711		-0.711	0.000		0.000	0.000	0.000
Mobile Speed Signs	0.035			0.035		-0.035	0.035	0.000
Full Fibre Infrastructure	0.520			0.520		-0.520	0.520	0.000
Weather Station and Road Surface Tem	0.038	-0.030		0.008		-0.008		0.000
Street Lighting	3.388	0.473		3.861	1.000	-2.861	2.861	0.138
Traffic Calming and improvement	-0.007	1.059		1.052	0.948	-0.104	0.104	0.795
Traffic Management Schemes	0.127			0.127		-0.127	0.127	0.000
Public Rights of Way	0.108			0.108	0.050	-0.058	0.058	0.033
Highways Planned Maintenance	4.531	3.431		7.961	5.000	-2.961	2.961	3.452
ITB	0.890	-0.890		0.000		0.000	0.000	0.000

Pothole Fund	3.716	-0.761		2.955	0.146	-2.809	2.809	0.146
Bridges	-0.017	0.049		0.032	0.032	0.000		0.032
Road Safety	0.150			0.150	0.150	0.000		0.005
TOTAL - Highways	**20.959**	**-0.178**	**-3.000**	**17.781**	**7.621**	**-10.160**	**10.153**	**4.797**
Children and Young People								
NDS Modernisation Including New Pupi	17.760	-0.012		17.748	2.734	-15.014	15.014	1.946
Devolved Formula Capital	1.119		0.007	1.127	0.441	-0.686	0.686	0.340
Targeted Capital Funding	-0.251			-0.251	-0.239	0.012		0.051
Special Provision Grant	0.212	0.019		0.231	0.142	-0.089	0.089	0.106
Condition Related Schemes – Schools	-0.011		0.011	0.000		0.000		0.000
TOTAL - Children and Young Peop	**18.829**	**0.007**	**0.019**	**18.854**	**3.078**	**-15.776**	**15.789**	**2.443**
Estate Management - Investment Estate:								
Demolition of Former Fire Station Bury	0.127	-0.040		0.087	0.087	0.000		0.002
177 & 179 The Rock	0.005			0.005	0.005	0.000		0.000
Portland and Chesham industrial Estate	0.010			0.010	0.020	0.010		0.000
Former Prezzo, Lytham	0.005			0.005	0.006	0.001		0.005
Back Manor Street	0.030			0.030	0.030	0.000		0.000
Tile Street	0.070			0.070	0.000	-0.070	0.070	0.000
St Mary's Place	0.030			0.030	0.030	0.000		0.000
TOTAL - Estate Management - Inv	**0.277**	**-0.040**	**0.000**	**0.237**	**0.178**	**-0.059**	**0.070**	**0.006**
Estate Management - Corporate Landlord:								
FM Emergency Building New Major Rep	0.200			0.200	0.080	-0.120	0.120	0.000
Fernhill Gypsy and Traveller Site	3.120	-0.360		2.760	0.200	-2.560	2.560	0.000
Bradley Fold Welfare Facilities	0.590			0.590	0.590	0.000	0.000	0.284
Leisure Health and Safety Improvement	0.320			0.320	0.320	0.000	0.000	0.106
LED Lighting Installation	0.213	-0.174		0.039	0.015	-0.024	0.024	0.007
Seedfield Health and Safety	0.050	-0.025		0.025	0.025	0.000		0.000
Bury Cemetery Upgrade of Welfare Faci	0.048	0.025		0.072	0.010	-0.062	0.062	0.000
Hoyles park Pavilion Demolition and Cla	0.043			0.043		-0.043	0.043	0.000
Springwater Park Land Slip	0.164			0.164	0.164	0.000		0.092
Coroner's Service	0.013	-0.365	0.352	0.000		0.000		0.000

TOTAL - Estate Management - Co	**4.760**	**-0.900**	**0.352**	**4.212**	**1.404**	**-2.809**	**2.808**	**0.489**
Communities and Wellbeing								
Older People	0.291			0.291	0.009	-0.282	0.282	0.001
Improving Information Management / C	0.038			0.038		-0.038	0.038	0.000
Disabled Facilities Grant	2.831			2.831	0.885	-1.946	1.946	0.479
Neighbourhood Working	0.218			0.218		-0.218	0.218	0.000
Planning Other Schemes	0.023			0.023		-0.023	0.023	0.000
Other Development Schemes	0.027			0.027		-0.027	0.027	0.000
Environmental Works	0.067	-0.056		0.011		-0.011	0.011	0.000
TOTAL - Communities and Wellbe	**3.494**	**-0.056**	**0.000**	**3.438**	**0.894**	**-2.544**	**2.544**	**0.480**
Housing								
Housing HRA	14.598			14.598	13.761	-0.838		3.989
HRA Disabled Facilities Adaptations	0.903			0.903	0.895	-0.008		0.434
Empty Property Strategy	0.204			0.204		-0.204	0.204	0.000
Next Steps Accommodation Programme	-0.137		0.137	0.000	0.000	0.000		-0.012
Housing Development	0.763	0.950		1.713	0.944	-0.770	0.770	0.794
TOTAL - Housing	**16.332**	**0.950**	**0.137**	**17.419**	**15.600**	**-1.819**	**0.974**	**5.205**
Climate Change								
Community Climate Capital Fund	0.124			0.124	0.124	0.000		0.021
Climate Change Resilience Fund	0.200			0.200	0.080	-0.120	0.120	0.000
Electric Charging Points	0.100			0.100	0.000	-0.100	0.100	0.000
Glysophate Alternative Equipment	0.050			0.050	0.042	-0.008		0.042
Waste Management	-0.032	0.116		0.084	0.013	-0.071	0.070	0.001
Fly-Tipping	0.123			0.123	0.017	-0.106	0.106	0.017
Public Sector Decarbonisation	8.513		-6.513	2.000	2.000	0.000		0.703
TOTAL - Climate Change	**9.077**	**0.116**	**-6.513**	**2.680**	**2.276**	**-0.404**	**0.395**	**0.784**
Total Capital Programme	**113.407**	**0.000**	**-6.209**	**107.198**	**49.007**	**-58.190**	**57.734**	**28.779**

Funding the Revised Capital Programme 2021/22		

	Revised Budget 2021/22		Budget Adjustments Month 9	Revised Budget at Month 9 2021/22	Forecast 2021/22	Forecast (under) / overspend 2021/22	Proposed rephasing into future years at Month 9
	£m		£m	£m	£m	£m	£m
Capital Programme 2021/22	**113.407**		**-6.209**	**107.197**	**49.007**	**-58.190**	**57.734**
Funded By:							
External Funding and Contributions	-40.727		6.209	-34.518	-12.187	22.331	-22.331
Use of Capital Receipts	-0.290			-0.290	-0.087	0.203	-0.203
Prudential Borrowing	-56.284			-56.284	-21.956	34.328	-33.872
General Fund and Reserves	-0.604			-0.604	-0.121	0.483	-0.483
Housing Revenue Account	-3.344			-3.344	-2.498	0.846	-0.846
Major Repairs Reserve	-12.158			-12.158	-12.158	0.000	0.000
TOTAL	**-113.407**		**6.209**	**-107.198**	**-49.007**	**58.190**	**-57.734**

Agenda Item 7

Meeting:	Overview and Scrutiny Committee Cabinet
Meeting date:	16 February 2022
Title of report:	The Housing Revenue Account 2022/23
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	**Key Decision**
Ward(s) to which report relates	**All**

Executive Summary:

1.1 This report forms part of a suite of documents relating to the Council's budget setting process for 2022/23 and sets out the proposed Housing Revenue Account for 2022/23 and proposals for Dwelling and Garage rents, Sheltered Support, Management, Amenities and Heating charges, Furnished Tenancy charges and Fernhill Caravan site tenancy charges.

1.2 The report also establishes the Management Fee paid to Six Town Housing for 2022/23

Recommendation(s)

Overview & Scrutiny

1. Note content of this report

2. Consider whether they wish to make any recommendations to Cabinet on the content of this report

That Cabinet:

- Approve the forecast outturn for the Housing revenue Account budget
- Approve an increase in rents for all HRA social rent formula and affordable rent dwellings by 4.1% as set out in paragraph 2.8 Approve an increase Garage rents by 4.1% as set out in paragraph 2.13Approve an increase Sheltered Management and Amenity Charges by 4.1% as set out in paragraph 3.5Note that sheltered support and heating charges remain unchanged
- Note that Furnished Tenancy charges will remain unchanged
- Approve the Management Fee to o Six Town Housing for 2022/23 as set out in paragraph 1.5

Background

1.1 The Housing Revenue Account (HRA) is primarily a 'landlord account', recording revenue expenditure and income relating to the authority's own housing stock.

1.2 The HRA is a ring-fenced account i.e. the authority does not have any general discretion to transfer sums out of the HRA, or to support the HRA with contributions from the General Fund, (there are certain circumstances where transfers are permitted or prescribed but these are exceptions).

1.3 From April 2012 the government introduced a self-financing funding system whereby the HRA now retains its rental income locally and uses this to provide for management, maintenance and major works to the housing stock.

1.4 In April 2005 Six Town Housing was established as an Arm's Length Management Organisation (ALMO) to manage and maintain the authority's housing stock and related assets. A new Management Agreement was signed between Six Town Housing and Bury Council on 1st April 2020; this details the responsibilities that are delegated to the ALMO.

1.5 The Council agrees the level of Management Fee payable from the Housing Revenue Account to Six Town Housing for the provision of the delegated responsibilities; the fee being paid for 2021/22 is £13,058,600. It is proposed that, due to pressures on the HRA which are identified later in this report, this fee is frozen for 2022/23.

1.6 For 2022/23 the HRA is expected to have an average stock of 7,667 social rent formula dwellings. Given the current level of activity, and the build-up of applications due to Right To Buy valuations being suspended for a number of months during the pandemic, the HRA estimates have been prepared on the basis of 60 RTB sales in 2021/22 and 70 in 2022/23. If the level of sales is above or below these figures this will result in less or more rental income to the HRA than has been assumed.

1.7 The HRA was used to match fund a bid to the Next Steps Accommodation Programme (NSAP) to acquire and refurbish two properties in the current year. The rents for these properties are set using the social rent formula. The accommodation is currently used within the Council's support to the rough sleeper community, as the NSAP bid also secured temporary revenue funding to cover the costs of outreach provision.

1.8 For 2022/23 the HRA is expected to have an average stock of 82 affordable rent dwellings plus 7 shared ownership dwellings.

1.9 Approval has been given for the HRA to acquire 13 empty properties; at the time of writing 10 have been acquired; the intention is that the remaining 3 will be purchased as problematic empty homes are identified. These properties are let at affordable rents i.e. 80% of the assessed Market Rent on an individual property basis. The properties are being funded through a combination of Homes England grant, S106 monies and HRA reserves.

1.10 This report is written on the basis of the Council's existing housing stock.

1.11 As a result of the HRA being a ring-fenced account, any surplus or deficit on the HRA is carried forward into the next financial year and is called the working balance. Section 5 of this report contains an assessment of the minimum level of balances to be held.

1.12 The implementation of the Government's Welfare Reforms will have an increasing impact on the Housing Revenue Account and on the tenants who are entitled to support with their rent and charges.

1.13 The introduction of the Universal Credit, which sees benefits paid directly to the majority of claimants as opposed to a simple transfer from the Council into rent accounts, is expected to have a huge impact on collection rates for rents and other charges. Currently around 40% (45% at this time last year) of tenants are in receipt of full or partial Housing Benefit with 39% (43% at this time last year) of HRA rental income coming directly from this source. This means that once the current welfare reforms have been fully implemented a further £12.3m of HRA income will have to be collected from tenants, presenting a large risk to income streams (based on the total assumed rental income for 2022/23).

1.14 There are currently over 2,800 tenants claiming Universal Credit, that we are aware of.

1.15 Whilst this report concerns itself with approving the annual budget for the HRA, officers have been concerned that without starting to plan a longer term strategy for the HRA there is a risk that it will start to fall into deficit within the next few years.

1.16 In response to this concern, an HRA financial strategy is in the process of being developed for adoption by the Council in Q1 of the 2022/23 financial year. The strategy will provide a comprehensive overview of the Councils housing stock, demand, levels of RTB sales, stock investment requirements including carbon reduction measures. It will plot costs and options for ensuring the Council's legal responsibilities as a landlord are fully met together with investment in future ambitions whilst ensuring that the HRA remains in credit over the life of the business plan.

2 RENT LEVELS 2022/23

2.1 In December 2000 the government issued a policy statement entitled 'The Way Forward for Housing' which proposed that rent setting in social housing should be brought onto a common system based upon relative property values and local earnings levels. The aim is that rents on similar properties in the same area should be the same no matter who is the landlord.

2.2 In order to achieve the objectives set out in the policy statement there is now a common formula for both Local Authority (LA) rents and those of Registered Social Landlords (RSL). Restructuring and convergence of LA and RSL rents was originally intended to be completed over 10 years i.e. April 2002 to March 2012. The target date for completion was revised by the government on more than one occasion however the government's rent policy for 2015/16 onwards assumed that convergence had been completed in 2014/15.

2.3 Under the current system a Target Rent is calculated for each dwelling. The target rent increases each year in line with the government's guideline.

2.4 In July 2015 the Chancellor of the Exchequer announced that social rents would reduce by 1% each year for the next four years. This requirement was contained within the Welfare Reform and Work Act.

2.5 The introduction of the self-financing system did mean that the Council had more freedom regarding the level of rents that it set (although the national rent policy continued and the calculation of the debt taken on by Bury assumed the achievement of rent convergence by 2015/16). The requirement within the Welfare Reform and Work Act to reduce rents by 1% for each of the four years from 2016/17 removed this freedom and withdrew resources on an ongoing basis from the Housing Revenue Account. The total resources lost from the HRA over the four year period is estimated to be as follows:

Estimated rental income lost over 4 year period 2016/17 – 2019/20	
	£m
Impact of 1% reduction on base rents	2.998
Impact of not applying CPI plus 1% increases	6.425
Total potential resources lost from HRA	**9.411**

2.6 The Government's *Policy Statement on Rents for Social Housing 2018,* along with the revised Rent Standard from the Regulator of Social Housing, confirmed a return to the previous rent policy i.e. weekly increases of up to Consumer Price index (CPI) plus 1% will apply from 2020/21 for a period of at least 5 years.

2.7 At the Council meeting in February 2021 an increase of 1.5% was approved, this being in line with the rent setting policy. This was the increase for 2020/21.

2.8 The CPI figure to be used is the September figure for the year prior to the increase. September 2021 CPI was 3.1% and therefore it is proposed that rents for all Social Rent Formula and Affordable Rent dwellings are increased by 4.1% from the first rent week in April 2022.

2.9 The policy of reletting dwellings at Target rents, which came into effect in April 2016, has resulted in 182 properties being let at target rents in the first 9 months of the current financial year; the average weekly increase in rental income for these properties is £6.24 which equates to approximately £0.057m in a full year.

2.10 Bury's rents are currently collected on a 50 week basis with 2 non-collection weeks in December.

2.11 The following table shows the difference between the current and proposed rents on the basis of an increase of 4.1% applied to the rents of all current HRA Social Rent Formula dwellings.

HRA Social Rent Formula dwellings

Type	Number of Bedrooms	Valuation at Jan '99 values	Rent 2021/22	Proposed Rent 2022/23	Increase Over Actual 2021/22 Rent	
		£	£	£	£	%
Bed-sit	0	23,235	64.38	67.02	2.64	4.1
Bungalow	1	30.711	71.91	74.85	2.94	4.1
Flat	1	28,351	70.88	73.78	2.90	4.1
House	1	29,468	71.49	74.42	2.93	4.1
Bungalow	2	39,487	83.06	86.47	3.41	4.1
Flat	2	29,605	77.41	80.59	3.18	4.1
House	2	34,530	79.19	82.44	3.25	4.1
Maisonette	2	32,132	79.22	82.47	3.25	4.1
Flat	3	29,973	83.00	86.40	3.40	4.1
House	3	37,480	86.70	90.25	3.55	4.1
Maisonette	3	33,855	86.18	89.71	3.53	4.1
House	4	38,299	94.04	97.89	3.85	4.1

	32,394	**77.62**	**80.80**	**3.18**	**4.1**

The rents shown in the table are all on a 50 week basis.

2.12 Affordable rents for properties acquired and developed are determined on an individual property basis at 80% of the assessed Market Rent.

2.13 There are currently 252 HRA owned garages (of which 137 are currently let). Garages are charged for at the rate of £7.47 per week (50 weeks). The last increase was in April 2021. It is proposed that the charge is increased by 4.1% from April, in line with September CPI plus 1%; this results in a weekly increase of £0.31 giving a rate of £7.78 per week (over 50 weeks).

2.14 For shared ownership properties the purchasers pay a monthly rent based on the market value of the share of the property that has been retained by the Council. This rent is increased in line with the terms of the shared ownership leases and will be calculated with reference to the Retail Price Index (RPI) for February 2022.

3 SHELTERED AND OTHER TENANCY CHARGES

Sheltered Management and Support Charges

3.1 The management and provision of Sheltered support services are provided by Adult Care Services for which they receive payment from the Housing Revenue Account.

3.2 With effect from April 2008 all Sheltered tenants have been charged the same weekly charge. Charging in this way is a much fairer system as all tenants receive the same level of service.

3.3 Following a review of the costs of the services provided by Adult Care Services, to ensure that the costs of management and support were charged for appropriately, a Sheltered Management charge was introduced in 2012/13. This charge covers additional housing management costs that should not be funded through Supporting People funding.

3.4 Sheltered Management charges are set to ensure that the costs of the services provided are recovered from those receiving them. It is proposed that the weekly charges per unit (on a 50 week basis) are increased for 2022/23 as shown below.

	Current Charge £	**Proposed Charge 2022/23 £**
Sheltered schemes (other than Extra Care)	12.00	12.49
Extra Care schemes (Falcon House/Griffin House)	23.04	23.98

3.5 The proposed increase is 4.1% being September CPI plus 1%; this increase is in line with the current Regulator of Social Housing Rent Standard guidance and our established policy.

3.6 These charges will be eligible for Housing Benefit and Universal Credit purposes and it is expected that benefits will be payable to accepted claimants.

3.7 Following the review of the charging structure and the introduction of the Sheltered Management charge the standard weekly Support Charge per unit was reduced to £8.33 (on a 50 week basis) for 2012/13 and has remained at this level since then. Charges for support costs are not eligible for Housing Benefit but instead a subsidy is paid for eligible tenants from a locally administered Supporting People 'pot' that also funds other supported accommodation in the Borough.

3.8 It is proposed that this charge remains unchanged for 2022/23. This charge applies at all Sheltered schemes other than the Extra Care schemes at Falcon House and Griffin House.

3.9 The Extra Care Sheltered Scheme, covering the Falcon House and Griffin House schemes, has different support charges which reflect different levels of support offered dependant on the assessed needs of the individual tenants; this support is provided by the One Commissioning Organisation and they will be reviewing the charges for 2022/23.

Sheltered Amenity Charges

3.10 The Sheltered Amenity Charges were increased by 1.5% for 2021/22. It is proposed that the current charges are increased by 4.1% from the first rent week in April 2022; this being September CPI plus 1% in line with current guidance and our established policy. The additional income generated will offset increased costs of providing the service, for example pay awards.

3.11 The current and proposed charges per unit per week (over 50 weeks) will be as shown in the table below:-

	Current Charge **£**	**Proposed Charge 2022/23** **£**
Clarkshill	18.62	19.38
Elms Close	2.18	2.27
Falcon House	10.87	11.32
Griffin House	10.55	10.98
Harwood House	21.12	21.99

Moorfield	24.17	25.16
Mosses House	19.17	19.96
Stanhope Court	9.73	10.13
Taylor House	21.57	22.45
Top O'th Fields 1	20.80	21.65
Waverley Place	22.86	23.80
Wellington House	30.92	32.19

3.12 Amenity charges are eligible for Housing Benefit and Universal Credit purposes and it is expected that benefits will be payable to accepted claimants.

Net impact of changes in Sheltered Charges and rent reductions

3.13 Appendix 4 details the total Sheltered Management, Support and Amenity Charges for each scheme; this shows weekly increases ranging between £0.49 and £1.76.

Sheltered Heating Charges

3.14 Heating charges are only levied at Sheltered schemes where there is a communal heating system with no separate metering of individual consumption; the aim of the charges is to recover the actual energy costs incurred at each scheme.

3.15 At the Council meeting in February of last year charges were not increased so remained at the 2020/21 levels for 2021/22. The charges are based on expected contract prices and estimated levels of consumption. New boiler systems have been installed at both Clarks Hill and Harwood House during the current financial year. Due to the urgency of the work, heat metering systems have not been installed yet therefore a weekly heating charge will still be required.

3.16 Despite the current volatility of energy costs it is expected that the current level of charges should be sufficient to cover the expected heating costs at the schemes; therefore, it is proposed that the charges remain unchanged for 2022/23.

3.17 The current and proposed charges per unit per week, (exclusive of VAT), are:

	Present Charge £	Proposed Charge £	Proposed Increase %
Taylor House	11.88	11.88	0
Clarks Hill	8.34	8.34	0
Harwood House	9.72	9.72	0

3.18 Heating Charges are not eligible for Housing Benefit however many Sheltered Tenants will be eligible for Winter Fuel Payments; for winter 2021/22 the rates for these are £200 per household for those born on or before 26 September 1955, rising to £300 per household for those born on or before 26 September 1941 (payments may be different depending on the household circumstances).

Furnished Tenancies Charges

3.19 A Furnished Tenancy Scheme was introduced during 2005/06. The scheme provides furniture packages for which an additional weekly charge is payable.

3.20 There are currently a maximum of 235 furnished tenancies available under the scheme; 217 properties are currently let as Furnished Tenancies.

3.21 Six Town Housing, who manage the furnished tenancies, will be reviewing the packages offered and tenancies available under the scheme to determine whether a wider range of options may have a positive impact on tenancy sustainment; any proposed changes to the current scheme will be subject to appropriate consultation and approval.

3.22 Furnished Tenancy charges are eligible for Housing Benefit purposes and therefore benefits should be payable to accepted claimants. The introduction of Universal Credit and direct payments means that there is an increased risk of non-payment of these charges.

3.23 Increases in charges to cover inflation in the costs of the scheme e.g. costs of replacement furniture and fittings are normally implemented from the first rent week in April of each year.

3.24 Pending the outcome of the review of the scheme and given that the current charges are expected to be sufficient to cover costs it is proposed that the charges remain unchanged for 2022/23.

3.25 The current and proposed charges per unit per week are:-

1 bed property	£14.55
2 bed property	£17.13
3 bed property	£19.72

Fernhill Caravan Site Pitch Fees

3.26 Management of the Fernhill Caravan Site passed over to Six Town Housing in 2014/15 for which they receive a separately determined Management Fee. Whilst income from residents and payment of the Management Fee are accounted for in the General Fund not the Housing Revenue Account it is felt appropriate to consider increases in the charges under these agreements alongside those of HRA rents and charges.

3.27 Residents at the site are currently charged a weekly pitch fee and a weekly charge for water; these charges are payable on a 52 week basis i.e. there aren't any non-collection weeks. At the Council meeting in February last year charges were increased by 1.5% (September 2020 CPI plus 1%); the current charges are:

	Current Charge **£**

Single Plot – pitch fee	62.31
Double Plot – pitch fee	84.91
Single Plot – water charge	7.02
Double Plot – water charge	9.75

3.28 The site is expected to be empty before the end of March as it is due to be redeveloped during 2022/23; revised charges will be determined once this has been completed.

4 HOUSING REVENUE ACCOUNT PERFORMANCE

4.1 In considering the following areas of performance it should be noted that they 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

4.2 The rent lost on empty properties is projected to be 1.03% over the course of 2021/22; this will mean a reduction in rent income of approximately £10k as the original budget allowed for a void level of 1%.

4.3 The level of void loss for 2022/23 has been assumed at 1%; recent performance will need to be maintained if this target is to be met. Performance could however be impacted upon by any further restrictions resulting from the pandemic. If the target is not achieved then there would be a reduction in rental income to the HRA. The assessed level of minimum HRA balances for 2022/23 allows for this possibility as discussed in section 5.

4.4 If the target was to be bettered then this would result in an increase in rental income to the HRA which could either be carried forward into 2023/24 or targeted during the coming financial year for service developments.

4.5 Appendix 3 details the loss or increase in rental income at different void levels if the 1% is not achieved in 2022/23.

Rent Arrears

4.6 The opening arrears and current levels for 2021/22 are shown in the following table. The figures reflect the fact that £396,300 of Former Tenant Arrears have been written off during 2021/22; it is anticipated that a further £99,000 could be written off before the end of the March. All write offs are done in accordance with the Corporate Debt Write Off Policy as approved by the then Executive.

Arrears Position – As at December 2021			
	Opening Balance 2021/22	**Current Balance December 2021**	**Increase/ (Reduction)**

	£m	£m	£m
Current Arrears	1.232	1.576	0.344
Former Tenant Arrears	0.818	0.535	(0.283)
Total	**2.050**	**2.111**	**0.061**

4.7 Authorities are required to make suitable provision, in accordance with proper accounting practices, to cover the write-off of rent and service charge arrears.

4.8 The Bad Debt Provision for rent arrears, which is held on the Authority's Balance Sheet, stood at £1,882,400 at the beginning of this financial year. The requirement for the year is calculated with reference to the type of arrear and the amount outstanding on each individual case.

4.9 The original budget for 2021/22 allowed for additional contributions to the provision totalling £491,500; £184,300 for uncollectable debts and £307,200 for the impact of benefit reforms. Looking at the arrears position, it is now estimated that the additional provision required in 2021/22 may be £465,300. However rent arrears are volatile and with increasing numbers of Universal Credit cases it can be difficult to determine what the position at the end of the financial year will be. Based upon current information this suggests that the Provision will stand at £1,852,400 at the end of 2021/22 against arrears of £2,111,000.

4.10 The 2022/23 estimates allow for additional contributions to the provision, totalling £510,200:

- **For uncollectable debts £191,400**. This figure represents 0.6% of the rent roll.
- **For the impact of benefit reforms £318,800.** This figure represents 1.0% of the rent roll and has been included as an additional contribution to the Bad Debt Provision to reflect the potential impact that welfare benefit changes have on the level of rent arrears.

4.11 If the arrears position is not as severely impacted upon as has been estimated then a lower contribution may be required which would release additional resources in the HRA; conversely if the arrears position should deteriorate more significantly then additional contributions to the Bad Debt Provision could be required and these would need to be found from the HRA balances. The position is kept under regular review and reported to members in the quarterly Finance and Performance Monitoring Report.

Rechargeable Repairs

4.12 The amount due from tenants for rechargeable repairs currently stands at £226,000 of which £221,000 is debt over 1 year old. Of the debt over 1 year old £185,000 appears to be static debt i.e. there have been no payments received at all. No accounts have been written off so far in the current year however £18,000 of accounts have been identified as potential write offs.

4.13 The Bad Debt Provision for rechargeable repairs, which is held on the Authority's Balance Sheet, currently stands at £150,000. Taking into account the expected write offs, at the end of 2021/22 the provision will stand at £132,000 and cover around 63% of the expected outstanding debt. The pandemic and resulting operating restrictions has impacted on the level of rechargeable repairs being carried out as well as the billing and recovery of these works; it is very difficult at present to estimate what the position will be at the year end or for the coming financial year however the HRA has sufficient resources to provide additional contributions to the Bad Debt Provision should this prove necessary.

4.14 Accounts raised are subject to established recovery procedures with reminders/final notices being routinely issued and accounts passed to collection agencies (for debts under £750) where payment is not received or instalment arrangements agreed. Billing and recovery arrangements will be continually reviewed to ensure effective recovery.

5 2022/23 HOUSING REVENUE ACCOUNT (HRA), HRA CAPITAL RESOURCES AND THE HRA WORKING BALANCE

2022/23 Housing Revenue Account

5.1 The Housing Revenue Account Estimates are set out in Appendix 1.

5.2 One of the most significant impacts on the HRA for the coming year and in future years continues to be from the implementation of welfare reforms. This along with other key factors, such as void levels and the level of rent arrears, are factored into the determination of the HRA working balance.

5.3 Other areas worthy of note that have not been covered in other sections of this report are:

- The Housing Revenue Account pays a Management Fee to Six Town Housing to provide the services delegated under the ALMO Management Agreement. The level of this Management Fee for 2022/23 is subject to negotiation under the Management Agreement. The HRA Estimates for 2022/23 assume the Management Fee remains at the same level as for the current year i.e. £13,058,600; any changes to this figure will impact on the level of HRA balances.

- Springs Tenant Management Cooperative (TMO) has established itself as a self-financing, tenant management organisation from April 2022. These changes will impact on how Springs are financed however the overall impact on the Housing Revenue Account resources is expected to be cost neutral. No adjustments have been made to the HRA estimates for 2022/23 in this regard.

5.4 The detailed Housing Revenue Account shown in Appendix 1 assumes that the proposals within this report for increases/decreases to rents and other charges are approved.

HRA Capital Resources

5.5 The introduction of a self-financing HRA system means that major works to the housing stock are now funded primarily from rental income. The identification and timing of future major works are key factors in the development of the 30 Year HRA Business Plan.

5.6 Investment needs to be undertaken on a sustainable basis and in line with the Council's overarching Housing Strategy.

5.7 For the years 2018/19 to 2020/21 an annual investment of £9.830m was approved, in line with the Asset Management Strategy for the Public Housing stock 2018-21.This level of resources was maintained in 2021/22 whilst longer term investment strategies were being assessed.

5.8 Initial results from stock condition surveys undertaken in the current year have informed assessments of the investment needs of the stock and the cost implications of carbon reduction works.

5.9 On this basis the investment programme for 2022/23 is assumed to be **£14.499m**, as detailed below (the HRA estimates also allow for slippage of schemes (and resources) from 2021/22 to 2022/23):

	£m
Major Works	9.374
Disabled Facilities Adaptations	0.700
Carbon Reduction (to 2030)	4.025
Stock appraisal / enabling provision	0.400

The Major Works resources will provide for specific capital schemes (those for 2022/23 are listed in Appendix 4) and general capital expenditure such as essential renewals (arising when properties become vacant) and structural works.

5.10 Approval of the Capital Programme forms part of the consideration of the overall Council budget so should there be any change to the assumed level of resources this will impact on the amount contributed to or from the HRA Business Plan Headroom Reserve and the proposed programme.

The HRA Working Balance

5.11 The HRA needs to have a certain level of balances in order to finance occurrences that cannot be predicted and to mitigate against material inaccuracies in the assumptions underlying the budget.

5.12 The ending of the Housing Subsidy system removed the unpredictability associated with awaiting an annual determination but the introduction of a self-financing HRA has brought new risks particularly in relation to interest rate changes and any factors that impact on the level of rental income assumed.

5.13 There is no statutory definition of the minimum level however as part of a longer term approach to HRA finances the Council established a Golden Rule regarding the minimum level of HRA balances and it was agreed that the HRA balances should not be allowed to fall below £100 per property. However, the actual minimum level of balances to be retained still needs to be reviewed each year based on a risk assessment of the major issues that could affect the financial position of the HRA.

5.14 Applying the above rule would require the minimum HRA working balance to be:

Financial Year	Average no. of Properties (including additions)	Balance at year end £m
2021/22	7,827	0.783
2022/23	7,756	0.776
2023/24	7,697	0.770

5.15 Appendix 5 details a risk assessment of the major issues that could affect the financial position of the HRA, including the sensitivity of the voids and arrears targets. This shows that on a risk assessed basis, the minimum level of HRA balances shown above may not be adequate given the need to provide for the increased risks associated with the self-financing system and the implementation of welfare reforms. Therefore the Council's s151 Officer is now recommending that for 2022/23 the HRA balances should not be allowed to fall below **£1,300,000.**

Housing Management Fee

5.16 The current Management Agreement between Six Town Housing (STH) and the Council was approved in April 2020 and allows for an annual negotiation of the Management Fee which is payable from the HRA to STH in respect of its management and repairs responsibility. In light of the identified pressures on the HRA it is recommended that for the financial year 2022/23, the Management Fee remains frozen at £13,058,600. STH have agreed to absorb inflationary rises and other costs pending a further strategic review of the fee levels during 2022/23.

5.17 In addition to the Management Fee, a further £14.499m capital will be made available to STH in respect of the agreed planned maintenance and improvement programme.

Community impact / Contribution to the Bury 2030 Strategy

Delivery of the Bury 2030 strategy is dependent upon resources being available. The delivery of the strategy may be impacted by changes in funding and spending.

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services*.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
Council has a statutory requirement to set its annual budget before 1 March 2022.	
The rental increase increases financial pressure on socio-economically vulnerable households	The Council's anti-poverty support will be re-communicated to all residents including a mailer to all households affected by the proposed rent increase before the end of this financial year

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Consultation:

Bury Council and Six Town Housing are working together on the HRA strategy. The proposal to freeze the management fee has been discussed with Six Town Housing

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Legal Implications:

Housing Revenue Account and Rents

The Local Government & Housing Act 1989 Part VI sets a statutory regime for housing finance. The Council must formulate proposals in respect of HRA income and expenditure for the financial year which on the best assumptions and estimates that the Council is able to make at the time to ensure that the HRA does not show a debit balance.

The Council is required to keep the HRA in accordance with proper practice. The Council has a general duty to review the rents of its houses from time to time and in fixing rents the Council must have regard, in particular, to the principle that the rents of dwellings of any class or description should bear broadly the same proportion to private sector market rents as the rents of dwellings of any other class or description.

The review of the rents is a Cabinet function and is undertaken with regard to the provisions of Part VI of the 1989 Act which governs housing finance and housing subsidy. Rents for council houses are a credit to the HRA and outgoings a debit. The HRA continues to be a ring-fenced account, this means that it must, in general, balance on a year-to-year basis, so that the costs of running the Housing Service, which include debt charges, administration costs and maintenance expenditure must be met from HRA income. The Council has the responsibility to determine a strategy that is designed to ensure that the HRA is balanced.

Financial Implications:

The financial implications are set out in the report and all proposals can be delivered within the funding available.

Report Author and Contact Details:

Sam Evans

Executive Director of Finance (S151 Officer)

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Appendix 1

	Housing Revenue Account	
	2021/22 £m	2022/23 £m
INCOME		
Dwelling rents	30.421	31.568
Non-dwelling rents	0.193	0.203
Heating charges	0.037	0.037
Other charges for services and facilities	0.949	0.971
Contributions towards expenditure	0.052	0.040
Total Income	31.653	32.819
EXPENDITURE		
Repairs and Maintenance	6.902	6.902
General Management	7.324	7.380
Special Services	1.391	1.401
Rents, rates, taxes and other charges	0.045	0.036
Increase in provision for bad debts - uncollectable debts	0.184	0.191
Increase in provision for bad debts - impact of Benefit Reforms	0.307	0.319
Cost of Capital Charge	4.861	4.713
Depreciation of fixed assets - council dwellings	7.437	7.442
Depreciation of fixed assets - other assets	0.035	0.030
Debt Management Expenses	0.045	0.045
Contribution to/(from) Business Plan Headroom Reserve	-3.711	-3.749
Total Expenditure	24.821	24.710
Net cost of services	-6.832	-8.109
Amortised premia / discounts	0.000	0.000
Interest receivable - on balances	-0.048	-0.018
Interest receivable - on loans (mortgages)	0.000	0.000
Net operating expenditure	-6.879	-8.127
Appropriations		
Appropriation relevant to depreciation and MRA	0.000	0.000
Housing set aside (Principal repayments on new developments)	0.000	0.000
Revenue contributions to capital	6.846	7.910
(Surplus) / Deficit	-0.033	-0.217
Working balance brought forward	-1.050	-1.083
Working balance carried forward	-1.083	-1.300

Sheltered Support and Amenity Charges

Current charges 2021/22 and proposed charges 2022/23

APPENDIX 2

Scheme	Management Charge 2021/22	Support Charge 2021/22	Amenity Charge 2021/22	**Total Charges 2021/22**	Proposed Management Charge 2022/23	Proposed Support Charge 2022/23	Proposed Amenity Charge 2022/23	**Total Proposed Charges 2022/23**	**Increase over current charges**
	£	£	£	**£**	£	£	£	**£**	**£**
					4.1%	0%	4.1%		
Beech Close	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Chelsea Avenue	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Clarkshill	12.00	8.33	18.62	**38.95**	12.49	8.33	19.38	**40.20**	**1.25**
Elms Close	12.00	8.33	2.18	**22.51**	12.49	8.33	2.27	**23.09**	**0.58**
Falcon House	23.04	0.00	10.87	**33.91**	23.98	0.00	11.32	**35.30**	**1.39**
Griffin Close	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Griffin House	23.04	0.00	10.55	**33.59**	23.98	0.00	10.98	**34.96**	**1.37**
Hampson Fold	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Harwood House	12.00	8.33	21.12	**41.45**	12.49	8.33	21.99	**42.81**	**1.36**
Limegrove	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Maple Grove	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Moorfield	12.00	8.33	24.17	**44.50**	12.49	8.33	25.16	**45.98**	**1.48**
Mosses House	12.00	8.33	19.17	**39.50**	12.49	8.33	19.96	**40.78**	**1.28**
Stanhope Court	12.00	8.33	9.73	**30.06**	12.49	8.33	10.13	**30.95**	**0.89**
Taylor House	12.00	8.33	21.57	**41.90**	12.49	8.33	22.45	**43.27**	**1.37**
Top O'th Fields 1	12.00	8.33	20.80	**41.13**	12.49	8.33	21.65	**42.47**	**1.34**
T O'th F 2 (Welcomb Walk)	12.00	8.33		**20.33**	12.49	8.33		**20.82**	**0.49**
Waverley Place	12.00	8.33	22.86	**43.19**	12.49	8.33	23.80	**44.62**	**1.43**
Wellington House	12.00	8.33	30.92	**51.25**	12.49	8.33	32.19	**53.01**	**1.76**

APPENDIX 3

HRA VOID LEVEL OPTIONS - 2022/23

VOIDS	RENT LOSS	DIFFERENCE FROM ASSUMED VOIDS LEVEL (1%)
%	£m	£m
0.40	0.128	-0.191
0.50	0.159	-0.159
0.60	0.191	-0.128
0.70	0.223	-0.096
0.80	0.255	-0.064
0.90	0.287	-0.032
1.00	0.319	0.000
1.10	0.351	0.032
1.20	0.383	0.064
1.30	0.414	0.096
1.40	0.446	0.128
1.50	0.478	0.159
1.60	0.510	0.191
1.70	0.542	0.223
1.80	0.574	0.255

APPENDIX 4

Proposed Specific Capital Projects 2022/23

Internal Schemes - Kitchens, bathrooms, heating

Elms Estate
Carr Clough Phase 2 & Rainsough
Topping Fold
Peel Brow
Victoria Phase 3
Woodhill

External Schemes

Windows, doors etc:
Chesham Fold Phase 1

Roofing:
Bolton Road Turks & Spencer Avenue
Woolfold (Horridge Street / Sawyer Street)
Trinity Green & Newcombe Road
Victoria Square Roofing and PV

COMMUNAL AREAS (Door Entry, Floor Coverings, Decoration, Emergency lighting)

Clegg Street (flooring only)
Bury Old Road
Bolton Close
Roman Road
Milton Road
Coronation Walk
Coronation Road
Ainsworth Road

APPENDIX 5

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £m	Min. Provision £m
Increased stock loss - level exceeds the provision made in the estimates	The loss of a property costs the HRA approx. £4,100 in lost rental income in a full year. A loss of 50 properties throughout the year would cost around £102k.	H 100%	Budget 2022/23 assumes 70 sales. Sales have been affected by the operating restrictions and economic effects of the pandemic making forecasting with any certainty very difficult.	0.102	0.102
Higher level of void (empty) properties - increase loss of rental income	A 0.75% increase in void loss costs the HRA £239k in a full year.	H 100%	Budget 2022/23 assumes 1% void rental loss. This would be challenging in 'normal' times but with the uncertainties of current times this target may well not be met.	0.239	0.239
Numbers of properties moving to target rents not as high as anticipated	A property moving to target rent will increase the weekly rental income by an average of £6.50.	H 100%	The numbers of properties moving to target rent will depend on how many properties become void during the year and whether their rents are already at target level (which is increasingly be the case).	0.034	0.034
Increase in arrears levels	Rental income is accounted for in the HRA on a rents receivable basis rather than actual rent received. However an increase in arrears could impact on the level of contribution required to the Bad Debt Provision.	H 100%	Budget 2022/2023 allows for contributions of £510k to the Bad Debt Provision. This is based on 1.6%; the level of arrears has been affected by the operating restrictions and economic effects of the pandemic making forecasting with any certainty very difficult.	0.319	0.319

Interest rates - Cost of Capital	Under self financing the risks associated with changes in interest rates impact directly on the HRA. A 0.5% increase across the assumed HRA borrowing (excluding the loans taken for self financing) would cost £203k.	L 60%	The loans taken on for self financing are long term fixed rate so the interest charges are known. However there could be an impact on the HRA if it picks up a larger share of existing higher interest rate debt or when pre self financing loans are replaced. Borrowing for new developments could be at a higher rate than when the schemes were appraised.	0.203	0.122
Capital Investment requirements - newly arising need.	Under self financing the resources for capital investment in the housing stock come directly from the HRA.	L 60%	The 2022/23 capital investment programme is determined on the basis of the resources required to maintain the stock at a Decent Homes level plus resources targetted at carbon reduction however it is felt prudent to allow for the possibility of any unforeseen or urgent investment requirements or increases in supply chain costs.	0.580	0.348
Increase in Management Fee paid to Six Town Housing	Six Town Housing can request additional pay and non pay costs as an addition to the Management Fee however this is subject to negotiation with the Council (it is not an automatic payment).	L 60%	The STH Management Fee has not yet been agreed for 22/23 therefore it is felt prudent to allow for a 1% increase over and above that provided for in the 22/23 budget.	0.131	0.079
Other HRA expenditure	There are costs and charges within the HRA that are outside of the Management Fee paid to Six Town Housing; these include payments to the Department of Communities and Wellbeing and other departments of the Council for services provided to HRA customers. If these costs were to be 4% higher than assumed then this would amount to around £96k.	L 60%	The majority of these charges are agreed in advance and as such should not vary throughout the year. However it is felt prudent to allow for the possibility that unforeseen circumstances within services outside of the HRA could have an impact on the charges made.	0.096	0.058
				1.704	**1.301**

Agenda Item 8

Classification	Item No.
Open	

Meeting:	Overview and Scrutiny Cabinet
Meeting date:	Overview and Scrutiny – 8 February 2022 Cabinet - 16 February 2022
Title of report:	The Council's Budget 2022/23 and the Medium Term Financial Strategy 2022/23 - 2025/26
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	**Non Key Decision**
Ward(s) to which report relates	**All**

Executive Summary:

This report sets out the key elements of the 2022/23 budget proposals and the framework for the longer-term Medium Term Financial Strategy (MTFS) 2022 – 2026. It makes available the latest financial information that will underpin the 2022/23 budget and the MTFS. The report also sets out the process that will lead to the agreement of the budget and the setting of the 2022/23 Council Tax on 23 February 2022.

As the Government's Spending Review in 2021 was for a single year, and significant changes to Local Government funding are expected in 2023/24 with the implementation of the Fair Funding Review, the financial tables within the report focus on the 2022/23 budget position.

The information presented in this report is structured over the following areas:

i) The financial context within which the budget and the MTFS will be agreed.
ii) The summary revenue budget position 2021/22.
iii) Developing the Medium Term Financial Strategy.
iv) The options proposed to deliver a balanced budget in 2022/23.
v) The robustness of the budget and the adequacy of reserves.
vi) The residual financial risks and uncertainties.
vii) The financial framework.

In setting the budget, the Housing Revenue Account, the Dedicated Schools budget and the Capital Programme have been taken into consideration. Separate reports for these are set out elsewhereon this agenda.

Role of Overview and Scrutiny Committee in budget process

Under the Council's Constitution, the Overview and Scrutiny Committee is required to advise and consider the Cabinet's budget and Council Tax proposals and report to Cabinet on the outcome of its deliberations before the matter is referred to Council.

In considering the budget proposals, the Committee can challenge how the budget has been constructed. It may wish to probe the assumptions that lie behind the budget strategy, what are the main savings proposals, how will any growth be funded, and has an appropriate level of reserves been set. This scrutiny needs to build on the work of the Committee over the previous year in its budget monitoring activity. The Committee will also need to maintain a 'big picture' view of the financial pressures affecting the Council and understand how these might impact on existing budgets and budget setting in subsequent years.

Recommendations

Overview and Scrutiny Committee is asked to

- Note the report.
- Consider whether they wish to make any recommendations to Cabinet on the content of this report

That Cabinet:

a. Approves the Medium Term Financial Strategy and the assumptions regarding resources and spending requirements.
b. Notes the Council Tax base of the equivalent of 55,611 band D equivalent dwellings on which the Council Tax funding has been calculated.
c. Approves the net revenue budget of £177.483m for 2022/23
d. Approves the increase in Council Tax of 1.94% and the inclusion of a 1% social care levy.
e. Approves the recurrent changes to expenditure or reductions in income of £17.191m in 2022/23.
f. Approves the budget reductions and additional income of £5.892m for the 2022/23 financial year.
g. Approves the use of reserves of £14.355m in 2022/23.
h. Approves the transfer of £0.683m into reserves with regards to the funding of social care reforms.
i. Delegates authority to the Executive Director of Finance and the Chief Executive to agree the use of the social care reserve and the Children and Young Peoples Reserve established in 2021/22 in consultation with the Cabinet Member for Finance.
j. Approves the transfer of £2.996m into a smoothing reserve.
k. Approves the transfer of £1.388m into a Business Rates Risk
l. Notes the forecast position on reserves as set out in section 6 of this report.
m. Notes the Departmental cash limits as set out at Appendix 5.
n. Notes the significant financial risks for funding, income and demand pressures in future years and for the continued impact of Covid-19 on the strategy.

o. Recommendation that Council to approve and adopt the budget for 2022/23.

1 FINANCIAL CONTEXT AND BACKGROUND

1.1 When the Council, at its meeting on 24 February 2021, set the budget for 2021/22, the context in which financial planning was being undertaken was perhaps the most complex and difficult of recent times. This year's challenge is no different. Uncertainties around Government policy and funding through the Comprehensive Spending Review, Local Government Finance Settlement, the Fair Funding Review, the Business Rates Retention Review still exist. Similarly, notwithstanding Government policy, funding relating to social care remains unclear. Furthermore, the continued impact of the Covid-19 pandemic adds greater uncertainty and financial risk for some time to come.

1.2 The economic reality is fast changing and challenging and the extent of how long the effects of the pandemic will continue cannot be predicted with any great certainty, although there are encouraging signs with Plan B restrictions being lifted. It is however inevitable that it will bring additional pressures in demand for the services provided by the Council and our partners. The significant financial impact of Covid-19 cannot be understated, and as the economic impacts of the pandemic are still being felt, the potential for this impact to continue into 2022/23 and beyond is one which the Council needs to consider and plan for. In response to this, the Council developed a planning approach called the "3Rs" which set out 15 priorities across three strategic themes:

Response - fulfilling the Council's role as a Category 1 emergency responder and Bury Clinical Commissioning Group's leadership in the role in the health system.
Recovery – leading the civil contingencies recovery phase to restore the social, health and economic impacts of Covid-19.
Renewal – visionary changes to "build back better" in the Borough.

1.3 Over recent months, the Council has been reviewing and reporting on its financial position, and at its meeting on 13 October 2021, the Cabinet received a financial planning document, the Medium Term Financial Strategy Refresh 2022/23 – 2025/26, within which the 2022/23 financial assumptions were updated and refreshed, which would form the basis of the budget for future years. In providing this update, it was recognised that there were still some significant uncertainties, particularly with the funding assumptions for future years which remain unknown largely due to the fact that Local Authorities continue to work with one year only settlements. Since then, the Local Government Finance Settlement has been announced, which is again for one year only. The budget proposals therefore have regard to the Settlement and the guidance given to date.

1.4 The Council at its meeting on 17 March 2021, agreed the Let's Do It Strategy, following a period of consultation In October 2020, The Let's Do It Strategy proposes an ambitious reform agenda to improve outcomes for people in Bury through the following principles:

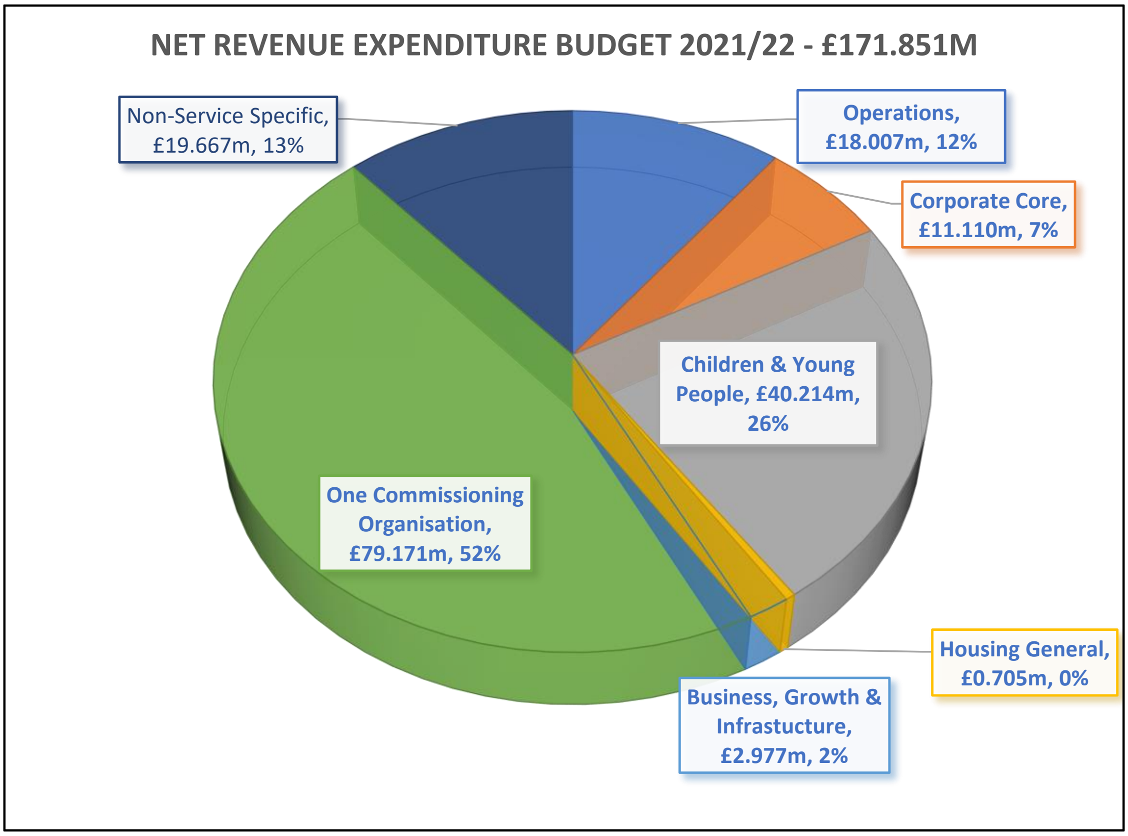
i. A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes.
ii. Harnessing the enterprise of local people and businesses to drive economic growth, and ensuring every resident has the opportunity to connect to the opportunity of this growth through their skills, networks and scope for meaningful work.
iii. A new collaborative approach to delivering together with communities, to share ownership of issues and opportunity and combine all resources.
iv. A strengths-based approach to public service delivery, to build on the resources people have to solve issues and target resources on the gaps rather than taking a deficit-based view.

1.5 Underpinning the Let's Do It Strategy is the Council's Transformation Strategy, which was agreed by the Cabinet on 21 July 2021, to deliver the following:

v. internal improvements across core key functions within the Council including digital-first customer contact and transactions; modernised estate and IT/Digital infrastructure.
vi. Workforce skills, culture and leadership capabilities to deliver the vision of the Let's Do It Strategy outcomes.
vii. Public service reform to support more integrated working practice and enhanced partnership working in order to reduce demand.

1.6 It is within this context, and underpinned by the Council's Capital Strategy, that the Council's approach to setting the 2022/23 budget has been developed. Over recent months, Cabinet has considered how the Council's budget may be reshaped and transformed to deliver the services and outcomes that the Council needs but with re-engineered costs.The outcome of this work forms the basis for the rest of the report. This is because inflation and demand are outstripping national funding increases. The Council is also looking to use all funding flexibilities at its disposal and therefore is proposing to adopt a flexible use of capital receipts strategy. A further paper on this proposal is included on the agenda.

1.7 In understanding the budget proposals, and to provide context, it is useful to understand the financial envelope within which the Council operates. The net controllable Council budget for the current financial year, 2021/22, (excluding schools) is £171.851m and the allocation of the budget across the services is set out below:



1.8 Since 2010, the Government has reduced the funding for Local Government as part of its efforts to reduce the fiscal deficit and as part of austerity measures. This has resulted in the need for significant savings over recent years.

1.9 Alongside reductions in funding, Local Authorities have had to deal with growth in demand for key services, most notably adults and children's social care, and this demand is expected to continue. Other pressures have also been faced including higher national insurance contributions, inflationary pressures on goods and services,the apprentice levy and the national living wage. The Council also has priorities that require capital investment and the revenue requirements to fund these are included in the strategy.

1.10 On 1 September 2021 Cabinet agreed to uplift the pay structure to reflect Real Living Wage values. In November 2021 the Council was formally recognised by the Real Living Wage Foundation as an accredited employer. In doing so, the Council committed to increase the funding for all its commissioned services so that its providers could also pay the Real Living Wage to their staff. Whilst this decision has financial implications it directly improves the pay of thousands of Bury residents whose earnings are amongst the lowest within the Borough.

2 FORECAST OUTTURN POSITION 2021/22

2.1 It is important that the current year's budget position is taken into consideration and that anytrends and information available are reflected on. Monitoring at the end of the third quarter, December 2021, shows that the Council is forecasting a small underspend of £1.281m. Whilst overall this is a positive position, there are a number of significant risks within the budget and still three months of the year remaining. Table 1 below provides a summary of the forecast position based on information available at the end of December 2021.

Table 1

Department	Approved Budget	Revised Budget	Forecast at 2021/22 Q3	(Under) /Over Spend
	£m	£m	£m	£m
One Commissioning Organisation	79.171	79.171	77.996	(1.175)
Children and Young People	40.214	40.061	41.831	1.770
Operations	18.007	17.983	17.883	(0.100)
Corporate Core	11.110	11.607	11.468	(0.139)
Business, Growth and Infrastructure	2.977	2.727	2.731	0.004
Housing General Fund	0.705	0.705	1.288	0.583
Non-Service Specific	19.667	19.599	17.374	(2.191)
TOTAL	**171.851**	**171.851**	**170.571**	**(1.281)**

2.2 The budget remains under regular review by the Chief Executive and the Executive Team and is reported on a quarterly basis to the Cabinet. The potential for the position to change as a result of the increasing pressures in children's and adults' services remains a risk and will continue to be managed and monitored carefully for the remainder of the year. A separate report on the Council's financial position at the end of December 2021 is on this agenda.

3 REVENUE RESOURCE REQUIREMENT AND THE LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 The Council continues to work with a one year only Local Government Finance Settlement. The anticipated 3-year funding settlement for Local Authorities and the outcome of the Fair Funding Review and Business Rates Retention Scheme have been delayed further as a result of the Covid-19 pandemic. The pandemic itself has also placed significant pressure on the Council's financial position, both now and in future financial years, and the uncertainty that all of this presents and continues to present is a key risk in the strategy overall.

3.2 Such significant uncertainty must be considered in deciding the Council Tax increaseas part of the budget setting process. Within this context, the Council needs to achieve a balance of ambition, prudence and resilience in setting its Medium Term Financial Strategy.

3.3 The Council's forecast revenue resource prior to the provisional Local Government Settlement was £167.699m, as reported to Cabinet on 13 October 2021, as part of a report on the Medium Term Financial Strategy Refresh 2022/23 – 2025/26.

3.4 The 2022/23 Local Government Finance Settlement was announced on 16 December 2021. The settlement confirmed the following amounts:

- Continuation of the Social Care grant, which can be used to support both Adults and Children's social care. The value of which is a continuation of the 2021/22 value of £0.9265m and a further £2.145m giving a total value of £3.071m.
- £0.683m of the above Social Care Grant relates to funding provided to support Social Care reforms to the way people pay for care. It is therefore proposed that this funding will be transferred to a reserve to ensure availability when the costs of implementing these reforms are known.
- Increased Better Care Fund of £0.223m
- Social Care market sustainability and fair cost of care grant of £0.551m. There has been no confirmation that this funding will be in place for future years therefore it is included as a non-recurrent source of funding in the MTFS.
- Continuation of the Lower Tier Services grant of £0.266m, again there has been no confirmation that this funding will be in place for future years therefore it is included as a non-recurrent source of funding in the MTFS.
- A one off non-recurrent services grant of £2.482m which includes an allowance for the employers increase in national insurance. The employers national insurance increase is a recurrent cost and there is therefore a risk by Government including this within the non recurrent services grant for 2022/23 that this will not be funded recurrently. Costs are circa £0.500m per annum.

3.5 The Government has also stated that it will seek to find a new consensus for broaderreforms for Local Government including the Fair Funding Review and the Business Rates Retention Scheme when the post-Covid-19 future is clearer. For planning purposes, no changes have been assumed at this stage.

3.6 The settlement is largely a 'roll over' settlement with some inflationary increases and specific increases for social care and one-off monies to reflect additional costs of the Covid-19 pandemic. The settlement has been highlighted by the Government as providing a 6.9% increase to Local Authorities. The increase in Spending Power does however include income from locally raised Council Tax, which can be raised by up to 2% without a local referendum, and the Adult Social Care Levy of up to 1%, both of which are subject to local decision making.

3.7 The Council's forecast revenue resource after the provisional Local Government Settlement announcement is **£177.483m**, an increase of £9.854m. However,

£0.683m of this increase is related to Social Care grant funding recommended for transfer to reserves (para 3.4 b) and £0.750m relates to the removal of Council Tax discount on second homes and empty properties and is included within the Council's savings proposals. The increase after these adjustments is therefore **£8.421m**.

3.8 The Council must ensure it has a robust base and is also holding sufficient reserves to mitigate against planned or unplanned expenditure and other risks. Reserves can only be spent once, and therefore a strategy that does not rely on the one–off use of reserves to support, was a key feature on which previous budgets have been based. Theimpact of the pandemic has, however, meant that reserves are needed to support some of the anticipated short term financial impacts on the Council. This is in line with the Council's strategy.

3.9 The Council's financial strategy for 2022/23 through to 2024/25 assumes that:

viii. There will be a 1.94% annual increase in Council tax for each financial year.
ix. There will be no impact of the anticipated Fair Funding and Business Rates Retention Schemes.
x. The Better Care Fund, the main element of the Improved Better Care Fund andother longstanding Government grants continue to be received at their current levels over the medium term.
xi. The new Social Care market sustainability and fair cost of care grant, the Lower Tier Services grant and the new Services grant are assumed as non-recurrent one-year only grants for 2022/23.

3.10 Table 2 sets out the base revenue funding forecasts for 2022/23 both pre and post settlement. This figure assumes a 1.94% general Council Tax increase and a 1% increase for the Social Care levy. The setting of the Council Tax precept is a decision for Full Council after taking advice from officers and information available at that time.

Table 2

Revenue Resource Forecast 2022/23		
	Pre-settlement estimate	Post-settlement update
	£m	£m
Resource funding streams		
Improved Better Care Fund	7.405	7.628
Social Care Grant	4.770	7.841
Additional Social Care grant	0.000	0.000
New Homes Bonus	0.035	0.047
Independent Living Fund	0.293	0.293
LCTS Admin Grant	0.250	0.250
Housing Benefit Admin Grant	0.512	0.517
Lower Tier Services Grant	0.000	0.266
Services Grant	0.000	2.482
Market Sustainability	0.000	0.551
Sub Total	**13.265**	**19.875**
Council Tax	94.542	96.399

Business Rates	59.821	61.209
Sub Total	**154.364**	**157.608**
Total Revenue Resource forecast	**167.629**	**177.483**
Additional revenue resource funding post settlement		**9.854**

Adjustments

Social Care reform funding recommended to be transferred to reserves (paragraph 4.4 b)		(0.683)
Removal of Council Tax 2nd home and empty properties discount shown under savings		(0.750)
Revised additional revenue resource funding post settlement		**8.421**

Council Tax and Business Rates

3.11 Incorporated in the resource forecasts is an assumption that the Council Tax increases available to the Council as part of the Local Government Finance Settlement are taken. Not only does this approach ensure the Council's financial sustainability over the medium term, it is also assumed in the Government's estimates of the funding available to Local Authorities.

3.12 Collection rates for both Council Tax and Business Rates were significantly impacted during 2020/21 and assumptions have been made for future years. The collection fund reported a deficit position as a result of Covid-19 and new accounting arrangements were approved that enabled Council's to spread the impact on the 2020/21 deficit over 3 financial years. The spread of the deficit is included in the funding assumptions. The calculation of the Council Tax base 2022/23 is set out in Appendix 1.

3.13 The 2022/23 provisional Local Government Finance Settlement announcement in December 2021 confirmed that the 100% Business Rates Retention pilot will continue in 2022/23 for the original five regions which includes the Greater Manchester area. Therefore, existing arrangements will continue with no change to these arrangements taking place for 2022/23. The Greater Manchester Combined Authority (GMCA) has produced a budget for the utilisation of the GMCA element from Districts which had previously been agreed at 50%. This is based upon existing commitments but could allow for a return to Districts of £6.5m. The value for Bury is still to be determined, subject to the final approval of the budget.

3.14 The Mayoral precept being proposed to the February Combined Authority budget setting meeting is £5 for the fire precept and £7 for Mayoral non-fire precept resulting in a £12 increase for a Band D property. The equivalent increases for Band B and C properties are £9.33 and £10.67 respectively.

3.15 Following completion of the Business Rats NNDR1 return on 31 January 2022, and review of the calculation methodology and assumptions contained, the amount of Business Rates income forecast to be received in 2022/23 is £1.388m greater than originally forecast. This amount is recommended to be transferred to a Business Rates risk reserve as the impact of the covid pandemic is still being felt and there is still uncertainty in the medium term impact with regards to Business Rates collection.

Adult Social Care Levy

3.16 In addition to taking the 1.94% increase in Council Tax income, the Council has a further option of implementing a 1% adult social care levy. This report includes the assumption that the adult social care levy will be implemented. The raising of 1% adult social care precept delivers £0.941m of increased income, which not only benefits the 2022/23 financial year, but then forms part of the recurrent tax base. The policy has changed in 2022/23, in that if the precept is not levied in the financial year in which it is applicable, there is no retrospective ability to raise it in future years.

4 DEVELOPING THE MEDIUM TERM FINANCIAL STRATEGY AND THE 2022/23BUDGET

4.1 The spending needs of the Council have been developed alongside the resource forecasting. In developing spending need, consideration has been given to ensuring the budget:

- Delivers investment in projects and programmes that will support the ambitionsand objectives set out in the Let's Do It Strategy.
- Reflects the "3Rs" planning approach to delivering the Council's emergency response whilst also maintaining focus on strategic outcomes.
- Delivers the long-term financial sustainability of services and the Council as awhole.
- Ensures financial resilience in the medium term.
- Continues to drive forward the implementation of the Council's Transformation Strategy agreed by Cabinet on 21 July 2021, toensure core services, infrastructure and resources are used flexibly and effectively to meet future challenges and deliver for residents, businesses and communities.

Permanent Spending Need

4.1 The additional permanent allocations proposed total **£17.191m** for 2022/23 and are set out in Appendix 2 to the report and are summarised in Table 3. The key areas are as follows:

Pay Inflation (£4.407m)

4.3 A pay freeze was assumed in 2021/22 based on Government announcements and its intention to freeze public sector pay. However, a pay award for 2021/22 is highly likely, therefore provision has been made for this impact, details of which are in the Quarter three monitoring report on this agenda. This is in addition to the existing assumption, as reported to Council on 24 February 2021, of 2% per annum for future years of the strategy. Furthermore, the additional cost of increased National Insurance, often referred to as the Social Care levy, has been included.

Contractual Inflation (£9.344m).

4.4 The Council has a range of contracts to which there is a contractual commitment toincrease by an inflationary amount each year.

4.5 Furthermore, the Council is accredited as being a Real Living Wage employer and is committed to paying both its own lowest paid staff, most of whom live in the Borough, at least the value of the Real Living Wage, which is higher than the National Minimum Wage and National Living Wage. This commitment extends to working with other employers in the Borough across public and private sectors to encourage them to do the same. This budget provision is to enable all of our commissioned services providers to pay their employees the real living wage.

Demand (£4.843m)

4.6 The Council is experiencing increases in demand for some services. The main areas are:

- Adult social care, including the number of people accessing services as well as anincrease in the complexity of need.
- Costs of children transitioning to adult services.

- Additional costs associated with the full municipal elections in May 2022.
- Realignment of ICT costs previously funded from Capital.
- Additional capacity within ICT and Legal Services.

Reprofiled Savings (£2.873m)

4.7 The majority of this figure relates to a reprofiling of the delivery of savings to be derived from the Transformation programme in 2022/23 to future years. This followed a refresh of the Transformation Programme which was approved by Cabinet on 15th December 2021.

4.8 The balance relates to historic procurement related savings which are considered to be undeliverable in the long-term, which has been substituted with additional income to be secured through a review of Single Person Discounts, and therefore an offsetting increase in Council Tax income.

Budget Realignment (£0.188m)

4.9 The Council has a number of funding streams available from which services are funded. A review of costs and where they are charged to has been carried out, which has established that some realignment is required.

4.10 In addition, there were four budget amendments approved by Council on 24 February 2021 totalling £1.971m, and this adjustment is the impact of these schemes and therefore this funding requirement being non-recurrent and for 2021/22 only.

Reversal of Income Losses funded last year (£4.088m)

4.11 The Covid-19 pandemic impacted significantly on the Council's income assumptions. The 2021/22 budget included funding to offset the short-term impact of these income losses. The 2022/23 income budgets have now been reintroduced in line with updated income projections.

Summary Spending Position

4.12 Bringing all of these elements together indicates that the Council has a spending need of £197.297m in 2022/23. A breakdown of this is shown in the following Table, 3.

Table 3

Summary Forecast Spending Requirement	**2022/23 £m**
Spending Requirement Brought Forward	**193.332**
Pay Inflation	4.407
Contractual Inflation	9.344
Demand	4.843
Reprofiled Savings	2.873
Budget Realignment	(0.188)
Reversal of Income losses	(4.088)
Sub Total	**17.191**
TOTAL FORECAST ONGOING SPENDING REQUIREMENT	**210.523**

5 PROPOSALS FOR BALANCING THE BUDGET

Forecast spending requirement

5.1 As can be seen in Table 3 above, there is an initial forecast spending requirement of £210.523m. However, savings and efficiencies agreed through previous year's budget setting totalling £19.739m, detailed in Appendix 3, reduce this figure to **£190.784m**. It should be noted that this figure is the total of the recurrent benefit of the 2021/22 schemes and the previously approved schemes. Where schemes have slipped, with the exception of transformation schemes which have been rephased, alternative proposals and mitigations have been put in place to ensure full delivery of the pre-approved values.

Forecast funding resource and resulting budget shortfall

5.2 Prior to the Local Government Financial Settlement, the forecast funding resource estimate was £167.629m. In addition, Council on 24 February 2021 approved the use of £14.355m of reserves as well as approving a contribution to reserves, following the amendment, agreed by Council at that meeting of £1.129m. These sources of funding total £180.855m leaving a budget shortfall of **£9.929m** prior to the settlement.

Savings proposals and updated budget shortfall

5.3 Savings options totalling £5.610m for 2022/23 have been developed and full details are set out in Appendices 4 and 5 of this report. All of the options have been subject to a corporate assurance process to ensure they are deliverable. The Council is recommended to approve these options. This brings the budget shortfall down to **£4.037m** for 2022/23.

Additional funding resource post settlement and resulting budget surplus

5.4 As detailed in Table 2, adjustments to the Council's forecast resources post-settlement for 2022/23 result in an increase of £8.421m from the pre-settlement estimate. This additional funding results in a surplus position of **(£4.385m)**.

Recommendation to additional Business Rates income to risk reserve

5.5 As detailed in paragraph 3.14 the forecast additional Business Rates income following completion of the January NNDR1 return of £1.338m is recommended to be transferred to a business rates risk reserve. This transfer reduces the surplus position to **(£2.996m)**.

Recommendation to transfer budget surplus to smoothing reserve

5.6 It is therefore recommended that an amount of **£2.996m** be transferred to reserves to be used to smooth the financial gap in 2023/24, when the financial gap is significantly higher. It is essential that this transfer to reserves is made as the Council has previously committed to the use of £14.355m of reserves in 2022/23 and this amount needs to be replenished to ensure continued financial sustainability. It will be a key requirement of the ongoing financial strategy to rebuild the Councils reserves in order to protect the Council from future risk and to rebuild resilience should the economy not recover from the pandemic in the same timeframe as currently planned within the existing financial modelling.
The eradication of the Dedicated Schools Grant historic deficit will also play a significant part in increasing the Councils resilience by not negating existing usable reserves.

5.7 Table 4 below brings together the financials of the above paragraphs.

Table 4

Forecast Financial Gap 2022/23	**2022/23**
	£m
Forecast Spending Requirement (Table 3)	210.523
Savings agreed in previous years (Appendix 3)	(19.739)
Forecast Spending Requirement after savings	**190.784**
Forecast Resources before settlement	(167.629)
Planned Use of Reserves, approved at February 2021 Council	(14.355)
February 2021 Labour Amendment - contribution to reserves	1.129
Funding Shortfall / (Surplus)	**9.929**
Fees & Charges Inflationary Income	(0.282)
Savings Proposals *	(5.610)
Funding Shortfall / (Surplus)	**4.037**
Post settlement funding adjustment, see Table 1	(8.421)
Funding Shortfall / (Surplus)	**(4.384)**
Contribution to Business Rates Risk Reserve	1.388
Funding Shortfall / (Surplus)	**(2.996)**
Contribution to Smoothing Reserve	2.996
Funding Shortfall / (Surplus)	**0.000**

* NB: £0.750m of the savings figure relates to the removal of Council Tax second home and empty property discounts and will therefore be included in the actual budget as additional Council Tax income.

Savings Proposals

5.8 A number of savings/income generation proposals have been developed for 2022/23 as summarised in the table below.

Department	**Proposal Description**	**Proposed Budget Reduction**
		2022/23
		£m
New Efficiencies Proposed		
Finance	Vacancy Factor	-1.200
Finance	Unpaid leave- budget realignment	-0.100
Corporate Core	Adult Learning	-0.050
Corporate Core	Corporate Security and Call- Out Services	-0.200
Children and Young People	Children's Personal Budgets	- 0.150
Children and Young People	Children's Short Breaks	-0.150
Children and Young People	Children's External Placements	-0.200

Children and Young People	Further Education Early retirements/pensions	-0.100
Children and Young People	Children's Early Help	-0.100
Operations	Trade waste income	-0.020
Operations	Pest control increased income and efficiencies	-0.017
Operations	Public Protection increased income	-0.020
Operations	Traded services review - caretaking and cleaning in schools	-0.084
Operations	Traded services review - schools catering	-0.100
Operations	Change provision of waste caddy liners	-0.050
Operations	Modernise utility billing	-0.050
Operations	Merge equipment stores	-0.040
Operations	Leisure and Wellness Programmes – increased efficiency	-0.212
Operations	Increase Recycling and Minimise Waste	-0.050
Operations	Review of Persona Transport Services	-0.100
Operations	Removal of vacancies, job redesign	-0.143
One Commissioning Organisation	Release half demographic growth	-0.500
One Commissioning Organisation	CCG recurrent pick up of IMC and rapid response	-1.224

A summary of the above proposals is set out below by Department, with the detailed savings proformas attached at Appendix 4.

Finance Department

5.9 It is proposed, in common with many organisations, to introduce a vacancy factor on all organisational pay budgets. These would be set at departmental level and result from slippage and delays in recruitment when a vacancy arises. A 2% vacancy factor based upon 21/22 pay budgets would be £1.600m. However, it is recognised that some essential posts need to be filled immediately and therefore an organisational vacancy factor of £1.200m is proposed.

5.10 Council at its meeting on 19 January 2022 approved the removal of Council tax discounts on empty properties to bring it in line with other GM authorities.

5.11 There are no staffing impacts associated with either of the above proposals.

Corporate Core

5.12 The Council previously adopted a scheme of officers taking unpaid leave as a savings proposal. This proposal realigns the budget with the current income and increases the income budget by a further £0.100m.

5.13 A review of staffing requirements in adult education will release savings of £0.050m.

5.14 A review and consolidation of all Council security and call out services will deliver savings of £0.200m. This review will encompass the control room at Bradley Fold, Carelink services and building portering services. The review could affect seven posts.

Children and Young People Department

5.15 A review of and audit of all children's personal budgets, which will include an annual review of assessed need in conjunction with partners such as the CCG, will result in the recovery of unspent funds. There are currently 114 personal budgets in place and this review will deliver £0.150m of savings against an annual budget of £0.870m.

5.16 A review of the short break service and its budget is proposed which seeks to maximise partner contributions, working with health to introduce the Ealing model, which is a positive behaviour support model, supporting families on the edge of care and it is anticipated to deliver savings of £0.150m.

5.17 A proposal to reduce expenditure within the external placement budget is planned, by reviewing the number of children in high-cost residential children's home placements and Independent Foster Agency (IFA) placements, where appropriate and safe to do so, with an increased focus on recruitment of Bury Foster Carers and increasing the number of children placed with approved Bury Foster Carers. This will include reviewing and transferring children already placed in short-term IFA placements into Bury foster care places, where possible. In addition, a review of the role of the Complex Care Panel and pooling budgets is proposed, to ensure that health and education contribute to high-cost placements where therapy and educational support and intervention are provided. This will deliver £0.200m of savings.

5.18 These savings can be achieved whilst still meeting the assessed needs of the children and young people in the Borough.

5.19 The Children and Young People Department holds a budget of £1.200m for the former pension liabilities of teachers within Further Education. This is a historic liability which dating back the 1990s. A review of the budget has identified that it is over provided for and an immediate saving of £0.100m can be delivered from a budget realignment.

5.20 A review of funding arrangements and efficiencies will deliver a reduction of £0.100m in Early Help with no change to the service provided. This is as a consequence of better utilisation of the grant and reviewing what baseline spend can be recovered more appropriately from specific grants.

5.21 There are no staffing impacts associated with either of the above proposals.

Operations Department

5.22 There are a number of schemes within the Operations Department that relate to minor increases in income from increased volume of rechargeable work totalling £0.057m which include:

- Trade waste services £0.020m.
- Pest control £0.017m.
- Public protection £0.020m.

5.23 There are a number of proposals to review current traded services totalling £0.184m which include:

- Caretaking and cleaning £0.084m
- School catering £0.100m

5.25 It is proposed to adjust the distribution of food waste caddy liners to one roll of 52 liners per year, rather than replacement on demand. Larger households will be targeted for extra rolls when needed. This proposal will achieve a saving of £0.050m.

5.26 A review of the current utility billing process is proposed, which will remove inefficiencies and modernise processing through an automated system, whilst consolidating energy budgets will save £0.050m.

5.27 It is proposed to consolidate the two equipment stores into a single store at Bradley Fold including a restructure to an integrated team which will deliver £0.040m in 2022/23. There are three staff that could be affected by the proposal.

5.28 The Council's Transformation Strategy underpins the budget savings in Leisure and Wellness through the introduction of technology which will deliver an improved customer service. Channel shift in areas such as bookings, consolidating several management information systems, increased membership and a review of programmes and opening hours across Leisure Centres will contribute to savings of £0.212m. There are a number of elements which make up this proposal but there are 2 posts directly affected by the channel shift work.

5.29 It is proposed to increase visibility and focus on recycling to deliver an overall reduction of 4% on the volume of waste. Moving 4% of waste from the grey bin to the co-mingled bin and moving 1% of waste from the grey bin to the bio waste bin, would combine to see a saving of £0.255m, whilst increasing recycling and reducing waste going to landfill.

5.30 Efficiencies in how we deliver the Persona travel to include vehicles and routes and fuel of £0.100m have also been identified.

5.31 It is proposed to delete a small number of vacant posts, job redesign and charging posts to capital schemes which will generate £0.143m.

One Commissioning Organisation

5.31 The budget for 2022/23 currently includes £1.000m for demographic growth. In addition, a further £0.524m is included for those individuals who transition from children's to adults' services. Therefore, based upon funding already included for children transitioning to adult services, inflationary budget increases and current numbers, it has been determined the demographic growth can be reduced by £0.500m and that £0.500m is sufficient to meet the needs of the service. The service is also looking to expand its use of assistive technology, the shared lives service and various housing schemes for those with complex needs in order to better meet residents needs in the Borough.

5.32 As part of transformation and the Better Care Fund, the Clinical Commissioning Group (CCG) fund a number of adult social care services and make a contribution to the protection of social care. There is a commitment from the CCG via the Better Care Fund to fund the balance of the Intermediate Care and Rapid Response Teams in recognition of the impact the withdrawal or reduction of these services would have on primary, community and acute pathways within health.

5.33 There are no staffing impacts associated with either of the above proposals.

Workforce Implications

5.34 A central part of the Council's Transformation Strategy is focused on developing the capability, capacity and culture of the workforce to drive delivery of the Corporate Plan and the Council's leadership of the Let's Do It strategy. – This will require a significant change to ways of working across the Council and will be a key focus for the organisation during 2022/23.

The specific workforce implications of the savings proposals set out above are included within the detail of each departments' proposals. The intention will be to avoid the loss of jobs wherever possible and the Council is committed to working in partnership with the recognised Trade Unions and delivering any and all workforce changes in accordance with the agreed approach to consultation and engagement.

Wherever possible, workforce savings have been put forward which make savings by agreement, e.g. voluntary unpaid leave, as well as through the productive management of attrition via the application of a vacancy factor which reduces costs. Design work to date has identified a direct impact of the proposals set out above of around 10 posts. It should be noted, however, that this number may grow as detailed design work continues and is in addition to the potential workforce implications of the Transformation Strategy savings already agreed.

The 2023/24 budget will likely have a more significant workforce impact and it will be essential that work on this commences early to fully engage staff in the process.

Fees and Charges and Other Income

5.35 The budget assumes 5% inflationary increases in a number of the Council's fees and charges. This equates to £0.282m

5.36 The Council, like all other GM Authorities, has an investment in the Manchester Airport Group. The budget for the income has been reintroduced, as the interest is contractually due. However, the dividend is not forecast to be received within this financial strategy until 2025/26. This will be kept under regular review and updates will be provided to the Cabinet as more information becomes available.

Cash Limits

5.37 The proposed cash limits for each Department are set out at Appendix 5.

6 RESERVES

6.1 As reported in the 2021/22 budget report considered by Council on 24 February 2021, the Covid-19 pandemic and the short-term impact on income, means that the Council is proposing to use some of the earmarked and general reserves to manage the financial position in 2022/23. Following the recommendation to use the balance of the spending review monies as a smoothing reserve the nett value is now £11.338m, rather than the original value of £14.355m. It should be noted that this proposed approach creates a significant dependency on reserves and regular monitoring and mitigating actions will be needed should there be any other emerging issues or risks that need to be managed.

7 ROBUSTNESS OF THE BUDGET AND THE ADEQUACY OF RESERVES

7.1 Section 25 of the Local Government Act 2003 requires that, in giving consideration tobudget proposals, Members must have regard to the advice of the Council's Executive Director of Finance, on the robustness of the estimates and the adequacy of the Council'sreserves.

7.2 The basis on which the budget has been prepared, as in previous years, relies on theforecast of activity and the impact of changes in policy previously agreed by the Council. These forecasts are kept under review as part of the budget monitoring process and actions identified to address financial risks arising from the changes in the forecast as they occur.

7.3 The Council holds reserves for a number of reasons:

- To enable the Council to manage variations in the demand for services whichcause in year budget pressures.
- To fund specific projects or identified demands in the budget.
- To enable the Council to deal with unexpected events such as flooding ordestruction of a major asset.

7.4 Setting an appropriate level of reserves is a matter of judgement taking into account:

- The level of risk evident within the budget as set out above.
- A judgement on the effectiveness of budgetary control within the organisation.
- The degree to which funds have already been set aside for specific purposeswhich will reduce the need for general reserves.

7.5 Based on the budget proposals set out in this report and taking account of the currentforecast out turn position, the Council will see a reduction in its general reserves froma projected £24.430m at the end of 2021/22 to £16.955m at the end of 2022/23. Fiscal and risk management reserves will also reduce from a projected £31.870m at the end of 2021/22 to £30.504m at the end of 2022/23. In 2019/20 the Council undertook a review of the balance within its collection fund, which allowed for a transfer to general reserves of £15.8m. This substantially increased the Council's reserves and has proved invaluable in supporting the Council's financial position during the pandemic and in future years while the economy is recovering from the pandemic.

7.6 The robustness and resilience of reserves is key and will be monitored on an ongoing basis.

7.7 As part of the budget setting process, the Executive Director of Finance who is also the Council's Section151 statutory officer is requiredto assess the adequacy of the Council's reserves in light of risks both known and unknown at that time. If it is the Executive Director of Finance's opinion that reserves are not adequate, and are below an adequate level to reflect the risks, and therefore the setting of a balanced budget was at risk, then further statutory responsibilities under Section 114 of the Local Government Finance Act exist. A formal report to Council would have to be issued. Based upon the current position, the position on reserves is sufficient. However, this is reliant upon tight budgetary control and the continuous monitoring of all budgets and awareness of risks which may impact upon the Councils financial position. Both the Executive team and the Cabinet receive regular reports throughout the year and should the position change which means there is a requirement to consider a S114 notice a report will be issued to the Cabinet and the Council.

7.8 A forecast of reserves has been carried out and is set out in Table 6 below.

Table 6

Forecast Position on Reserves	Closing 31/04/21	Closing 31/03/22	Closing 31/03/23	Closing 31/03/24
General Reserves	30.881	24.430	16.955	16.955
Corporate Reserves	8.832	13.497	13.497	13.497
Transformation Reserve	5.196	3.646	2.196	2.196
Departmental Reserves	3.512	3.512	3.512	3.512
Fiscal and Risk Management Reserves	37.096	31.870	30.504	30.504
External/Grant Funded Reserves	39.787	0.000	0.683	0.000
Capital Reserves	3.306	3.306	3.306	3.306
Total	**128.610**	**80.261**	**70.653**	**69.970**

Dedicated Schools Grant Reserves	Closing 31/04/21	Closing 31/03/22	Closing 31/03/23	Closing 31/03/24
DSG Reserve - School Balances	8.846	8.846	8.846	8.846
DSG Reserve - High Needs	(21.407)	(22.172)	(15.942)	(9.708)
Total DSG Reserves	**(12.561)**	**(13.326)**	**(7.096)**	**(0.862)**

7.9 The closing balance at 31/03/2022 includes the assumptions that; at Quarter 3 Cabinet approve the establishment of a £3m children and young people's reserve to support the funding requirements identified as a consequence of the actions required following the OFSTED report and a £1m reserve for the balance required to meet the employers pay award offer of 1.75%; and that these amounts are not required before financial year end.

7.10 With regards to the Dedicated Schools Grant there are two elements.

- Schools' balances which consist of the year end balances held by individual schools.
- High Needs, this relates to the forecast deficit on the High Needs element of the DSG and Bury Council are working as part of Project Safety Valve to remove the deficit by the end of the 2024/25 financial

year. The forecast figures included in the above table relate to the latest Department for Education advice in January 2022.

7.11 The overall forecast position shows that the Council should have sufficient financial resilience in the short term. There are however a number of key risks that should they crystallise in any of the financial years would likely create further pressure on the reserves position. It is therefore ever more important that reserves now become a permanent feature of the monitoring reports to Cabinet on a quarterly basis. Table 7 below sets out the scale of a small variance in the assumptions made, showing the potential of both a positive and negative movement of 1% across the main areas within the MTFS.

Table 7

Financial Risk in the MTFS	
	Potential Full Year Impact £m
Pay (1%)	0.851
Price inflation (1%)	1.500
Council Tax Collection Rate	1.014
Business Rates Collection Rate	0.505

7.12 Other key risks that will need to be factored and reflected in the ongoing monitoring throughout the year include:

- The economic uncertainty resulting from Covid-19. The impact of the pandemic is already emerging through increased demand and loss of income but the wider economic impact on the ability of businesses to survive and/or pay business rates will be a key factor.
- The future of grants, particularly those in relation to social care, is unknown. Social Care grants, including the Improved Better Care Fund, equate to £15.469m in 2022/23. A 1% change in these is £1.547m;
- Pay awards have not yet been finalised. The pay bill is driven by the national pay agreement and changes above that assumed in the MTFS will need to be managed as a risk in year.
- The lack of a long-term national strategy to fund the increasing costs of social care is a significant risk. The ability for Councils to continue to try and manage demand within their existing budgets is not sustainable and is placing increasing risk on Councils.
- The deficit on the High Needs Dedicated Schools Grant that is currently forecast to be £22m by the end of the 2021/22 financial year. The Council continues to work with the Department for Education on a recovery plan as part of the Safety Valve project.

7.13 Budgetary control processes are in place to manage in year expenditure. Effectiveness of budgetary control is a combination of systems and processes, as well as the risk environment within which the Council is operating. It therefore remains an essential requirement that the Council continues to ensure that processes are effective in maintaining a grip on in year expenditure and also that there is a clear focus on delivering a balanced and sustainable budget.

8 FINANCIAL FRAMEWORK

8.1 The Council has previously adopted four ‘Golden Rules’ as part of its long-term approach to financial management and overall financial framework. These ‘Golden Rules’ are as follows:

- The level of General Fund balances retained by the Council to meet unexpected changes in the budget or to fund events that cannot be foreseen will be based on an assessment of the risks faced by the Council.
- Use of one-off options to support the on-going revenue budget must be in theshort term only and supported by a robust strategy to address underlying pressures in the Council's cost base.
- Prudential borrowing can be undertaken to support capital spending relating toregeneration/growth initiatives and commercialisation/transformation of Councilservices. All proposals to be subject to robust business cases assessing prudence, sustainability and affordability.
- Pressures and savings will be assessed on a 3 year, rather than a one year basisthrough a revised medium term financial strategy.

These rules continue to be met within this financial strategy.

Capital Strategy

8.2 The Capital Strategy is prepared in accordance with the latest Chartered Institute ofPublic Finance and Accountancy (CIPFA) Prudential and Treasury Management Codes of Practice. The strategy provides a framework within which the Council's capital investment plans will be delivered. These plans are driven by the Council's objectives and are linked to the development of the Bury 2030 strategy.

8.3 The proposed Capital Strategy and programme 2022/23 – 2024/25 also takes the essential elements of previous year's strategies and programmes and moves them forward to the forthcoming year. Capital spending is a key determinant of future revenue commitments, and the capital programme and revenue budget are interlinked and have been developed as integrated strategies.

8.4 The ability for the Council to deliver its ambitions relating to capital will to some extent be affected by the Council's ability to afford the borrowing costs associated with this. The Council does have an ambitious regeneration programme which has benefitted from the two successful levelling up bids in Bury and Radcliffe. However, the regeneration is spread across the borough with further schemes in the Town Centre and Prestwich. A closer alignment of the revenue and capital budget is currently being developed and it is anticipated that the financial strategy in future years will be a fully integrated one that includes revenue, capital and growth and investment strategies. The co-dependency and inter dependencies of the strategies is becoming more evident as the Council set out its longer-term plan and ambitions in both the Bury 2030 Strategy and the Corporate Plan.

8.5 The Secretary of State for Housing, Communities and Local Government, issued guidance with regards to the financial years beginning 1st April 2016 to 1st April 2021 that allowed Local Authorities dispensation to use capital receipts to support revenue transformation projects and expenditure that would deliver long term and future savings. This guidance has since been extended for a further 3 years and is now available for financial years that begin 1st April 2022, 2023 and 2024.

8.6 The guidance sets out examples of qualifying expenditure which includes "funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation" and it is for this purpose that the Council is proposing to use Capital Receipts in 2022/23.

8.7 However, in order to utilise this dispensation, the authority must approve in advance of the financial year a strategy stating that it intends to do so and what those capital receipts will be used for. To that end a report titled “The Flexible use of Capital Receipts Strategy 2022/23” is also on this agenda.

Treasury Management Strategy

8.8 The Treasury Management Strategy is prepared in accordance with the CIPFA Prudential and Treasury Management Codes of Practice. The strategy sets out the Council’s approach to managing investments, cash flows, money market and capital market transactions. The strategy provides a framework for the effective control of risks associated with these activities.

8.9 The Treasury Management Strategy for 2022/23 reflects the Council’s capital expenditure plans as set out in the capital strategy. The strategy also sets out the position in relation to the prudential indicators arising from the Council’s capital expenditure plans. As well as borrowing and investment strategies, the Treasury Management strategy also covers the current treasury position, economic outlook and interest rates forecasts, risk and creditworthiness. Finally, the strategy also includes the Council’s policy on borrowing in advance of need and the Minimum Revenue Provision (MRP) policy statement. No changes to the MRP policy or the treasury management strategy are proposed.

Housing Revenue Account

8.10 A separate Housing Revenue Account report has been prepared for presentation to Cabinet and is set out as a separate report on this agenda. This report sets out the recommended dwelling and non-dwelling rents and service charge increase to be applied from April 2022. The report is a key element of the Council’s overall Medium Term Financial Strategy.

Dedicated Schools Grant

8.11 A separate report on the Dedicated Schools Grant (DSG) is set out elsewhere on this agenda. This report sets the schools budget for 2022/23 and also the hourly rates for the early years education. The report also sets out the position the DSG deficit relating to high needs and information on the recovery plan and the Department for Education’s Safety Valve Project, which the Council is currently part of.

Local Taxation and Benefits Discretionary Policies

8.12 Annually the Council reviews and updates policies covering discretionary Council Tax discounts, discretionary Business Rates Relief, local welfare provision and discretionary housing payments. These policies provide support to local businesses and some of the poorest and most vulnerable residents within the Borough. These policies operate within a legislative framework determined by various Local Government Acts of Parliament. During 2020/21, the welfare policies were updated and criteria expanded to reflect new and emerging groups of residents within the Borough in need of welfare support.

Counter Fraud and Corruption

8.13 The Council has a series of refreshed policies and procedures to support the provision of an appropriate counter fraud service to minimise fraud and to investigate potential fraud and corruption. The Accounts and Audit Regulations 2015 state that the Council must have measures in place ‘to enable the prevention and detection of inaccuracies and fraud’. In this context fraud also refers to cases of bribery and corruption. The budget proposals contained in this report rely on effective processes for mitigating the risk of financial loss from fraud, bribery and corruption. Fraud measures required to meet the requirements of DLUHC for the business grants that have been provided to support businesses affected by the pandemic have been complied with and the Council is continuing to be part of the national groups and datasharing arrangements.

CIPFA Financial Management Code

8.14 CIPFA's Financial Management Code was published in October 2019 with an effective date of 1 April 2021. The objectives of the code are 'to support good practice in financial management and to assist Local Authorities in demonstrating their financial sustainability'. The code is based upon a series of principles which will be supported by specific standards of practice which CIPFA consider necessary for a strong foundation. The foundation being the ability to:

- Financially manage the short, medium and long-term finances of a Local Authority
- Manage financial resilience to meet foreseen demands on services
- Financially manage unexpected shocks in their financial circumstances

9 OTHER RISKS/OPPORTUNITIES

NHS System Funding

9.1 Funding of the local NHS system is changing and the financial regime and framework which will operate within Greater Manchester is yet to be finalised. There is the potential for this to impact on the Council's budget particularly reflecting the relationship with the pooled fund and integrated care and commissioning. In recognition of the co-dependency of outcomes from NHS spend in the borough with Council spend, and the alignment of strategic vision. Work is ongoing to understand the 2022/23 financial allocation to the locality and the financial regime in the NHS, and the opportunity to jointly invest and benefit from system wide health and care transformation will continue to be pursued.

Traded Services

9.2 There are a number of traded services across the Council that are failing to meet their income targets largely due to reduced demand, some of which relate to the academisation of schools. A review of traded services and options for financial sustainability will be brought forward during the year. No increase to income budgets have been assumed and any proposed increases in fees and charges will help to reduce the income shortfall. Any under recovery of income in the current financial year will be managed as a risk.

10 CONSULTATION

10.1 The Council commenced a budget conversation with residents in November 2021. At this time the only savings proposal which required consultation was the removal of Council tax discounts on empty properties.

10.2 As described in "workforce implications" further consultation with the Trades Unions on the detail of options that have a potential impact on staffing will be followed in accordance with Council procedures.

Community impact / Contribution to the Let's Do It Strategy

The strategic imperatives of the Let's do it! Strategy, to prevent demand and deliver early intervention to reduce the costs, will be essential to the Council's ability to maintain a balanced budget.

This budget provides the resources to maintain the Council's strategic leadership of the Let's do it! Strategy, including the specific delivery priorities for 2022/23 which are described in the Council and CCG Corporate Plan, also on this agenda.

Equality Impact and considerations:

In considering the budget for 2020/21 the Council must also consider its ongoing duties under the Equality Act 2010 to have due regard to the need to eliminate discrimination and advance equality of opportunity between all irrespective of whether they fall into a protected category such as race, gender, religion, etc. Having due regard to these duties does not mean that the Council has an absolute obligation to eliminate discrimination but that it must consider how its decisions will contribute towards meeting the duties in the light of all other relevant circumstances such as economic and practical considerations.

Beyond the Council's legal obligations, the Authority has made a strategic commitment to inclusion as a key priority through both the Let's Do It Strategy and joint Inclusion Strategy with the CCG. Inclusive growth is at the heart of the Council's focus on Renewal (Building Back better).

The Council's commitment to inclusion extends beyond the nine legally protected characteristics and also encompass carers, Looked After Children and care leavers, military veterans and reservists and the socio-economically disadvantaged.

The Council will make use of its use its Equality Assessment framework to undertake full and thorough analysis of all budget proposals which may impact service models or delivery to residents in advance of their progression. Workforce changes will take place within the Council's established framework for change and employment policies which have been developed with equality and inclusion considerations at their core.

At this stage, no negative equality impacts have been identified in relation to the proposals included within this report. The following proposals will however be subject to further Equality Analysis prior to their implementation:

- Corporate Core – Adult Learning review
- Corporate Core – Corporate Security and Call Out Services
- Children & Young People – Short Breaks
- Children & Young People – External Placements
- Operations - Traded services review - caretaking and cleaning in schools
- Operations - Traded services review - schools catering
- Operations - Merge equipment stores

- Operations - Leisure and Wellness Programmes – increased efficiency
- Operations - Review of Persona Transport Services
- Operations – Commercial Services Restructure

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The Council has a statutory duty to set a legal budget for the following financial year. This report sets out an approach that enables this to be achieved within the required timescales.	The report sets out an approach for setting the 2022/23 budget taking into account all known factors and includes anassessment of risk.
Financial considerations are not reflected in decision making.	The financial outlook for the Council provides a financial framework which will support effective decision making.

Consultation:

Role of Overview and Scrutiny Committee in budget process

Under the Council's Constitution, the Overview and Scrutiny Committee is required to adviseand consider the cabinet's budget and Council tax proposals and report to cabinet on the outcome of its deliberations before the matter is referred to Council.

In considering the budget proposals, the Committee can challenge how the budget has beenconstructed. It may wish to probe the assumptions that lie behind the budget strategy, i.e. is the approach incremental or is it starting from a base budget, what are the main savings proposals, how will any growth be funded, are the financial implications of proposals from departments or Committees built into the overall budget and has an appropriate level of reserves been set. This scrutiny needs to build on the work of the Committee over the previous year in its budget monitoring activity and the work it will have done in evaluating performance and value for money. The Committee will also need to maintain a 'big picture' view of the financial pressures affecting the Council and understand how these might impacton existing budgets and budget setting in subsequent years.

Consultation

Some of the proposed savings will be subject to separate decision making processes (eitherby Officers, Cabinet or Council). Some of the proposed savings require a consultation process to be undertaken and the product of consultation (together with the equality analysis) must be conscientiously considered in finalising any decisions.

Members will note that the Council has engaged in a public conservation as part of the 2022/23 budget process as set out earlier at paragraph 11 of the report under the heading"Consultation ". In considering this matter, Members must genuinely and conscientiously consider the feedback from this and have proper regard to it when making any decision inrelation to the subject matter of that consultation.

Employee and Trade Union Consultation

The report recognises that notwithstanding efforts to reduce impacts on staff resulting fromthe level of funding cuts imposed, there may be staff reductions during the financial year 2022/24. The Council will consult with Trade Unions about the 2022/23 budget proposals and the likely impact on staff, if posts become at risk of redundancy.

Legal Implications:

The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. The budget must be fixed by 11 March. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the calculation of the council tax requirement and it must be sufficient to meet the Council's legal and financial commitments in order to ensure the proper discharge of its statutory duties and lead to a balanced budget. In setting the budget the Council has a duty to ensure that it continues to meet its statutory duties.

The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Executive Director of Finance (s.151 officer) as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The Council has a statutory duty to have regard to the Executive Director of Finance's report when making decisions about the calculations.

Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor the financial position must be closely monitored and in particular, members must satisfy themselves that sufficient mechanisms are in place to ensure the delivery of savings as well as to ensure that any new expenditure is contained within the available resources. Under s144 of the Local Government Finance Act 2003 where it appears to the Executive Director that expenditure will exceed the resources available to it the Officer has a duty to report this to the Council.

Further legal advice will be sought for specific proposals during the implementation phase which may need a specific consultation process. The consultation process, including the Council's consideration of the responses, is required to comply with the following overarching obligations (unless detailed statutory rules supplant these):

1. Consultation must be at a time when proposals are at a formative stage.
2. The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
3. Consulters must give sufficient time for responses to be made and considered.
4. Responses must be conscientiously taken into account in finalising the decision. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably. The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.

There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision. The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to:

1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010,
2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded.

The duty applies both to Council when setting the budget and to Cabinet when considering particular decisions.

The Local Government Act 2003 establishes a system to regulate the capital expenditure and borrowing of the Council. The heart of the prudential borrowing system is the duty imposed upon authorities to determine and keep under review how much money they can afford to borrow. The Local Authorities (Capital Financing and Accounting) Regulations 2003(as amended) specify the prudential code for capital finance to which the Council must have regard in setting and reviewing their affordable borrowing limits (sections 3 and 5 of the 2003 Act).

The Localism Act 2011 provides for a Council tax referendum to be held if an authority increases its relevant basic amount of Council tax in excess of principles determined by the Secretary of State. The Local Government Finance Settlement for 2022/23 published in December 2021, announced that a referendum must be held if Council tax for general spendis to be increased by 2% or more. Council tax for general spending requires a referendum if it rises by 2% or more alongside a maximum 1% adult social care precept.

The Local Government & Housing Act 1989 Part VI sets a statutory regime for housing finance. The Council has a general duty to review the rents of its houses from time to time and in fixing rents the Council must have regard to the principle that the rents of dwellings of any class or description should bear broadly the same proportion to private sector market rents as the rents of dwellings of any other class or description.

The review of the rents is a Cabinet function and is undertaken with due regard to the provisions of Part VI of the 1989 Act which governs housing finance and housing subsidy. Rents for Council houses are a credit to the housing revenue account and outgoings a debit. The Council is under a duty to prevent a debit balance on the housing revenue account which is ring-fenced. There are restrictions in the way in which the account can be operated. Members are referred to the separate Housing Revenue Account report, this report must comply with these accounting requirements. All proposal should comply with its duty to prevent a debit balance arising on the Housing Revenue Account.

Each proposal to make or increase charges must comply with the statutory framework (including primary and secondary legislation and any statutory guidance issued) relating to the activity in respect of which charges are being levied, including any limitations on levels ofcharges.

Where reliance is placed on the power to charge for discretionary services (Section 93 of the Local Government Act 2003), any charges must be set so that when the charges are taken as a whole no surpluses are made (i.e. the power is limited to cost recovery).

In relation to certain activities which are subject to authorisation by the Council (e.g. licences), the Provision of Services Regulations 2009 prevent the recovery of charges in excess of the cost of the procedures and formalities under the scheme of authorisation, (i.e. the Council is permitted to recover costs only), and such costs must also be reasonable and proportionate.

Where activities are being undertaken for which charges are being made with the intention of producing surplus income, it is necessary to consider whether that activity is material and would amount to "commercial trading". For commercial trading, the Council must develop a business case and establish an arms' length company to undertake that activity (in accordance with the general trading power under Section 95 Local Government Act 2003) or identify another statutory power for a particular trading activity.

In accordance with s 33(2) of the Localism Act 2011 the Monitoring Officer intends to grant dispensations to all members to allow members to participate in and vote on the setting of the Council Tax or a precept (and matters directly related to such decisions including the budget calculations).

Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to members where -

(a) they are present at a meeting of the Council, the Executive or a Committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and

(b) any budget or council tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter. It should be noted that such members are not debarred from speaking on these matters. Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

Financial Implications:

The financial implications are included within the report.

Report Author and Contact Details:

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Background papers:

List of Appendices

Appendix 1 – Calculation of the Council Tax Base
Appendix 2 – Spending allocations
Appendix 3 - Existing savings previously agreed
Appendix 4 – Savings proposals for 2022/23
Appendix 5 – Departmental Cash Limits

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CCG	Clinical Commissioning Group
CIPFA	Chartered Institute of Public Finance and Accountancy
DfE	Department for Education
DLUHC	Department for Levelling Up, Housing and Communities
DSG	Dedicated Schools Grant
EDI	Electronic Data Interchange
HRA	Housing Revenue Account
ICES	Integrated Community Equipment Services
ICT	Information Communication Technology
IFA	Independent Fostering Agency
GM	Greater Manchester
LCTS	Local Council Tax Support
MBC	Metropolitan Borough Council
MTFS	Medium Term Financial Strategy
NHS	National Health Service
OCO	One Commissioning Organisation
OFSTED	Office for Standards in Education

Appendix 1

Calculation of Council Tax Base 2022/23 (Based on all properties)

Bands	A Reduced	A	B	C	D	E	F	G	H	TOTAL
Total Number of Dwellings on the valuation list	0	30,412	18,602	17,318	9,218	5,553	1,868	1,286	186	84,443
Total Number of Exempt and Disabled Relief dwellings on the Valuation List	59	13	21	-28	-13	-32	12	-13	-19	0
Less: estimated discounts, exemptions and disabled relief	3	4,521	1,862	1,384	622	267	96	56	-4	8,808
Total Equivalent number of dwellings after discounts, exemptions and disabled relief	56	25,904	16,761	15,905	8,583	5,254	1,784	1,217	171	75,635
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	0.00
Band D equivalent	31	17,270	13,036	14,138	8,583	6,421	2,576	2,028	341	64,426
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments	8	4,095	1,291	710	252	110	36	14	0	6,516
Additional Net Dwellings in 2022/23 based on known regeneration with the Borough and reductions in levels of discounts and exemptions										322
Total after LCTSS and Other Adjustments	2	13,174	11,745	13,429	8,336	6,311	2,540	2,014	341	58,232
Multiplied by estimated collection rate	0.955	0.955	0.955	0.955	0.955	0.955	0.955	0.955	0.955	0.955
BAND D EQUIVALENTS	**22**	**12,581**	**11,217**	**12,824**	**7,957**	**6,027**	**2,426**	**1,923**	**326**	**55,611**

Band D Equivalent assuming 1.94% increase	£1,724.49
Total Tax Yield £'000	£95,901.23
Band D Equivalent assuming 1% Adult Social Care Precept	£1,741.41
Tax Yield including ASC Precept £'000	**£96,842**

Note A Reduced are band A properties that have disabled adaptations

Proposed Permanent Spending Allocations to Budget 2022/23		
Department	**Description**	**2022/23**
Pay Inflation		
All	Pay Inflation	3.878
All	National Insurance Increase (Health & Social Care levy)	0.530
TOTAL		**4.407**
Contractual Inflation		
Corporate	Utilities	0.580
Corporate	Rent/Rates	0.040
Corporate	ICT Contracts	0.025
Children and Young People	Residential Care	0.261
Children and Young People	Living Wage	0.817
Children and Young People	Fostering and Leaving Care inflation	0.540
Children and Young People	Support Packages and Direct Payments	0.097
Children and Young People	Premature Retirement Costs	0.012
Children and Young People	Provider National Insurance Increase (Health & Social Care levy)	0.097
Operations	Living Wage	0.057
One Commissioning Organisation	Community Care and Other Contracts	1.144
One Commissioning Organisation	Persona Contract	0.225
One Commissioning Organisation	Other contractual inflation	0.395
One Commissioning Organisation	Living Wage	4.370
One Commissioning Organisation	Provider National Insurance Increase (Health & Social Care levy)	0.675
Non Service Specific	GM Waste Levy charge	0.009
TOTAL		**9.344**

Proposed Permanent Spending Allocations to Budget 2022/23		
Department	**Description**	**2022/23**
		£m
Demand		
Finance – Revenues and Benefits	Debt Collection Costs	0.050
Corporate Core	ICT Capital/Reserves Fall out	1.794
Corporate Core	Municipal Election 2022 costs	0.235
Corporate Core	Legal capacity requirements	0.350
Corporate Core	ICT capacity requirement	0.890
One Commissioning Organisation	Adults Demographics	1.000
One Commissioning Organisation	Transition from Children's Services	0.524
TOTAL		**4.843**

Proposed Permanent Spending Allocations to Budget 2022/23		
Department	**Description**	**2022/23**
		£m
Reprofiled Savings		
Non-Service Specific	Procurement/Discretionary spend savings - all services *	0.950
Non-Service Specific	Transformation Savings reprofiling per Dec 21 Cabinet report	1.963
One Commissioning Organisation	Packages of Care (overachivement)	-0.040
TOTAL		**2.873**

* £0.650m of the reprofiled procurement/discretionary spend saving has been substituted with increased Council Tax income relating to the review of Single Person Discounts

Proposed Permanent Spending Allocations to Budget 2022/23		
Department	**Description**	**2022/23**
		£m
Budget Re-Alignment		
Housing General Fund	Housing Subsidy budget/bad debt re-alignment	0.583
Corporate Core	Reversal of one-off funding	-0.740
Children and Young People	Reversal of one-off funding	-0.577
Business Growth & Infrastructure	Reversal of one-off funding	-0.060
Operations	Reversal of one-off funding	-0.594
Non-Service Specific	Borrowing Requirement to fund the capital programme approved Feb 2021	1.000
Non-Service Specific	Removal of Persona dividend income budget	0.200
TOTAL		**-0.188**
Income Losses		
Non-Service Specific	Airport Loan Interest - reinstatement of income budget	-3.549
Operations	Income Loss - partial reinstatement of income budget	-0.539
TOTAL		**-4.088**
GRAND TOTAL		**17.191**

Appendix 3 – Existing Savings previously agreed

Department	Proposal Description	Proposed Budget Reduction 2021/22	2022/23	Previously Agreed budget savings	EIA Required	Consultation Required
		£m	£m	£m		
Full Year Effect of Previously Agreed Efficiencies						
Children and Young People	**Early Help Model** Co-ordinated and streamlined management of buildings and increase in usage of the facilities.	-0.034	0.000	**-0.034**	Yes	Yes
Operations	**Procurement Review of Contracts** Review of supplier contracts across the service.	-0.083	0.000	**-0.083**	No	No
All Services	**Supplier Review of Contracts** Review of supplier contracts across the council	-0.300	-0.265	**-0.565**	No	No
Operations	Review of Highway Fees	-0.050	-0.070	**-0.120**	Yes	No
Sub total Efficiencies approved February 2020		**-0.467**	**-0.335**	**-0.802**		
Children and Young People	Removal of budget for vacant posts and reduced travel and expense costs.	-0.696	0.309	**-0.387**	No	No
Children and Young People	Contract Reviews for services provided by external agencies	-0.220	-0.100	**-0.320**	No	No
Children and Young People	Reduced transport costs as a result of fewer out of borough placements.	-0.300	-0.120	**-0.420**	No	No
Public Health	Reduced cost of external contract relating to substance misuse services	-0.040	0.000	**-0.040**	No	No
Corporate	Reduce budget for contributions to the pension fund	-0.075	0.000	**-0.075**	No	No

Department	Proposal Description	Proposed Budget Reduction			EIA Required	Consultation Required
		2021/22	2022/23	Previously Agreed budget savings		
		£m	£m	£m		
Corporate	Reduce central Apprentice Levy to reflect previously agreed internal funding mechanism	-0.239	0.000	**-0.239**	No	No
Corporate	Reduce central Apprenticeship Corporate budget to reflect previously agreed internal funding mechanism	-0.530	0.000	**-0.530**	No	No
Corporate	Reduce Corporate Management Initiatives budget in line with expenditure	-0.200	0.000	**-0.200**	No	No
Corporate	Reduce Bury MBC Townside Fields budget in line with expenditure	-0.058	0.000	**-0.058**	No	No
Corporate	Reduce Car Leases Salary Sacrifice scheme in line with expenditure	-0.025	0.000	**-0.025**	No	No
Operations	Remove vehicle and equipment leasing costs to reflect approved borrowing through the capital programme	-0.170	-0.300	**-0.470**	No	No
Business, Growth and Infrastructure	Assumed growth in the Council Tax base as a result of the investment in regeneration and housing	0.000	0.000	**0.000**	No	No
All	Transformation Agenda	-1.500	-3.500	**-5.000**	Yes*	Yes*
One Commissioning Organisation (MTFS001)	Innovative Commissioning	-1.050	-1.750	**-2.800**	Yes	Yes
One Commissioning Organisation (MTFS002)	Personalisation and Transformation	0.000	-1.000	**-1.000**	No	Yes

Department	Proposal Description	Proposed Budget Reduction			EIA Required	Consultation Required
		2021/22	2022/23	Previously Agreed budget savings		
		£m	£m	£m		
One Commissioning Organisation (MTFS003)	Development of Assistive Technology	0.000	-0.500	**-0.500**	Yes	Yes
One Commissioning Organisation (MTFS004)	Improved Housing Options	0.000	-0.050	**-0.050**	No	Yes
One Commissioning Organisation (MTFS005)	Effective and Efficient Commissioning	-1.487	-1.780	**-3.267**	No	Yes
One Commissioning Organisation (MTFS006)	Review of Care Packages	-0.797	-2.055	**-2.852**	No	Yes
Operations (MTFS007)	Closure of Civic Centres	-0.132	0.000	**-0.132**	Yes	No
Operations (MTFS008)	Review of Waste Services and Fleet Rationalisation	-0.237	-0.025	**-0.262**	No	No
Operations (MTFS009)	Street Light Dimming	-0.020	-0.010	**-0.030**	Yes	No
Finance (MTFS010)	Closure of Prestwich Cash Office	-0.030	0.000	**-0.030**	No	Yes
Corporate Core (MTFS011)	Housing	-0.250	0.000	**-0.250**	No	Yes
Sub total Efficiencies approved February 2021		**-8.056**	**-10.881**	**-18.937**		
Total of Efficiencies & Budget reductions agreed February 2021		**-8.523**	**-11.216**	**-19.739**		

Appendix 4 – Savings Proposals 2022/23 - to follow

Departmental Cash Limits 2022/23 (reconciliation of 2021/22 Budget and starting point for 2022/23)								
	Children & Young People	One Commissioning Organisation	Corporate Core	Business Growth & Infrastructure	Operations	Non-Service Specific	Housing General Fund	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Spending Requirement in February 2021 report	46.564	84.828	14.580	3.593	18.688	21.296	0.553	190.102
Approved Amendment adjustment to Spending Requirement	0.646	1.052	0.878	0.060	0.594			3.230
Sub-total	**47.210**	**85.880**	**15.458**	**3.653**	**19.282**	**21.296**	**0.553**	**193.332**
Savings approved in February 20 report	(0.034)				(0.133)	(0.300)		(0.467)
Savings approved in February 21 report	(1.216)	(3.374)	(1.407)		(0.559)	(1.500)		(8.056)
Use of Reserves for 2021/22 in February 21 report						(12.332)		(12.332)
Approved Amendment adjustment to Use of Reserves for 2020/21						(0.626)		(0.626)
2021/22 Approved Budget	**45.960**	**82.506**	**14.051**	**3.653**	**18.590**	**6.538**	**0.553**	**171.851**

Departmental Cash Limits 2022/23								
	Children & Young People	One Commissioning Organisation	Corporate Core	Business Growth & Infrastructure	Operations	Non-Service Specific	Housing General Fund	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Previously Agreed budget changes:-								
Add back 2021/22 one off Use of Reserves from Feb 21 budget						12.332		12.332
Add back 2021/22 one off Use of Reserves from Feb 21 agreed amendments						0.626		0.626
Deduct Additional Savings approved February 2020 for 2022/23					(0.070)	(0.265)		(0.335)
Deduct Additional Savings approved February 2021 for 2022/23	0.089	(7.135)	0.000		(0.335)	(3.500)		(10.881)
Previously Agreed budget changes:-	**0.089**	**(7.135)**	**0.000**	**0.000**	**(0.405)**	**9.193**	**0.000**	**1.742**
Additional Budget Requirement:-								
Pay Inflation	0.762	0.976	0.878	0.202	1.028	0.033		3.878
National Insurance increase / Health & Social Care Levy 1.25%	0.109	0.110	0.125	0.029	0.150	0.005		0.530
Contractual Inflation	1.823	6.809	0.645	0.000	0.057	0.009		9.343
Demand	0.000	1.524	3.319	0.000	0.000	0.000		4.843
Reprofiled Savings		(0.040)				2.913		2.873
Budget Re-alignment	(0.577)		(0.740)	(0.060)	(0.594)	1.200	0.583	(0.188)
Income losses					(0.539)	(3.549)		(4.088)
Additional Budget Requirement:-	**2.207**	**2.244**	**4.227p**	**0.171**	**(0.232)**	**(2.889)**	**0.583**	**17.191**

Directorate Cash Limits 2022/23								
	Children & Young People	**One Commissioning Organisation**	**Corporate Core**	**Business Growth & Infrastructure**	**Operations**	**Non-Service Specific**	**HGF**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Use of Reserves for 2022/23 in February 21 report						(14.355)		(14.355)
Contribution to reserves for 2022/23 per labour amendment						1.129		1.129
Contribution to Social Care Grant Reserve		0.683						0.683
Contribution to Business Rates risk reserve						1.388		1.388
Contribution to Smoothing Reserve						2.996		2.996
Net use of reserves:-	**0.000**	**0.683**	**0.000**	**0.000**	**0.000**	**(8.842)**	**0.000**	**(8.159)**
Savings Proposals	**(0.700)**	**(1.724)**	**(0.250)**		**(1.168)**	**(1.300)**		**(5.142)**
2022/23 Budget	**47.556**	**76.573**	**18.028**	**3.824**	**16.784**	**2.701**	**1.136**	**177.483**

NB: The savings figures of £5.142m excludes the £0.750m saving relating to additional Council Tax income which ill be shown in the budget as additional income

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Reference	CC001
Executive Director	Sam Evans
Cabinet Member	Cllr O'Brien

Section A

Service Area	All / Finance
Budget Option Description	Vacancy Factor

Budget Reduction Proposal – Detail and Objectives

Bury Council has a budgeted employee costs of £89.7M in 2021/22. This is made up of Salary costs £62.4M, NI £5.8M, Pension £12.0M and other expenses of £9.5M.

Due to the turnover of staff a percentage of posts within a service will remain vacant for a period of time whilst the recruitment process takes place.

Staffing budgets are currently calculated at top of grade to prevent incremental drift and future proof the service over the period of the MTFS but no vacancy factor is included.

The budget from these vacant posts are utilised by the service in funding any shortfalls of income or overspends within the service. Budget management needs to identify and be proactive to prevent these without the reliance on vacant posts. Work has been done by HR on the establishment recently, so service managers have more information available for managing their staffing budgets.

It is therefore acceptable that a Vacancy Factor is included in all staffing budget except ringfenced funds such as HRA and DSG. Special cases may be excluded on submission of a business case.

Potential savings can be released to support the long term MTFS and are dependent on the % applied as the Vacancy Factor. The figures below are based on the 2021/22 Budgets and include NI and Pension as these would be reduced in line with Salary. There would be no move to reduce other costs at this time.

% Vacancy Factor applied	Total reduction in budget £M
1%	0.80
2%	1.60
3%	2.41
4%	3.21
5%	4.01

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£) – See above	£1.2M		
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Internal Transformation – Let's do it well

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
There is no change to the numbers of staff employed. If an area has special requirements for interim staff, a business case will be submitted in advance.
Organisation (Including Other Directorates/Services)
No impact.
Workforce – Number of posts likely to be affected.
No impact.
Communities and Service Users
No Impact. Where vacant posts support service users there will be no change to the recruitment of these posts.
Other Partner Organisations
No Impact. Where vacant posts support partner organisations there will be no change to the recruitment of these posts.

Section C
Key Risks and Mitigations

Risks	Mitigations
Some posts rely on vacant posts to fund overspends elsewhere in service.	Services will be encouraged to manage types of spend independently and not use savings from vacant posts to mask potential where savings are not being achieved.
Some posts require interim resource whilst a new perm post is being recruited to.	Where a post cannot be vacant a business case for the funding for that interim will be required until a permanent member of staff can be recruited too.
Poor budget management around the funding of staff could lead to confusion.	Clarity of staffing structures due the work done by HR, aligned Budgets held on the finance system leading to improved budget management.
As staffing budgets decrease the ability to manage a service with reduced budget also decreases.	Savings of £1.2M proposed rather than the £1.6M which would equal 2%.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Finance Business Partner teams to deep dive into staffing budgets to allocate the saving.	28th February 2022
Business Partners to update services with the new allocations for staff.	Before 1st April 2022 (CT approval all budgets to be sent out with Budget Holder statements).

Section D

Consultation Required?	No

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
No investment required

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Yes			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CC002
Executive Director	Sam Evans
Cabinet Member	Cllr O'Brien

Section A

Service Area	Finance
Budget Option Description	Re-alignment of budgets due to unpaid leave

Budget Reduction Proposal – Detail and Objectives

There has been a recurrent 3 days unpaid leave for all staff included as a previous saving for the MTFS. Whist the reduction in staffing costs has been credited to the in-year expenditure the budget this doesn't reflect the amounts which should be included in the budget.

The proposal would be to ensure all the services have the correct value. The current budget and actuals are shown below by Department. Whilst the amount of reduction (saving) in the staffing budget was £274,548 last year, the budget was only £102,700.

Directorate	2018/19 Budget	2018/19 actual savings	2019/20 Budget	2019/20 actual savings
Business, Growth & Infrastructure	£ 200	£ 19,099	£ 200	£ 16,824
Children & Young People	£ 40,910	£ 69,818	£ 39,500	£ 59,256
Corporate Core Finance	£ 17,400	£ 31,483	£ 13,600	£ 25,005
Corporate Core Services	£ 3,700	£ 36,652	£ 7,300	£ 36,122
Department of Operations	£ 35,000	£ 88,709	£ 35,500	£ 81,552
Non-Service Specific	£ -	£ 1,468	£ -	£ -
One Commissioning Organisation	£ 5,300	£ 59,631	£ 6,600	£ 55,790
Grand Total	**£ 102,510**	**£ 306,860**	**£ 102,700**	**£ 274,548**

By undertaking a re-alignment, we would make budgeted savings of £100,000 per year plus allowing for potential movement in the size of the workforce.

	2021/22	2022/23	2023/24
Budget Reduction (£)	100,000	100,000	100,000
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Internal transformation

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property

None

Service Delivery

None

Organisation (Including Other Directorates/Services)

None

Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None
Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	Mitigations
The risk is that the budget manager may be using underspends in staff to offset overspends elsewhere in their service.	Budget holder needs to manage the budget within the envelopes they are given.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
This will be a re-alignment which will be undertaken within finance	1st April 2022

Section D

Consultation Required?	No

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
No investment required

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
As shown above, this is a re-alignment and has no impact on the actuals within the budget. It will be delivered in full for April 2022			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CC003
Executive Director	Lynne Ridsdale
Cabinet Member	Cllr Rafiq

Section A

Service Area	Corporate Core
Budget Option Description	Adult Learning

Budget Reduction Proposal – Detail and Objectives

The proposal to reduce the costs within the Adult Learning Service is as follows:

- New staffing structure following the departure of the previous Head of Service in April 2021

Future savings may be drawn from:

- Co-delivery with Bury College reducing staffing structure and overheads such as building costs
- *Currently the service hires space from the Library Service which it is charged for. This would be a saving but would conversely affect the income of the Library Service.*

	2022/23	2023/24	2024/25
Budget Reduction (£'000)	£50K		
Staffing Reduction (FTE) Adult Learning Service	1		

Is the proposal One-Off or Ongoing?	Ongoing
Which Budget Principle does the option relate to?	Other

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property

Should the decision be taken to relocate the Adult Learning Service there is the potential for reduced liabilities and savings on revenue costs such as energy, utilities and building maintenance, FM etc. The building could then become part of the Bury Town Centre developments led by Business, Growth and Infrastructure.

Service Delivery

Currently the service is well run based on recent Ofsted Inspections and feedback from the main funders: GMCA and the Employment & Skills Agency, however exploring options to co-deliver with Bury College could reduce the costs of running the service and offer greater resilience in terms of access to tutors and student support services. The service would also benefit from the marketing spend of the College in promoting adult learning.

Organisation (Including Other Directorates/Services)

This change to delivery would need to be considered within the context of:

- Delivering the neighbourhood model and whether the College would have the flexibility to offer outreach provision in the same way as the in-house service.
- Ambitions with the new Skills Strategy and whether these are best served through integrated or in-house delivery models.

Workforce – Number of posts likely to be affected.

Current vacancy following the retirement of the Head of Service. Management responsibilities dispersed across other members of the team. New structure in development. Could impact 4/5 roles.

Communities and Service Users

Outreach provision currently delivered through libraries in addition to the courses run at the main site in Bury. Consideration would need to be given to the impact of relocating provision in terms of accessibility for target cohorts.
Provision targeted at employment support and life skills which at the moment complements the offer from Bury College rather than duplicating.

Other Partner Organisations

Impact on Bury College and other providers of adult learning.

Section C
Key Risks and Mitigations

Risks	Mitigations
Ability to deliver outreach provision at accessible sites as this is not currently part of the Bury College offer	Work with Bury College to look at suitability of alternative venues and broadening provision.
Workforce 'buy-in' / Employee relations	Effective communications strategy, TU consultation.
Continued funding of this type of adult learning in the borough should commissioning organisations object to the model.	Early engagement with GMCA and ESA
Damage to reputation should the quality of the adult learning offer be judged to have declined as a result of the model.	Early engagement with Ofsted on the proposed model and commitment to quality standards within the co-delivery model/SLA.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Adult Learning Strategy approved	October 2021
Options for new operating model and delivery structure agreed	February-March 2022
Proposals as basis for consultation	April 2022

Section D

Consultation Required?	Yes
Individual consultations within programmes as proposals are brought forward	

Section E
Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital

The ability to make savings on this budget code will need to be approved by Finance as the service is predominantly externally funded through grants from the GMCA and ESA.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CC004
Executive Director	Lynne Ridsdale
Cabinet Member	Cllr Rafiq

Section A

Service Area	Corporate Core
Budget Option Description	Council security and call-out services

Budget Reduction Proposal – Detail and Objectives

Bury Council operates a number of different services providing 24/7 security and response:

- The Control Room within Bradley Fold, under the leadership of the corporate core
- Carelink services within the OCO which provides emergency response to vulnerable care users in children and adult's services
- Building porter services within the Operations department

It is proposed to bring together all of these services into one operation which will be managed within the Corporate Core and commissioned by departments, to achieve efficiencies from a single service.

	2021/22	2022/23	2023/24
Budget Reduction (£)	0	£200k	0
Staffing Reduction (FTE)	C7FTE	00	00

Is the proposal One-Off or Ongoing?	Ongoing revenue reduction
Which Budget Principle does the option relate to?	Transformation

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property

Single control room provided at Bradley Fold.

Service Delivery

Single 24/7 security and response service provided corporately and deployed in departments.

Organisation (Including Other Directorates/Services)

Restructure across corporate core; OCO and Operations
All budgets, staffing and resources centralised

Workforce – Number of posts likely to be affected.

C7 FTE staff

Communities and Service Users

No change

Other Partner Organisations

No change

Section D:
Key Risks and Mitigations

Risks	Mitigations
Employee relations disruption	• consultation
Capacity to deliver	• designated lead within corporate core; current service managers empowered to deliver

Key Delivery Milestones: ***Include timescales for procurement, commissioning changes etc.***

Milestone	Timeline
New service model designed; Delivery plan developed	March 2022
Approval by Members	June 2022
Consultation – staff & service users	July 2022
Implementation	August 2022
Savings achieved (subject to notice periods)	August 2022

Section E: ***Financial Implications and Investment Requirements***

Investment requirements – Revenue and Capital
None currently known

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CYP001
Executive Director	Isobel Booler
Cabinet Member	Cllr Tariq

Section A

Service Area	Children, Young People & Skills
Budget Option Description	Personal Budgets

Budget Reduction Proposal – Detail and Objectives
To review all personal budget plans in place either as a direct payment to the family on a payment card or through a broker arrangement. There are currently 114 personal budgets with a budget spend of £867,490 in 2020/21. To audit all aspects of plans to determine how they are being used, whether the funding provided is appropriate according to the assessed levels of need, and to quality assure the plans to ensure the best potential outcomes for the child/young people are being achieved and recorded. To reconcile all plans to bank accounts and recover any unspent funding and to revise the families ongoing personal budget allocation to reflect their current needs and usage. To review assessment of need process for personal budgets including resource allocation tools and the terms of reference of the children with disabilities and complex care panels. To ensure families are aware that the award and level of personal budget will be subject to review dependent to their ongoing assessed needs and is not in perpetuity. To work with Bury2gether to co-produce policy and processes for personal budgets and ensure that families are engaging through the Local Offer and to review personal budgets process to enable easier access at targeted level to reduce demand for the specialist. To work with health and education to have a system wide process for personal budgets that is fair and transparent.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£)	£150k	£100k	£100k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	Ongoing
Which Budget Principle does the option relate to?	Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
N/A
Service Delivery

There will be a review of the number of panels including for short breaks and personal budgets to ensure effectiveness including the policies so that families are clear about the criteria and their contractual/service level agreement obligations.

There will be updated awareness training for social workers and family support workers so that families are encouraged to use personal budgets in support of independence.

Rigorous budgetary control measures and brokerage are in place to ensure a robust system of management.

Audit and reconciliation will be undertaken by the commissioning team.

Review of needs and levels of support will be led by the children with disabilities team with the commissioning team in support.

Organisation (Including Other Directorates/Services)
N/A

Workforce – Number of posts likely to be affected.
None

Communities and Service Users
Bury2gether; families; Children with SEND; Children with Disabilities

Other Partner Organisations
N/A

Section C
Key Risks and Mitigations

Risks	**Mitigations**
Parental perception.	Co- produce with Bury2gether and co-design personal budget policy which is a statutory obligation to co-produce.
Lack of awareness of the policy and processes for personal budgets which impacts on the volumes of complaints.	Ensure that the personal budget policy and criteria are up to date and are clear to families on the Local Offer.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	**Timeline**
Reduced Personal Budget costs:	2022/23 onwards
Review current personal budget plans and identify where other funders to contribute	April 22
Ask health to screen proposed cases for funding eligibility and then submit to panel for agreement	April 22
Audit payments mid-year	Sept 22
End of year reconciliation	April 23

Review of processes/systems for personal budgets with a task and finish group including health and education	Mar 22

Section D

Consultation Required?	No

	Start Date	**End Date**
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
The review and reduction to personal budget allocations / clawback of unused funding will secure the saving on the budget from 2022/23			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CYP002
Executive Director	Isobel Booler
Cabinet Member	Cllr Tariq

Section A

Service Area	Children, Young People & Skills
Budget Option Description	Short Breaks

Budget Reduction Proposal – Detail and Objectives
Review all high-cost packages of care for children with disabilities within the existing policies. Review of the team structure in respect of reviewing to establish permanent posts and rely less on agency workers to make savings. New short breaks was offer in place from September 2021 – proposing to undertake an in year review of commissioned services and identify any savings that can be made where a reduced take up which impacts on volume and the contract value. To review the outcomes of new services in the contract for time limited participation and skills programmes for early indications of positive transitions and cost savings. To utilise the positive behaviour support commissioned service to support families on the edge of care as in crisis and make savings to the system by cost avoidance of high cost residential placements. To work alongside health to introduce the Ealing model to Bury (which is a positive behaviour support service which will involve CAMHS and will include consistent training being delivered across the workforce) and move away from a fully reliant offer on short breaks commissioned services. Ensure all contributions from other agencies involved, specifically Health (CCG) are appropriate and maximised where possible. Full review of all packages currently being charged to CYP in respect to outcomes and in accordance with EHCP assessed needs. To engage with Bury2gether to review Short Breaks model in Bury, enhance targeted short break offer and universal short break offer to reduce dependency on high cost leading to consultation. To review children's with disabilities panel processes to ensure that needs led provision and reviews of packages are built in so that monitoring is undertaken to ensure packages are meeting the need at the current time. Review the role of the complex care panel and pool budgets to ensure that health and education contribute to high-cost placements including children with disabilities where therapy and educational support and intervention are provided.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£k)	£150k	£100k	£100k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	Ongoing
Which Budget Principle does the option relate to?	Internal Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
N/A
Service Delivery
Following a review of the high cost packages; this may then impact on how service is delivered through more service integration. However no immediate impact other than ensuring regular review and contract management against need and EHCP To consider possible tripartite funding through Complex Care Panel so budgets are pooled to ensure that health and education contribute to high-cost placements where therapy and educational support and intervention are provided. To review universal and targeted provision for children with disability to ensure that needs can be met without always specialist involvement. To ensure that staff and families have a full awareness and understanding of the new Short Breaks Offer so that needs are met appropriately.
Organisation (Including Other Directorates/Services)
OCE/ Children's and Education.
Workforce – Number of posts likely to be affected.
None initially but could lead to further review of SEND and Children with Disabilities services.
Communities and Service Users
Bury2gether; parents; Children with SEND; Children with Disabilities.

Other Partner Organisations
N/A

Section C
Key Risks and Mitigations

Risks	**Mitigations**
Limited risks as better contract management and better oversight should lead to more child centred planning and needs led packages.	
Families and staff have limited awareness and understanding of the Local Offer to signpost to services.	Ensure that the universal and short breaks offer is promoted and clear to families on the Local Offer.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Reduced Short Breaks and complex package costs	2022/23 onwards
Map out universal and short breaks services within local offer by setting up a multi-disciplinary task and finish group	By February 2022
Mapping of current packages by social worker to universal and short breaks offer dependent on current assessment of needs	By March 2022
Take packages where change required to appropriate panel (disability resource and complex care panels) for agreement and joint ownership	April 2022 onwards

Section D

Consultation Required?	No

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Revenue investment required as an Invest to Save model to provide overnight support rather than respite for those families at the edge of care. It is expected to be funded going forwards through savings achieved. Initial investment would be to recruit a salaried foster carer and paid per child per night for an overnight stay rather than the child go into respite care. It would be a service only for Children's with Disability and include attending CIN reviews. It would be a targeted service in support of crisis management, and preparing for adulthood, for those families at edge of care to reduce the likelihood of the child being placed away from the family home, and also it fits with Ealing model.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
The reduction to high cost short breaks placements will secure the saving on the budget from 2022/23.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CYP003
Executive Director	Isobel Booler
Cabinet Member	Cllr Tamoor Tariq

Section A

Service Area	Social Care & Safeguarding
Budget Option Description	External Placement Budget

Budget Reduction Proposal – Detail and Objectives
Reduce expenditure by reviewing the number of children in high-cost residential children home placements and Independent Foster Agency (IFA) placements where appropriate and safe to do so. Review the role of the complex care panel and pool budgets to ensure that health and education contribute to high-cost placements where therapy and educational support and intervention are provided. Increased focus on recruitment of Bury foster carers and increasing the number of children placed with approved Bury foster carers, including reviewing and transferring children already placed in short-term IFA placements into Bury foster care places where possible. Increased focus on the recruitment of supported lodging hosts and stepping down young people from residential provision when appropriate into a semi-independent and supported lodging provision. Continuing focus on recruitment of foster carers/Supported Lodging hosts and a review of the permanence and recruitment strategy.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£k)	£200k	£200k	£200k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	Ongoing
Which Budget Principle does the option relate to?	Transformation Demand reduction through Public Service Reform

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
N/A
Service Delivery
Complex Care Panel processes for multi-agency placements will need to be reviewed to support and also review practices to ensure that there is a proactive approach to sharing budgets and also reviewing the packages agreed at panel.
Organisation (Including Other Directorates/Services)

N/A
Workforce – Number of posts likely to be affected.
N/A
Communities and Service Users

Other Partner Organisations
N/A

Section C
Key Risks and Mitigations

Risks	Mitigations
Insufficient Bury Foster Care placements	Promote in-house foster care in Bury
No in-house residential children's home provision, reliant on commissioned services.	Step children and young people into foster care or semi-independent provision when appropriate to do so.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Reduced IFA and Residential placement costs.	2022/23 onwards.
Phase 1. Initial desk top review of top 24 high cost out of area placements and provide an options appraisal .	By January 2022.
Phase 2. Review of single funded packages at children's social care budget placement panel.	Jan 2022 onwards.
Phase 3. Review of Complex Care Panel processes and new terms of reference developed.	By April 2022.
Phase 4. Review of jointly funded packages at complex care panel.	April 2022 onwards.

Section D

Consultation Required?	No

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
The reduction and review of the high cost residential and independent foster care placements will secure the saving on the budget from 2022/23.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CYP004
Executive Director	Isobel Booler
Cabinet Member	Cllr Tariq Tamoor

Section A

Service Area	Children, Young People & Skills
Budget Option Description	Early Retirement / Pensions

Budget Reduction Proposal – Detail and Objectives
The service holds a budget of £1.200m for the former pension liabilities of teachers within further Education. This is a historic liability which dates back to the 1990s. A review of the budget has identified that it is over provided for and an immediate saving of £0.100m can be delivered from a budget realignment.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£k)	£100k	£100k	£100k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	Ongoing
Which Budget Principle does the option relate to?	Carbon Neutral/Digital/Demand Reduction/Economic Growth/Internal Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
n/a
Service Delivery
n/a
Organisation (Including Other Directorates/Services)
n/a
Workforce – Number of posts likely to be affected.
n/a
Communities and Service Users
n/a
Other Partner Organisations
n/a

Section C
Key Risks and Mitigations

Risks	Mitigations
Pensions do not cease as forecast in-year	

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Quarterly budget monitoring	2022/23

Section D

Consultation Required?	n/a

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
No investment required

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Saving proposal is subject to pensions ceasing in-year, there is no costs associated to this proposal which is forecast based on previous years trajectory of spend and age profile of the pension liabilities. The proposal should deliver the full saving in 2022/23 and subsequent financial years.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	CYP005
Executive Director	Isobel Booler
Cabinet Member	Cllr Tariq Tamoor

Section A

Service Area	Children, Young People & Skills
Budget Option Description	Early Help

Budget Reduction Proposal – Detail and Objectives
To use Troubled Families money against wage of portfolio leads who deliver against this programme which amounts to £124k.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£k)	£124k		
Staffing Reduction (FTE)			

Is the proposal One-Off or Ongoing?	One off
Which Budget Principle does the option relate to?	Internal Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None -this is an efficiency for one year's budget against grant funding though Troubled Families money which is used to support staffing costs for the manager and portfolio lead.
Service Delivery
None
Organisation (Including Other Directorates/Services)
None
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None

Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	Mitigations
There is no risk to this proposal	

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
22-23 budget	31 March 2023

Section D

Consultation Required?	Not Required

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
The review and maximisation of external grant funding for Early Help functions will secure the saving on the budget from 2022/23.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS001
Executive Director	Donna Ball
Cabinet Member	Cllr Alan Quinn

Section A

Service Area	Waste Management and Transport
Budget Option Description	Trade Waste Income

Budget Reduction Proposal – Detail and Objectives
To increase the number of trade waste customers as well as ensure the retention of existing customers. Implement effective marketing campaigns, relationship management strategies, high quality service and competitive pricing. The Council currently provide a successful in-house trade waste service with a current business profit target of £124,000. The services are provided to approximately 1,100 customers including local businesses, schools, shops, restaurants, public houses, Council buildings and other organisations. The number of tonnes expected to be collected and disposed of in 21/22 is c4500 tonnes. The budgeted cost of running the service is currently £736,000 and a budgeted income target of £903,000 making a budgeted surplus of £124,000. However, as a result of Covid and the closure of most businesses the budgeted surplus for 21/22 was reduced to £72,700 to reflect the expected reduced income whilst business recovered. The last figures we had from the GMCA indicated the likely cost per tonne for Trade Waste will be £115.98/tonne from April 2022. Based on the projections we are expecting to deliver 4,500 tonnes of trade in 21/22 and set this to increase slightly following further COVID recovery and increase in business to 4,700 tonnes of trade waste in 22/23. The current cost to dispose of trade waste is £89 per tonne and c£400k per annum. Based on the proposed waste disposal charge, this would make the total bill for disposal next year £545,106. With the increase in waste built in should come increased income to offset so if based on the 4,500 tonnes it would be £521,910. Therefore, the charges to existing trade customers are likely to be increased in 22/23 to allow for increased disposal charges. Therefore, it is important to have effective customer retention strategies in place as well as providing a high-quality service. The option to increase business to new customers will also be fully explored by expanding the business database, marketing strategies and selling the benefits of maximising recycling withing the trade sector.

	2022/23	**2023/24**	**2024/25**
Budget Reduction (£)	£20k		
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	On-going

Which Budget Principle does the option relate to?	Internal Transformation

Section B
***What impact does the proposal have on*? Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
Improved services delivery and customer service standards. Excellent relationship management and customer retention. Establish robust performance targets.
Organisation (Including Other Directorates/Services)
None
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None

Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	**Mitigations**
Increase in the cost to dispose on waste could affect our competitiveness	Maximise recycling opportunities, understand our competitors and maintain commercial advantage
Customer may generally be attracted to other providers	Excellent relationship management and customer retention, build customer loyalty through high quality service provision
Further increases in levy/disposal costs	Keep the budgets, charges, and income under constant review

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	**Timeline**
Review existing service	Jan 2022
Development plan in place	Feb 2022
Business growth and retention	April 2022 to Sept 2022

Section D

Consultation Required?	

Section E

	Start Date	End Date
Staff	Jan 2022	March 2022
Trade Unions	Jan 2022	March 2022
Public		
Service User		
Other		

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Price changes can be implemented from April 1st and there will need to be a focus in business retention to at least maintain the same level of business at the higher rates.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS002
Executive Director	Donna Ball
Cabinet Member	Cllr Alan Quinn

Section A

Service Area	Streetscene – Pest Control
Budget Option Description	Increased Income Target & Efficiencies

Budget Reduction Proposal – Detail and Objectives

The Pest Control service has total 2021/22 budget of £263,000, which is met from income targets as follows:

Income 2021/22	**£**
Private Persons	101,000
External Contract	75,000
Recharge to Six Town Housing	15,000
Internal Contracts	60,000
Non-Contract Internal	8,500
Other	3,500
Total	**263,000**

The Operations Department restructure, which came into effect in August 2020, incorporated the Pest Control Service into Streetscene. This provided the opportunity to create efficiencies within the Pest Control Service, which will be realised during 2022/23. These efficiencies include reduced accommodation costs from relocating the service from Hurst Street to Bradley Fold Depot.

In addition to these efficiencies, we aim to increase the private income generated by the service in 2022/23 through improved marketing of the service.

It is anticipated that the following efficiencies/increases in income will be achievable in 2022/23:

Efficiencies/Income 2022/23	**£**
Reduced building costs *	5,000
Increased Private Income	15,000
Total	**20,000**

* Excludes costs that will still be incurred by Bury Council should Hurst Street not be re-let e.g. rates and rent.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£20k	£k	£k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	On-going
Which Budget Principle does the option relate to?	Internal Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
Reduced property costs through building rationalisation.
Service Delivery
Increased income generated from private works.
Organisation (Including Other Directorates/Services)
None
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None

Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	Mitigations
Hurst Street will not be re-let.	Fixed buildings costs which will still be borne by Bury Council should the building not be re-let have been excluded. Hurst Street is being actively marketed by colleagues in Property Services.
Increased Income is not realised.	Improved marketing

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Relocate service to Bradley Fold	Apr. 2022

Section D

Consultation Required?	Yes (completed April 2021)	
	Start Date	**End Date**
Staff		
Trade Unions		
Public		
Service User		
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
N/A

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Premises related costs, such as Utilities and Repairs and Maintenance will reduce from the co location within Bradley Fold and release the £5k – providing the move happens before 1st April, which it is scheduled to do. If the Hurst Street unit can be re-let, then further budgets for Rent and Rates can be removed, releasing a further £13k. The proposed income increase represents c.5% of existing levels and will be achieved through offering a weekend and evening service as well as utilising any spare capacity during normal service hours. The combination of the premises savings and income will achieve a £20k budget reduction in 22/23.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS003
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn / Cllr Morris

Section A

Service Area	Public Protection
Budget Option Description	Increase income in Trading Standards

Budget Reduction Proposal – Detail and Objectives
To increase income in Trading standards through Trading Standards Primary Authority Agreement work, increase in Approved Body glass verification work (https://www.gov.uk/uk-market-conformity-assessment-bodies/bury-metropolitan-borough-council) and intelligence support work to generate £10k additional income per annum. Existing Public Protection budgets will be amended to remove underspent budget lines leading to a £10k annual saving. Public Protection functions are statutory and are unable to be reduced any further.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£20k	£0k	£0k
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	On-going
Which Budget Principle does the option relate to?	Demand Reduction/Economic Growth

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
Trading Standards staff will need to carry out Primary Authority work as part of their job role to generate the required income. This work has started in 2021/22 and this has demonstrated additional income is achievable from 2022/23. Staff will ensure regulatory functions are undertaken alongside income generating work including - Approved Body glass verification through off site audit and verification work - Site visits to premises to undertake glass verification inspection and audits - Serving Primary Authority Agreements with partnership businesses to provide assured advice, audit and inspection - Trading Standards North West intelligence support work.

Organisation (Including Other Directorates/Services)
None
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None

Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	Mitigations
Income levels not achieved	- Monthly monitoring to ensure remain on track. - Historical data shows the reductions should be achievable. - Continue to explore further Primary Authority work the Council could undertake or develop - Continue to explore/develop further 'Notified Body' Glass Verification work from other companies - Sub-contracting inspectors to expand 'Notified Body' Glass Verification work
Budget reductions not delivered	- Monthly monitoring to ensure remain on track. - Historical data shows the reductions should be achievable
Loss of skills	- Planned review of service to look at resilience planning and addressing skill gaps.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Primary Authority agreement signed and work has commenced	Ongoing
Glass Verification work continues to be undertaken	Ongoing
TSNW Intelligence support continues to be undertaken	Ongoing

Section D

Consultation Required?	No

	Start Date	**End Date**
Staff	N/A	
Trade Unions	N/A	
Public	N/A	
Service User	N/A	
Other	N/A	

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
N/A

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
£10k has been identified from deleting or reducing unused budget lines and the Trading Standards Primary Authority work already being undertaken will achieve £10k. As such, the savings can be delivered in full from 1 April 2022.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS004
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn Cllr Rafiq

Section A

Service Area	Operations
Budget Option Description	Traded Services Review – Schools Caretaking and Cleaning

Budget Reduction Proposal – Detail and Objectives

The Building and Caretaking team currently services 80 schools and administration buildings across Bury.

The service currently has around 280 staff working either as cleaners, caretakers, or site managers, all of which is managed centrally by a service lead and 3 area co-ordinators.

Historically, the service has always performed very well and has contributed to the Council's overall budget.

Since being included in the Commercial Services division several changes have been made including:

- A new co-ordinator was appointed in December 2020, who is being funded from the additional relief income to support business development and the improving of Health and Safety across the service.

- The introduction of a training officer post, which is currently vacant, which is funded from additional relief income. This post supports the improvement of Health and Safety in the service and to provide a more consistent and higher standard of service.

The COVID emergency has increased additional relief income and although it is forecasted that it will drop slightly as restrictions ease, the additional income will continue as cleaning standards within schools and admin buildings have increased and further cleaning hours are necessary. Some premises have requested additional cleaning / hours be included into their service level agreements.

The service budget is currently £189,000, of which approximately £105k relates to central overheads, creating a small subsidy of £84k that is proposed to be included as part of a saving option.

To enable this and to protect the income further, the service will pass the additional costs of the living wage and increased overheads, through the SLA to the service users with a view that there is increased Health and Safety provision due to the introduction of the Training Officer and the additional Area Co-ordinator.

	2021/22	2022/23	2023/24
Budget Reduction (£)		£84k	TBC
Staffing Reduction (FTE)			

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Internal transformation

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
No impact.
Service Delivery
No change in the service delivery.
Organisation (Including Other Directorates/Services)
Impact on schools budgets and Education team due to increased costs within SLA
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
No impact
Other Partner Organisations
Schools and Admin Buildings will have an annually reviewed SLA as normal.

Section C
Key Risks and Mitigations

Risks	**Mitigations**
Decreased subsidy could create an overspend in the service, if costs and SLA's are not managed effectively	There are robust and continued checks and audits on all SLA's. The Caretaking and Cleaning team have a good client relationship with all their building managers.
A sudden drop in additional cleaning requests may increase budget pressures.	Due to the current COVID emergency and response, this is unlikely.
A reduction in the number of schools that use the service either through increased costs in the SLA or increased Academisation in light of the Education White paper	To ensure communication with schools around increased costs and assurance around the quality of service

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	**Timeline**
The decision to approve the £84k saving is made	New Financial year 2022/23

Section D

Consultation Required?	No

	Start Date	**End Date**
Staff	N/A	
Trade Unions	N/A	
Public	N/A	
Service User	N/A	
Other	N/A	

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS005
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn Cllr Rafiq

Section A

Service Area	Operations
Budget Option Description	Traded Services Review – Schools Catering

Budget Reduction Proposal – Detail and Objectives

Many of the Schools within Bury have seen their budgets come under increasing pressure, resulting in several of them sourcing other providers for their catering services. Bury Council's catering service has seen 14 catering contracts outsourced since 2015, with an associated loss of income leaving only 52 Primary Schools and 6 High Schools and circa 350 staff. This means the competition now have a foothold in the Borough and ready reference sites.

To counteract this threat there is a need to adopt a more commercial, proactive, and flexible approach to our existing budget holding clients. A new organisation structure has been implemented to improve contact and communications with schools and governing bodies.

Bury's Catering Service assure the community that responsible and compliant school food services meet corporate health objectives around obesity reduction, healthy eating awareness and long-term lifestyle improvement for the borough's youngest residents.

The service played an essential part in the COVID response, providing meals for key worker children and those in isolation, and is continuing to provide a service despite restrictions within the schools as the COIVD emergency continues, which is increasing budget pressure within the service. The current forecast is that the service will overspend by £100k.

The service is beginning to influence change, however additional innovation and a service review is necessary to; continue competing with private sector caterers, increase the uptake of school meals, change the perception of the quality of the meals and service or investigate alternative viable business models for the future to support budget reductions and create efficiency savings.

COVID has caused a drop in meal uptake, however it is expected to improve. Unfortunately, Bury's schools catering service is currently being further impacted negatively due to Brexit, supply chain issues, increased food costs, increasing workforce and staffing costs as well as ongoing resourcing and recruitment challenges.

Due to the many challenges the service faces, the following changes are proposed:

- Invest to save: Continue with the installation of School Grid, an end-to-end kitchen management system to generate an additional £95k annual income and reduce food wastage as well as reducing IT costs as the current Kitchen Management system will be phased out. The introduction of School Grid allows the service to insist on 3-year Service Level Agreements with the individual schools, which will not only improve the stability of the service, but will allow for more interaction with parents to add value to what is offered within the service. It has been proven to increase meal uptake of up to 10% from a recent trial of the system within 3 of Bury's schools.

- Introduction of a Meals per Labour hour formula to support the rebalancing of staff across the service to tackle over and understaffing for a more efficient service.

This will allow for better resourcing of staff, reduced administration tasks, and result in less need for workforce cover from Bury Aces or agencies, reducing the overall workforce cost.

	2021/22	2022/23	2023/24
Budget Reduction (£)		£100k	TBC
Staffing Reduction (FTE)			TBC

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Internal transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
As the service operates with a service level agreement, there is no impact on property. Considerations will need to be made around kitchen equipment and asset transfer if considering alternative service providers.
Service Delivery
Organisation (Including Other Directorates/Services)
School grid will require minimal support from IT during the roll out, but this has already been planned.
Workforce – Number of posts likely to be affected.
Communities and Service Users
No impact on communities and service users other than a change in provider, if the decision is to outsource. Improved meal uptake and health benefits as School Grid roll out is continued.
Other Partner Organisations
The opportunity for other Local Authorities to be involved in the service, private sector caterers and individual schools for an inhouse provision.

Section C
Key Risks and Mitigations

Risks	Mitigations
Delay in School Grid Roll out will result in a delay of additional income to mitigate further subsidy in the service.	Continue with the School Grid Roll out and the introduction of 3-year Service Level Agreements.

A reduction in the number of schools that use the service either through increased competition in the market or increased Academisation in light of the Education White paper	Engagement and communication with school leaders, Governors and MAT CEOs.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Begin Service Review	January 2022
Continue with School Grid Roll Out	January 2022

Section D

Consultation Required?	There may be consultation required as a consequence of rebalancing staff across the service

	Start Date	End Date
Staff	TBC	
Trade Unions	TBC	
Public	TBC	
Service User	TBC	
Other	TBC	

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
School Grid would have potential to generate extra income through increasing demand for the service, as well as reducing food wastage, impacting positively on the unit cost per meal.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS007
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn

Section A

Service Area	Waste and Transport
Budget Option Description	Changing Waste Caddy Liner Provision

Budget Reduction Proposal – Detail and Objectives

At present, Bury residential properties (c83,000) are provided with waste caddy liners (provided in rolls of 52 liners) for their domestic Kitchen Caddies. A rough estimate of households that use their brown bin for food recycling is 70,000 (reduction due to a higher percentage of terraced properties that do not have a brown bin). Using 70,000 properties and using 265,000 rolls pa = 3.8 rolls per household per year. Unfortunately, we do not have an accurate figure of how many households participate in food waste recycling so the number per household could be higher or lower.

Each roll contains 52 liners. (The yellow tag is roughly 13 liners before the end of the roll – i.e., when 75% used). There is no restriction on the number of rolls of liners that are provided to residential properties at present. From September 2020 to September 2021, stores have issued 4420 boxes/cartons to waste management.

Therefore, the total used is 265,200 rolls. Rolls come in boxes/cartons of 60 (4420 x 60). The cost of 1 roll is 80p and for a box of 60 = £48. Therefore, 265,200 rolls at 80p per roll = **£212,160**.

The current budget for waste liners is **£159,000** per annum. This budget is overspent by **£53,000** per annum. If the budget is £159,000 this would equate to 198,750 rolls. (i.e., a reduction of 66,450 rolls just to get down to budget).

To achieve a budget saving of **£50,000** we would need to get down to a budget of **£109,000**

It is proposed to adjust the distribution of food waste caddy liners to one roll of 52 liners per year, rather than replacement on demand. Larger households will be targeted for extra rolls when needed. This proposal will achieve a saving of £0.050m.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£50k		
Staffing Reduction (FTE)	0	0	0
Is the proposal One-Off or Ongoing?	On-going		
Which Budget Principle does the option relate to?	Demand Reduction		

Section B
***What impact does the proposal have on*? Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
Larger households will be targeted for extra rolls when needed.
Organisation (Including Other Directorates/Services)
One-off requirement for Comms and Marketing support.
Workforce – Number of posts likely to be affected.
None.
Communities and Service Users
Brown bins will continue to be collected as normal. Residents will need to purchase their own liners when the one roll provided free has been used. These are widely available via supermarkets.
Other

Other Partner Organisations
Discussions around the proposal need to take place with the GMCA so the implications on contamination and disposal can be fully understood.

Section C
Key Risks and Mitigations

Risks	**Mitigations**
Waste contamination – leading to increased waste disposal levy costs	Further recycling campaigns
There are penalties in the levy charging mechanism that apply if a LA makes a decision that has a negative impact on the recycling rate of more than 1%	The impact of the proposed change needs to be modelled based on best available information form authorities that have supplied liners and removed them
Residents adopting a different approach re: purchasing liners	Awareness re:

	- where affordable liners can be purchased from. - The type of liners that can be used

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Approval to proceed	23/02/22
Public engagement	31/03/22
Implementation of 1 x delivery per residential property	31/05/22

Section D

Consultation Required?	Yes

	Start Date	End Date
Staff		
Trade Unions		
Public	March 2022	April 2022
Service User		
Other		

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
Chaning to 1 roll per household would reduce the cost to c.£64k, leaving sufficient to target extra rolls at larger families (and/or where contamination of residual waste is found). This surplus would contribute toward the costs of communicating the change, and the costs – if any – of distributing to each household. There is a clear risk that this initiative could lead to higher levels of residual waste and have a direct, adverse, impact on the option of increased recycling to generate savings from the levy.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS008
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn Cllr Rafiq

Section A

Service Area	Operation
Budget Option Description	Modernise utility billing

Budget Reduction Proposal – Detail and Objectives

- All current energy budgets to be removed from all departments and consolidated budgets set up for all corporate sites under the new Corporate Landlord function in Operations.
- There will also be separate budgets set up for Six Town Housing and Persona who have agreed to adopt this method. There will be an annual SLA and charge set up for both organisations.
- All existing paper invoices will be removed, EDI billing will be arranged with all three suppliers.
- To do this there will be a comprehensive data cleansing exercise carried out to consolidate all accounts
- In preparation for the project, all accounts have been brought onto monthly billing which has enabled tighter control of budgets and data.
- All EDI invoices will be processed through the Councils Energy Management System (EMS) which has the capability to validate every separate charge on an invoice. Parameters would be pre-set so any charge that is out of tolerance would be flagged with the energy unit and investigated.
- All invoices, data and cost would be stored on the EMS which is backed up daily so there is no risk of losing data.
- By adopting this process there would be no requirement to involve Northgate or to store any information on Information at Work
- Once all invoices have been validated for accuracy, the EMS can either interface with the council's financial system (unit 4) and send all invoices for payment or an electronic file can be sent to Accounts Payable for input onto unit 4.
- Currently Accounts Payable use a finance officer to carry this process out manually. This would not be required with the new system.
- As certain sites have charges created internally for separation of bills such as the parks, access to any accounts on the Council's EMS can be set up as required.

Proposed Savings	**£**
Finance-Officer reduction - to be considered as part of finance review	TBC
Avoidable costs of duplicated invoice payments, late payment charges and payment of incorrect invoices-subject to further forensic analysis. Assume 1%/1.5% corporate saving	£31,800 / £47,700
End charges from North Gate for the scanning and indexing of 5,300 invoices and credits per annum onto 1@W	TBC
Introduce management charge for external accounts to adopt the system (income)	TBC phase 2
Management fee to be charged for the new water supply contract (income)	£6,665
Remove estimated invoices through installation of AMR water meters	TBC
Total project savings identified to date	£38,465 / £54,365

	2021/22	2022/23	2023/24
Budget Reduction (£)		£50k plus reduction in finance (tbc as part of Finance Review)	tbc
Staffing Reduction (FTE)		TBC as part of Finance Review	

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Internal transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
All property utility bills would be centralised under the Corporate Landlord function AMR water meters to be fitted Reduction in consumption through monitoring of utility bills Improved energy efficiency Reduction in Council's Carbon emissions
Service Delivery
A change in the payments system. Instead of bills being paid manually by Finance Officers, bills will be centralised under the proposed Corporate Landlord function and changed to EDI payments (e payment) linked to Energy Management System (EMS) and Unit 4.
Organisation (Including Other Directorates/Services)
Impact on Finance Team- reduce headcount required – TBC as part of Finance restructure (subject to formal job consultation process). Will need to upgrade the Council's EMS Finance package Centralise bill payments under new Corporate Landlord function. Individual Depts no longer responsible for payment of utility invoices
Workforce – Number of posts likely to be affected.
Finance Team- reduce headcount required – TBC as part of Finance restructure (subject to formal job consultation process).
Communities and Service Users
No impact on communities and service users in first phase – back-office efficiency and improvement.
Other Partner Organisations
Opportunity in 2023/24 for STH and Persona to collaborate. Future opportunities for other third-party organisations e.g. schools and academy trusts

Section C
Key Risks and Mitigations

Risks	Mitigations
Delay in setting up Corporate Landlord may delay delivery of this saving as is dependent on CL function	Progress the development of the Corporate Landlord function asap
Resource to do the data cleansing work and transfer of files may not be identified	Input from Finance Team required
Departments may resist centralisation of bill payment	Sell the benefits of a corporate approach including time saved
Removal of responsibility from departmental job descriptions may lead to resistance from Departments	Wrap up in future restructures and reviews. Initial analysis required
Resource to manage new processes in CL.	Wrap up in development of new CL function

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Data backup	ongoing
Engagement with services and Departments	Feb 22
Data cleansing	Feb/March 22
Job consultation as part of wider Finance Team consultation	Align to Finance Team restructure timescales
Bring invoices into EMS	March 22
Upgrade EMS Finance package and link to Unit 4	April 22
Implement new processes with 3 utility providers	May 22
End scanning and indexing with Northgate	June 22
Go live	June 22

Section D

Consultation Required?	Job consultation required as part of the wider Finance Team restructure

	Start Date	End Date
Staff	Feb 22	End March 22
Trade Unions	Align to Finance Team restructure Inform TU as part of monthly update	Align to Finance Team restructure Feb 22
Public	Not required	
Service User	Not required	
Other	Phase 2 Persona, schools and STH	September 22

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
➢ To create the new system there is a requirement to upgrade the Council's EMS finance package. This is a one-off cost to create a software platform so monthly billing can be automatically transferred from the Council's EMS to Unit 4. This cost is £950. ➢ There will be a training requirement to prepare the energy unit/finance staff to manage the new system. This will be a one-off cost of approximately £800 for one days training at Bury Council offices. Total cost £1750

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
The savings are to come from utility bills across the whole Council, not just Operations Department, and will therefore require some liaison and coordination to ensure the savings are reflected fully in the budget files. The projected savings from better management of bills are subject to risk, but the evidence from other LA's who have undertaken a similar process would suggest that the level of savings stated are achievable. Adding a management fee for the Water Contract is simple enough to achieve, it is just a matter of the timing as to when the contract is rolled out. The timescales should be met as the there is a well worked out plan to bring this on stream by June 2022, and the management fee for the Water contract is already in hand.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS009
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn Cllr Gold

Section A

Service Area	Operations and OCO
Budget Option Description	Merge the Ops and OCO Equipment Store

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Budget Reduction Proposal – Detail and Objectives

Operations operate a store located at Bradley Fold. It is used to store salt, cones, barriers, road work equipment, highways equip, bin supplies etc. The stores occupies a large building which is part of the corporate estate. The current depot is comprised of three sections covering a total area of around 52000 Sq. Ft (buildings only) (300K Sq. Ft Total area)
The stores and transport office occupies 13500 + 400 sq. Ft of portacabins
The garage a further 28000 sq. Ft and the grit shed is 10600 Sq. Ft

Annual budgeted operating costs relating to the whole depot are:

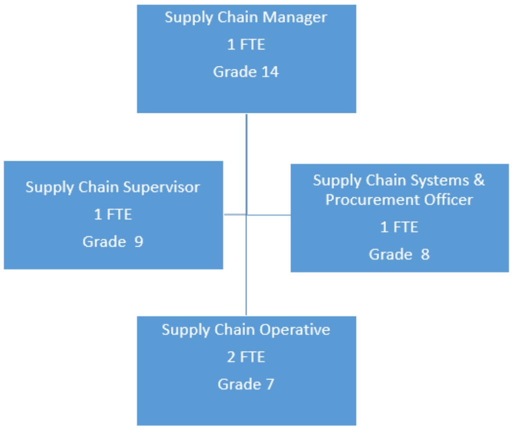
Item	Cost £
Cleaning and domestic supplies	46,800
Energy	57,400
Rates	49,800
Repairs and maintenance	21,300
Water	31,000
Supplies and Services	40,300
Total	**206,300**

Within the Supplies and Services element, there is a £16k repayment to the Energy Conservation fund, which ceased in 2021/22 and can therefore be included in the savings for 22/23.

There are 5 FTE in the Ops store as follows:

Job title	Salary including on costs
Supply Chain Manager	£55,073
Supply Chain Supervisor	£36,479
Supply Chain Systems and Procurement Officer	£32,205
Supply Chain Operative	£28,598
Supply Chain Operative (vacant)	£28,598
Total	**£180,953**

The total employees budget is £187,200



There is currently one vacancy in the store, a Grade 7 Operative £21,748 (£28,598 including on costs)

The OCO also operate a 11,420 sq. ft store, known as ICES located in a non-Council owned building on the Bridge St Industrial Estate. The provision of equipment and aids enables the council and the NHS to meets its duties as described in the following legislation:

- The Care Act 2014
- The National Health Service Act 2006
- The Children Act 1898
- The Chronically Sick and Disabled Persons Act 1970
- The Children and Families Act 2014

The store houses equipment and adaptations to help with the following:

- Mobility
- Moving and handling
- Bathing
- Showering
- Using the toilet
- Access (wheelchairs, ramps, stair lifts, lifts)
- Pressure relieving
- Sleeping/ getting into bed

The requirements of the ICES are:

- Accessible car parking and access to the building
- Toilets and Welfare facilities
- Creation of reception, meeting room, office and training room
- Installation of cleaning, drying and decontamination areas
- Central heating, drainage etc.
- IT systems.

Current annual running costs are as follows:

Item	Cost
Rent	£58,000
Service charge	£6,500
Business rates	£21,000
Insurance	£2,500
Utilities and running costs	£23,700
Total	**£ 111,700**

There is the option of serving a six month break clause, but for it to be accepted there has to be no breaches of the lease. All rents , rates, service charges and all other outgoings have to be paid up to date(utility bills), and a crane service agreement, that the crane has been maintained.
The rents are paid on a monthly basis according to the lease, therefore a six month notice period we will need to ensure payments until the end of the six months

Or possibly the 7 month, if notice is given mid-month, the rental if over paid should be reimbursed if break-clause accepted and unit vacated and left in a good condition of repair (and reinstatement).

There is also a licence of alterations, works undertaken to make the units fit for the purpose of its use.

These works may be required to be removed and the unit left in the original condition, i.e.. removal of the mezzanine floor. Therefore cost of these works will have to be considered and carried out to the satisfaction of the landlord.

The other option to consider is an assignment of the lease to another company/organisation, who will take it on as is possibly and agree the payment of the rents, rates etc.

It is staffed as follows:

Job title	Salary including on costs
ICES Manager	£41,219
ICES Technician/supervisor	£32,851
Driver/fitter	£25,902
Driver/fitter/store operative	£25,902
Driver/fitter/store operative	£25,902
Support Services Officer	£19,730 (4 days)
Admin Officer	£25,395
Admin Assistant	£25,395
Total	**£222,296**

Summary of current costs:

Service area	Premises £	Staffing £	Total £
Ops	206,300	180,953	**387,253**
ICES	111,700	222,296	**333,996**
Total £	**318,000**	**403,249**	**721,249**

Proposal:

The proposal is to merge the two stores into one location at Bradley Fold and complete a restructure that creates a new integrated team and reduces workforce costs.
Total budget is £721,249. A £150k saving is a 20% reduction in the budget.

It is proposed to deliver this saving over 2 years because of the amount of property work that would be required at Bradley Fold. The intention is to restructure the team in Year 1 and to complete the property move and savings in year 2 once the new management team is in place. There would be a matrix management arrangement in place between Ops and ASC.

There are 3 property options:

Option1. Move the ICES Store into the Ops store
This option is the quickest and probably the cheapest.

Option 2. Move the ICES store into another unit at Bradley Fold
This option is unlikely as property Services have advised there is nothing suitable and vacant at Bradley Fold

Option 3. Consider moving both stores onto a different site at Bradley Fold
A discussion with Property Services has advised the following:
It would make sense to utilise the already demolished 26-28 and incorporate the area currently utilised by Highways as a dumping ground so a thoroughfare can be created with a route in and a route out. Additional buildings could be erected along the disused rail track should they be required which would lessen any noise impact on the adjoining housing estate from depot traffic.
This would enable the depot to maintain a one-way system for vehicles and the rest of the estate would remain as is until future development plans are agreed, the re-siting of the proposed new transformer and substation (£67K) to the depot confines would also free up an exit/entrance route for smaller vehicles and ensure depot operatives utilise the car park rather than tenant parking spaces elsewhere on the estate.

All options will require capital investment.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£40k	£110k	£k
Staffing Reduction (FTE)	3	0	0

It is proposed to deliver this saving over 2 years because of the amount of property work that would be required at Bradley Fold. The intention is to restructure the team in Year 1 and to complete the property move and savings in year 2

Is the proposal One-Off or Ongoing?	On-going
Which Budget Principle does the option relate to?	Carbon Neutral and Internal Transformation

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
The two stores will be merged into one. Options will be looked at to agree whether the ICES store can be moved into the Ops store or whether further building work is required at Bradley Fold.
Service Delivery
Integrated management and supervision. Would need to separate out the public facing areas of the building
Organisation (Including Other Directorates/Services)
A new, integrated team will operate across the OCO and Ops, with a reduced management team. This will require a restructure and job consultation period to integrate the management and supervision functions and remove vacancies.
Workforce – Number of posts likely to be affected.
1 or 2 – at manager and supervisor level and 1 vacancy in Ops Restructure may increase the salaries of the remaining manager and supervisor/s

Communities and Service Users
The new facility will need to enable the small number of service users who visit ICES to continue to do so. They arrive by car as they are taking equipment away so they will need access to a parking space nearby.
Other Partner Organisations

Section C
Key Risks and Mitigations

Risks	Mitigations
Won't be able to find a new building to meet needs of both services	Design and agree space requirements
Won't be able to separate out current Ops building at BF into clean and dirty areas	Design and agree operating model
Savings will fall unequally	Need to work up the costs of sharing a building and the new structure,
Capital investment required means return on investment doesn't stack up or takes a long time to pay back	Work towards the most efficient model

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Informal briefing TUs and staff	Jan 22
Agree space requirements	Jan 22
Design and agree new structure	Feb 22
Write new job descriptions and person specifications	Feb 22
JE papers to HR Team	Feb 22
JE info sent to TUs	Feb 22
JE Panel	Feb/March 22
Final report sign off by Members	March 22
Formal discussion with TU and staff	March 22
Job consultation period	30 days March-April 22
Review staff feedback	End April 22
Sign off proposals	End April 22
Issue redundancy notices	End April 22
Implement new structure	July 22
Property decision- current Ops store or new stores at BF	June 22
Agree new operating model for space and service delivery	Sept 22
Decant of ICES	March 23
Fit out of new store	March 23
Go live	April 23

The timeline above reflects option 1, it will need to change for option 2.

Section D

Consultation Required?	30 days job consultation

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Capital investment may be required if move to a new unit at Bradley Fold – see note from Property Services above Capital investment will be required to fit out the new joint store. Some of the fittings and equipment from Bridge Street can be moved

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
The Premises costs quoted for Operations Stores is the full cost for the whole of the Bradley Fold Depot. Further work would be required to determine how much, if anything material, would be saved by Stores function relocating elsewhere. The best option from a revenue point of view would be to co-locate at Bradley Fold as the costs from Bridge Street would be saved, and not much extra incurred. Proposal includes deleting a currently vacant post, which would save £29k and can be achieved from April 2022. The post has been vacant for a number of months. The £16k Energy Fund contribution is also an immediate saving. Restructuring the management of the services will release further savings, with timings determined by HR processes around consultation and notice periods.

Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	OPS010
Executive Director	Donna Ball
Cabinet Member	Cllr Simpson

Section A

Service Area	Leisure and Wellness
Budget Option Description	Leisure and Wellness Programmes – Increased Efficiency

Budget Reduction Proposal – Detail and Objectives

Background

To achieve the overall budget reduction Wellness will look to implement transformational change across its services. There are several transformational projects which require implementation and are intrinsically interlinked and aligned to each other to see exponential growth and income as well as efficiencies across the services. The following transformational projects are summarised as follows and the financial calculations have been worked out with the following acknowledgment that the Channel Shift and Management Information Systems (MIS) projects are aligned.

- **Transformation of Customer Journey**–Development of a more digitalised and online process for paying for activities. If enhancements to the existing website and the development of a more efficient app and management information system this would channel shift and make it easier for members and non-members to book and pay for all transactional activities online. This would then allow for some overall reduction in frontline posts. Working alongside other Operations Senior Leadership Team and relevant stakeholders to transform the overall digital experience of all customers development of a proof of concept to automate Leisure Calls through agreed business outcomes. Solutions will be developed working with an external IT Specialists to transform the service. Efficiency savings from reduced headcount in Leisure, additional income from turning pay as you go users into members, additional income from recruiting non-members to members, efficiency savings through reduction of applications, licences etc. If channel shift fully implemented reduction in 2 FTE frontline operational staff once fully implemented resulting in £50k saving which sits separately corporately. Also, recent investment proposal approved at Cabinet in September 2021 was agreed to support the recruitment of some additional interim receptionists to help with volume of calls, customer retention and membership sales.

- **Management Information Systems (MIS)** – The Head of Wellness alongside a separate task and finish group from across Wellness have been undertaking a comprehensive review of all the existing data management systems to deliver an improved Leisure and Live Well Booking System, reporting overall management systems to drive efficiencies ensure the services have the best system available to support growth and retention of all customers. The Service have secured some IT additional investment to help procure a new system. An audit has been undertaken considering baseline, needs and wishes across the teams. Currently across Wellness Services there are five MIS systems which includes Libraries. The first phase of work to support the channel shift will focus on Leisure and Live Well. After consideration the most efficient progress for Libraries will be to join the Greater Manchester Library MIS Consortium where there will be approximately £5,100 savings but these will be achieved in 2023/2024.

- **Marketing** – An Operational Decision was agreed and in December 2021 to appoint a Leisure Specialist to support the development of a Service Marketing Strategy, Plan and Campaigns to help increase the number of new members. There will also be a focus on the retention of existing members. The Marketing Support will create additional leads and an increase in memberships. Cornerstone were successful and have started in January 2022 to support the team with the overall strategy and membership growth. Cornerstone also support three other Leisure trusts across GM.

- **Restructure** – The Wellness Head of Service is undertaking a review of the Management Structure. A review of all current vacancies and team structures will be embedded into the review.

- **Wellness Delivery Expenditure Budget Reductions** – A review across all Wellness Budgets has commenced and the following will be allocated as savings :

  a. approximately **£100k** reduction will be allocated from expenditure budgets. A reduction in the overall Leisure staffing budgets which are currently underspent will contribute towards this target.
  b. Reduction in vending budgets following a change to external provider **£20k**
  c. Parks budget efficiency saving **£20k**

- **Income and Growth** – As of December 2021 Leisure had a baseline of 2713 live members. The target is to grow this to 4,000 by 31st March 2023 to drive additional membership income. Increase in income through membership growth and retention **£72k** – Marketing consultant now appointed. Recovery plan will be reviewed. Related to additional 220 members. This number will have to be higher to allow for achieving the growth over 12 months

- **Review of Programmes** – To review programmes across all three Leisure Centres and ensure the Leisure Management Team focus on optimisation for all activities in line with UK Active Guidance.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£212k	£k	£k
Staffing Reduction (FTE)	2 FTE	0	0

Is the proposal One-Off or Ongoing?	One-Off
Which Budget Principle does the option relate to?	Digital/Economic Growth

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
None
Organisation (Including Other Directorates/Services)
Positive Reduced expenditure deficit and increased growth and income for Leisure Services **Negative** Links to workforce wellbeing and the ability for the workforce to change the way they deliver the service within a short timescale.
Workforce – Number of posts likely to be affected.
Positive Reduced staffing costs for the Council. (Subject to channel shift model being fully implemented). **Negative** Channel Shift - Potentially c2 FTE posts directly affected.
Communities and Service Users
Positive Where possible the channel shift will support an improved transactional customer experience. **Negative** Behaviour change of the customer experience required as there will be a shift away and a perception of a less personalised experienced service specially for certain customers who require additional support.
Other Partner Organisations
➢ GM Active ➢ Public Health ➢ Live Well ➢ GM Moving ➢ Other stakeholders

Section C
Key Risks and Mitigations

Risks	Mitigations
Staff Redundancies and Redeployment	Potential redeployment
Channel Shift Model not fully implemented	Work may have to be phased in line with other corporate work streams.

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Full Cabinet Report and full governance process	Up to 8 months
Staff and Public Consultation	Up to 6 months

Section D

Consultation Required?	Yes

	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital

<table>
<tr><th colspan="4">Finance Comments – Will the proposal deliver the savings and within the agreed timescales?</th></tr>
<tr><td colspan="4">There are a significant number of vacancies across the service which can contribute to the target, which when taken with the other measure outlined would mean that this will be achieved in 2022/23.

Savings within these services need to be set in the context of the income for Leisure lagging behind a temporarily reduced income target.</td></tr>
<tr><td>Signed Executive Director</td><td></td><td>Cabinet Member Signature</td><td></td></tr>
<tr><td>Signed Finance</td><td></td><td>Name and Date</td><td></td></tr>
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Reference	OPS011
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn

Section A

Service Area	Waste Management
Budget Option Description	Increase Recycling and Minimise Waste

Budget Reduction Proposal – Detail and Objectives

Minimise waste collected and increase recycling to reduce disposal levy costs.
Actions:

- Promote comingled recycling
- Promote paper and card recycling
- Love Food Hate Waste Campaign
- Right Stuff Right Bin Campaign
- 'Every Item Counts' and 'Every Household Counts' Campaign
- Promote Home Composting
- Reduced use of single use plastic campaign
- Reduce contamination
- Community recycling campaign with support from Community hubs, food banks and schools
- Promote waste minimisation campaigns e.g. re-use, bulky waste collections and charity shops.

Increased financial monitoring of waste disposal levy through closer working between Ops and Finance. This will tell us how we are performing- over/under and projected year end position. A monitoring spreadsheet has now been set up and at the end October 2021, it shows we are in line with 2021/22 projections. The position will be monitored monthly.

Levy Costs per tonne for 2021/22

	Fixed cost per Tonne	Variable Cost per Tonne
Residual	£ 194.10	£102.30
Food and Garden	£33.00	£46.98
Comingled	£14.98	-£5.86
Pulpables		£23.25

- Every 1% reduction in Grey bin (residual) waste saves £29k
- Every 1% of waste moved from Grey bin (residual) to Green bin (pulpables) saves £22.5k
- Every 1% of waste moved from Grey bin (residual) to Blue bin (co mingled) saves £31k
- Every 1% of waste moved from Grey bin (residual) to Brown bin (bio waste) saves £15k

Recycling Rates 2020/21

The table below shows the recycling rates across Greater Manchester in 2020/21. This shows that Bury has the third highest recycling rate in Greater Manchester.

Local Authority	Recycling rates
Trafford	56.64%
Stockport	55.95%
Bury	52.84%
Tameside	51.96%
Rochdale	51.12%
Bolton	50.98%
Salford	46.38%
Manchester	44.32%
Oldham	40.02%

- A 4% increase in recycling in Bury would take the Council to the best position in GM.
- Current recycling rate in Bury is 28.29% from bio waste and 24.55% from dry recycling to make up the 52.84%.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£50k	£255k	
Staffing Reduction (FTE)	0	0	

Is the proposal One-Off or Ongoing?	On going
Which Budget Principle does the option relate to?	Carbon Neutral

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
The proposal will impact on residents living in all properties in Bury as we target changing their behaviour to increase recycling and reduce waste.
Service Delivery
A borough wide communications campaign will be needed to target behaviour change. This will include: • Option to link to the climate change agenda and the wider benefits of recycling • Crew training to ensure they understand what goes in each bin and how to avoid contaminated loads • Social media campaign • Door knocking – to be targeted following analysis of round data to see where we can have the biggest impact. e.g., round collecting highest tonnes of residual per household • Community campaign with support from Community Hubs, Schools, Bury Market, Food Banks etc (need to engage with hubs and food banks) • Exploring campaigns and support available from GMCA
Organisation (Including Other Directorates/Services)

Support from Corporate Core- Comms Team and Community Hubs. Comms to Carers via OCO.
Workforce – Number of posts likely to be affected.
None.
Communities and Service Users
Will need a comms campaign to target behaviour change and will need a community campaign with support from Community Hubs, schools, Bury Market, Food Banks etc
Other Partner Organisations
Team Bury approach required across schools, Six Town Housing (STH) properties etc. STH are keen to carry out joint working to increase recycling and minimise waste. GMCA – An approach will be made to the GMCA to see if any communication and behavioural change support can be provided by Recycle for Greater Manchester.

Section C
Key Risks and Mitigations

Risks	Mitigations
Recent comms from GMCA indicates there are likely to be significant pressure on the GM waste disposal levy costs due to: • Impacts of the National Waste and resources Strategy • The merger of SUEZ and Veolia This would result in an increase in waste disposal costs for Bury.	The initial term of the Suez contracts ends in 2026 and the GMCA and LAs we will need to come to a view on whether to utilise the optional 3 year priced extension, run a procurement in a much reduced market or consider an alternate delivery model.
The waste disposal budget is a corporate budget but the work to deliver the savings will be done in operations and the saving will need to be attributed to operations.	Discussions to take place with finance to confirm the savings can be attributed to operations.
Capacity to mobilise a presence in communities for door knocking, carers, Hubs and Food banks.	Super boost funding secured, integrate into people's roles, embedding into climate change activity, Council Change Agents.
Seasonal variances in weather can change the amount of bio waste that can be collected e.g. a hot wet summer makes the grass grow more!	Levy projections as accurate as possible based on previous experience

Key Delivery Milestones
Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Recruit into temporary posts to push behavioural change on the ground using comms collateral.	End February 2022
Analyse data from routes to agree where to prioritise	End February 2022
Develop Corp comms campaign and plan across all waste minimisation and recycling initiatives	End February 2022
Engage residents through door knocking, briefings and activity by community hubs, carers, food banks etc	Throughout 2022/23

Work with schools and incentivise activity at home with rewards for schools	Throughout 2022/23
Engagement with community cohorts e.g. faith groups and festivals	Throughout 2022/23

Section D

Consultation Required?	No

	Start Date	**End Date**
Staff		
Trade Unions		
Public	Through communication campaigns	
Service User	Through communication campaigns	
Other		

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Funding has already been secured as follows to support this: • 2 x contamination officers for a period of 2 years • 1 x additional Officer for one year to specifically work with Six Town Housing, other Registered Social Landlords and private landlords to tackle issues associated with communal waste bins and improve recycling A small budget may be required for communications material.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
If the actions taken have the desired effect on recycling rates, then the saving (which is 1.8% of the levy charge) should materialise. The staffing resource will be fully in place so the savings should be able to be achieved as per the timetable.			
Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	Ops012
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn

Section A

Service Area	Operations
Budget Option Description	Review of Transport with Driver Service

Budget Reduction Proposal – Detail and Objectives

Background

This proforma sets out the scope for reviewing and making savings within the transport with driver service

- The main client for the service is Persona with transport provided to and from all day care centres. Additional transport to a very small (less than 5) home to school contracts and ad hoc internal parcel/post deliveries during the day
- The service provides transport to just over 400 Persona customers of which circa 130 are in wheelchairs. There are about 50 children and young people customers including 10 in wheelchairs
- The service has over 20 vehicles which includes up to 7 mini-buses located at specific venues
- The service employs 12 drivers of which 3 are from agency. There is 1 transport supervisor who drives on a regular basis.
- The total existing expenditure budget for the service is £655k which includes drivers, buses, mini-buses, fuel, central charges such as insurance and supervision

It is proposed to review the existing service provision which will also consider the longer-term Adult Care policy for admission into the service for customers. The review will also look at the efficiency of routes, the maximum time a customer should be on a bus at any one time, the maximum number of customers the service can provide and the minimum requirement for on-site mini buses.

The review will be carried out in consultation with Adult Care Services, Children's Services and Persona as well as consultation with staff and trade unions.

	2022/23	2023/24	2024/25
Budget Reduction (£)	£100k	0	0
Staffing Reduction (FTE)	TBD	0	0
Is the proposal One-Off or Ongoing?	On-going		
Which Budget Principle does the option relate to?	Internal Transformation		

Section B

***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None.

Service Delivery

- Reduced service provision with potentially less customers being transported
- More efficient routes
- Replacement of buses to be more efficient on fuel and maintenance
- Review of other income generation opportunities
- Potentially less minibuses based at centres or more efficient use of them

Organisation (Including Other Directorates/Services)

Impact on service provided to Adult Care Services, Children's Services and Persona

Workforce – Number of posts likely to be affected.

- 12 existing drivers
- 1 existing supervisor who also drives
- Workshop provision if less buses are required to be maintained

Communities and Service Users

A reduction overall budget circa 15% resulting in

Less vehicles
Less drivers
Less on-site mini-buses
Service to less customers
Efficiency savings in leasing costs of vehicles
More efficient routes
Replacement vehicles as the existing stock is now uneconomical

Other Partner Organisations

Persona

Section C
Key Risks and Mitigations

Risks	Mitigations
Risk income targets won't be met	Work closely with ACS and Persona to develop a workable reduced service
Resistance from customers to any changes	Ongoing consultation with Persona, other clients and customers
Increasing demand for the services	Ensure ACS policy in place for managing entry to and retention within the service
Older buses are now beyond economic repair and do not comply with carbon reduction requirement	Replace existing buses and hire in vehicles until final revised service is known

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Engage with ACS, Staff, Children's and Persona	Feb -April 22
Service Review	Feb – May 2022

Section D

Consultation Required?	Consultation with existing clients and customers

	Start Date	End Date
Staff	Feb-2022	May 2022
Trade Unions	Feb 2022	May 2022
Public		
Service User	March 2022	March 2022
Clients	Feb 2022	March 2022

Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Capital cost for the replacement vehicles which is already approved within the existing capital Vehicle Replacement Programme

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
If the review only concludes in May, then allowing for implementation would mean that an annual saving in excess of £100k would need to be identified to be able to deliver the target. However, as there is an existing vacancy, then leaving that unfilled – pending the review – would generate an annual equivalent saving of c.£28k from the start of the year.

Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Reference	Ops013
Executive Director	Donna Ball
Cabinet Member	Cllr Quinn

Section A

Service Area	Operations
Budget Option Description	Changes to posts

Budget Reduction Proposal – Detail and Objectives
Background This proforma sets out changes a small number of posts The following are proposed: HR changes: 1. The redesignation of a Head of Service post to a Project Manager. Change from SM2 to Grade 13 (£19,00 saving) 2. Capitalise 1 post in Highways (£50K) 3. Grounds Maintenance efficiencies (reduced use of agency staff, £20k) 4. Deletion of 1.5 vacancies (54,000)

	2022/23	2023/24	2024/25
Budget Reduction (£)	£143k		
Staffing Reduction (FTE)	0	0	0
Is the proposal One-Off or Ongoing?	On-going		
Which Budget Principle does the option relate to?	Internal transformation		

Section B
***What impact does the proposal have on*. Set out any impacts (positive and negative) on performance and costs**

Property
None.
Service Delivery
Organisation (Including Other Directorates/Services)
None
Workforce – Number of posts likely to be affected.
Redesignation of 1 post in project management Capitalisation of 1 post in Highways Deletion of 1.5 fte vacancies

Reduction in use of agency staff and further annualisation of working hours in grounds maintenance
Communities and Service Users

Other Partner Organisations
None

Section C
Key Risks and Mitigations

Risks	**Mitigations**

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	**Timeline**

Section D

Consultation Required?	No all posts are vacant

	Start Date	**End Date**
Staff		
Trade Unions		
Public		
Service User		
Other		

. ***Financial Implications and Investment Requirements***

Investment requirements – Revenue and Capital
Capitalisation of 1 post in Highways

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?

Signed Executive Director		**Cabinet Member Signature**	
Signed Finance		**Name and Date**	

Classification Open	Item No.

Meeting:	Overview and Scrutiny Cabinet
Meeting date:	Overview and Scrutiny – 8 February 2022 Cabinet - 16 February 2022
Title of report:	The Dedicated Schools Grant and setting the Schools Budget 2022-23
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	**Key Decision**
Ward(s) to which report relates	**All**

Executive Summary:

1.1 The Dedicated Schools Grant (DSG) is the ring-fenced grant from Government that provides each local authority with an allocation of funding for schools and services for pupils.

1.2 The DSG contains four blocks determined by a separate national funding formula which calculates the total funding due to Local Authorities. In considering how the DSG is allocated it is necessary to consider each block separately. This report sets out recommendations in relation to the Schools Budget for approval by Cabinet. The details set out in the report has been discussed, and agreed, by the Schools Forum.

1.3 Under the Council's Constitution, the Overview and Scrutiny Committee is required to advise and consider the Cabinet's budget and council tax proposals and report to Cabinet on the outcome of its deliberations before the matter is referred to Council.

Recommendations

That Overview & Scrutiny:

- Note content of this report
- Consider whether they wish to make any recommendations to Cabinet on the content of this report

That Cabinet:

- Approve the Dedicated Schools Grant Budget for 2022/23 at £202.629m, which includes an additional DSG Grant for 2022/23, and approve the allocations between the 4 funding blocks;
- Approve the Schools and Academies 2022/23 funding unit values as recommended by Schools' Forum and detailed at Appendix 1;
- Approve the 2022/23 hourly rates for all early years providers as follows:
  - £4.46 per hour for 3 and 4 year olds, and:
  - £5.56 per hour for 2 year olds.

Background

2 Dedicated Schools Grant

2.1 In September 2019, the Chancellor of the Exchequer presented the 2019 Spending Round (SR19) to Parliament and this included notification that, nationally, schools funding would increase by £2.6bn in 2020/21, £4.8bn in 2021/22 and £7.1bn in 2022/23. The Government also advised that the high needs funding for schools would receive a one year increase by £700m nationally in 2020/21 compared to 2019/20. This three year funding allocation, which was enhanced further following the Comprehensive Spending Review 2021 (CSR-21) announcement of additional schools and high needs DSG, has helped with financial planning for our schools and forms the basis for the 2022/23 budget to schools.

2.2 For schools this means that the minimum per primary school pupil amount has increased from £4,180 for 2021/22 to £4,265 for 2022/23. The Secondary minimum per pupil amount has increased from £5,415 for 2021/22 to £5,525 for 2022/23. For Bury, an additional £11.616m has been allocated over and above the 2021/22 allocation.

2.3 The allocations for Bury are set out in the following table.

Dedicated Schools Grant	2021/22 £m	2022/23 £m	Increase/(Decrease) £m's
Schools Block	139.599	147.222	7.623
Central Schools Services Block	0.952	0.991	0.039
Early Years Block	14.064	13.486	(0.578)
High Needs Block	36.398	40.930	4.532
Total DSG	**191.013**	**202.629**	**11.616**

2.4 The 4 blocks that make up the DSG are:

- ***The Schools Block***

  This provides funding for individual mainstream schools and academies as well as growth funding for any planned growth in schools. It is the responsibility of the Council to propose and decide any changes to the formula which is used to allocate Schools Block DSG to all primary and secondary schools. The Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

- ***The High Needs Block***

  This provides funding for the education of pupils subject to Education, Health and Care plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and council centrally retained expenditure for high needs support and inclusion. It is the responsibility of the local authority to propose and decide the allocation of High Needs Funding. The Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

- ***The Early Years Block***

  This provides funding for two-year olds, early years funding in schools and in the Private, Voluntary and Independent (PVI) sector as well as centrally retained expenditure for under 5s. Local Authorities must pass through a minimum of 95% of funding for the universal 15-hour entitlement for 3 and 4 year olds and the additional 15 hours entitlement for 3 and 4 year old children of eligible working parents directly to settings. This leaves a balance of up to 5% that can be retained by the Council to contribute to early years functions delivered by education services, for contingency to allow in-year funding to be provided to providers for increased early years pupil participation and for Early Years SEND inclusion funds.

  It is the responsibility of the local authority to propose and decide on the allocation of early years funding. The Schools Forum and all early year’s providers are consulted annually and given an opportunity to give their view on the proposals.

- ***The Central Schools Service Block***

  This provides funding for the local authority to carry out central functions on behalf of pupils in both maintained schools and academies. The local authority proposes the spending allocations funded from the Central Services block but the final decision is made by the Schools Forum. Central Schools Services includes the admissions service, schools forum administration, school improvement and other statutory and regulatory duties.

2.5 There is limited flexibility for councils to transfer funding between the 4 blocks. For 2022/23 the Education and Skills Funding Agency (ESFA) has limited the movement between blocks to 0.5% of the total Schools Block allocation but only with the agreement of the Schools' Forum. Any proposed increase on this is subject to approval by the Secretary of State.

2.6 For 2022/23, Bury's Schools' Forum has unanimously approved a transfer of 0.5% from the Schools' Block to help support the pressures being faced on the High Needs Block. This equates to £0.715m contribution to help sustain the recovery of the High Needs deficit.

3 DSG Allocation

Schools Block National Funding Formula Allocation

3.1 The Schools Block allocation for 2022/23 is £147.222m. This is an increase of £7.623m from the 2021/22 allocation.

3.2 In September 2017, the National Funding Formula (NFF) for Schools and Central Schools Services was introduced. Following consultation with all schools and academies, Bury applied the NFF with effect from 1 April 2018 with the Secondary Schools opting to move to this immediately and Primary Schools taking a 3 year phased approach. From 2020/21, the national funding formula has been applied to all schools in Bury as previously agreed. The 2022/23 funding factors continue to comply with the national funding formula values

3.3 The Schools Forum has considered the allocation of the Schools Block and have made their recommendations. These have been applied to the formula used to determine individual school allocations and ensure full compliance with statutory requirements.

3.4 It should be noted that the funding increase to the Schools Block included the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. To ensure schools can continue to meet the cost of increased pay and pensions for teachers, the schools' delegated budgets are enhanced through an increase to the per-pupil Basic Entitlement funding.

3.5 A full summary of the funding formula factors is set out at Appendix 1 and these are recommended for approval by Cabinet.

3.6 In addition to the Schools Block funding, additional external funding is available directly for schools and academies. It should be noted that these are estimated figures, based on 2021/22 actuals and are subject to pupil census and other data updates. A summary is set out in the following table.

Estimated external Funding available to schools and academies in 2022/23	
	£m
Pupil Premium Grant	9.059
Universal Infant Fee School Meals Grant	2.074
Primary PE and Sport	1.045
Covid Recovery / School Led Tutoring – to 31 August 2022	0.460
Devolved Formula Capital	0.797
TOTAL	**13.435**

3.7 During 2021/22 schools were also provided with additional funding to support them through the coronavirus pandemic and any additional costs incurred as a result of schools' compliance to Government lockdown guidance. This included the Covid Exceptional Costs Reimbursement Scheme, Covid Catch-Up Grant, Covid Recovery Grant and the Workforce Fund. There is no guarantee that all or any of these grants will be provided to contribute to any ongoing costs faced by schools in the 2022/23 academic year. In addition the council received funding to provide Free School Meal vouchers for eligible pupils during holiday periods.

Early Years Block National Funding Formula Allocation

3.8 The Early Years Block allocation for 2022/23 is £13.486m which includes funding recognition for inflation and cost pressures in Early Years. This funding actually shows a decrease of £0.578m from the 2021/22 allocation due to the demographic impact of previous low birth rates impacting on 2, 3 and 4 year old Early Years pupil numbers.

3.9 Early Years funding to providers is based on hourly rates for eligible 2, 3 and 4 year olds accessing their entitlement to free early education. The hourly funding rate applied to 3 and 4 year olds must also meet a minimum level of an average across all providers of at least £4.38 per hour.

3.10 The hourly rate determined must include a universal base rate and a mandatory supplement for deprivation applied to all providers. Any supplements must not be more than 10% of the total hourly rate funding to providers.

3.11 Up to 5% of the 3 and 4 year old funding may be retained by the Council to contribute to central early years functions, contingency for in-year increases to early years pupil participation in settings and for Early Years SEND Inclusion Fund.

3.12 The 2 year-old funding rate allocated is higher in order to contribute to funding the greater staffing ratios required and associated costs of supporting 2 year-old children. The 2 year old aspect does not include any mandatory supplements and is not subject to the 95% pass-through requirement.

3.13 The Early Years block for 2022/23 continues to include the Maintained Nursery School (MNS) funding protection which is allocated as an additional lump sum outside of the universal hourly rates used.

3.14 The 2022/23 hourly rates proposed ensure the increased funding provided through the Early Years Block of 20 pence per hour for 2 year olds and 16 pence per hour for 3 and 4 year olds is allocated directly to all Early Years providers through their funding allocations based on actual numbers on roll and hours of pupil participation in their settings.

3.15 In accordance with the statutory requirements Council is required to approve these hourly rates applicable with effect from 1 April 2022, as recommended by Schools' Forum. These are set out in the tables below.

Table 1

Early Years Allocation for 3 and 4 year olds - Funding Per Hour	
Factor	**2022/23 Allocation Per Hour (£)**
Universal rate allocated to all providers	4.30
Deprivation Supplement (average)	0.16
Hourly rate allocated to all providers	**4.46**

Central Provided Services (up to 3%)	0.15
Total for 3 and 4 year olds	**4.61**

Note: The deprivation allocation above is an average and may vary to individual settings as their actual amount is determined according to the latest deprivation indices for all children on roll according to their home postcode.

Table 2

Early Years Allocation for 2 year olds - Funding Per Hour	
Factor	**2022/23 Allocation Per Hour (£)**
Universal rate allocated to all providers	5.56
Deprivation Supplement	n/a
Total for 2 year olds	**5.56**

3.16 Early Years settings may also receive additional funding for eligible pupils through the Early Years Pupil Premium Grant (EYPPG) at £0.60 per hour, and/or Disability Access Fund (DAF) at £800 lump sum per eligible child.

High Needs DSG Budget Allocation

3.17 The 2022/23 allocation for High Needs DSG is £40.930m. This represents a £4.532m increase from the 2021/22 allocation.

3.18 High Needs funding is based on SEND pupil numbers as of October 2021 in mainstream, special and resources provision maintained schools and academies, and SEND pupil numbers at January 2022 in independent provision.

3.19 Of the total allocation of £40.930m, the ESFA will allocate around £1.092m direct to Further Education (FE) establishments for high needs places. The funding remaining for the Council to manage is therefore £39.838m to fund all in-borough and out-borough provision and specialist support delivering SEND and inclusion priorities. From the £39.838m the ESFA will also allocate £3.074m direct to Bury's Academies with specialist places.

3.20 It should be noted that the funding increase to the High Needs Block also included the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. To ensure Bury's Special Schools and Pupil Referral Unit (PRU) can continue to meet the cost of increased pay and pensions for teachers, the statutory place funding was increased by £660 to £10,660 per place from April 2021.

Central Schools Services Block (CSSB) DSG Budget Allocation

3.21 The allocation of the Central School Services DSG (CSSB) block is £0.991m in 2022/23, this represents an increase of £0.039m from the 2021/22 allocation. The use of the CSSB is one for the Schools Forum to decide based on proposals from the council in respect to funding ongoing responsibilities and central functions undertaken on behalf of schools and academies.

3.22 It should be noted that the funding increase to the CSSB also included the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. This is to meet the cost of increased pay and pensions for centrally employed teachers.

4 DSG HIGH NEEDS RECOVERY PLAN

4.1 Costs of high needs have exceeded the available budget for a number of years and the position on the DSG reserve is a cumulative forecast deficit of £22.172m at the end of 2021/22. The deficit has accrued for a number of reasons including increasing volumes of pupils receiving Education, Health and Care Plans (EHCPs), increasing complex needs, increasing costs of provision, increased numbers of pupils in out of borough placements, as well as investment made into in-borough inclusion.

4.2 The DfE want to ensure that DSG deficits are recovered and have set up a DSG Safety Valve Project team to work with the councils with the greatest deficits to develop an agreed recovery plan.

4.3 Bury has been selected along with 5 other Local Authorities to work with the Department for Education (DfE) in respect to developing and agreeing a recovery plan.

4.4 Bury subsequently agreed to enter into the formal Safety Valve agreement and work with the DfE on recovering the deficit in full. The formal agreement was signed by all parties and published by the DfE on 19 March 2021 and the agreement was ratified by Cabinet at the meeting of 24 March 2021.

4.5 A transformation plan aimed at recovering the position has since been developed and, approved by the Secretary of State in March 2021. This agreement has provided Bury with an additional £20m revenue DSG to help clear the balance of the accumulated deficit by the end of 2024/25, plus an additional £3.781m High Needs capital allocation to contribute to developing in-borough provision and places to help reduce cost pressures of expensive out of Borough placements.

4.6 Bury has also secured approval for two Special Free Schools to address in borough sufficiency and capacity of SEND places, specifically for Autistic Spectrum Disorder (ASD) and Social Emotional Mental Health (SEMH). Bury currently has a lack of sufficient provision to meet the needs and prevalence of these cohorts and this results in increased high-cost out of Borough placements

4.7 The transformation plan has involved intensive input from SEND and Finance colleagues and has been completed in accordance with the DfE timeframes and reporting requirements. The original January 2020 plan has been refreshed and re-submitted to the DfE in December 2021 in order to ensure the most up to date priorities and progress of SEND transformation is reported to the DfE as per their assurance requirements and to ensure continued financial support from the DfE is sustained.

4.8 The DfE have acknowledged the considerable progress made since producing an ambitious but achievable action plan that will see the recovery of the deficit through a robust, comprehensive, and manageable delivery plan incorporating key milestones and performance indicators.

4.9 The DfE recognised the Council needed additional support to recover the deficit in full and undertake the extensive transformation required. Within the Safety Valve programme revenue funding agreement there is recognition of the additional capacity required to deliver Bury's SEND transformation and deficit recovery priorities, with £4m included to support increased capacity within SEND, Finance and data including systems developments and Programme Management. The DfE has also committed their support by providing Bury with additional advice, support and guidance from their own specialist colleagues covering SEND and Finance, as well as helping Bury to learn from best practice being developed across the other Safety Valve participants.

4.10 The continuation of any additional financial support is subject to demonstrable delivery of Bury's recovery plan priorities.

Community impact / Contribution to the Let's Do It Strategy

Delivery of the Let's Do It Strategy is dependent upon resources being available. The delivery of the strategy may be impacted by changes in funding and spending.

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services*.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The Council has a statutory requirement to set its annual budget before 1 March 2022. Failure to approve the budget would mean that schools and early years providers do not have their funding allocations agreed for 2022/23.	All proposals have been discussed with the Schools Forum and are based on the latest financial information.

Consultation:

The School's Forum has been consulted on the proposals set out in the report and the recommendations are fully supported by them.

Legal Implications:

The Dedicated Schools Grant (DSG) is payable to Local Authorities under S14 of the Education Act 2002, guidance is issued annually. The Executive Director of Finance (s151 officer) is required to report on the deployment of the DSG as required by the Accounts and Audit (England) Regulations 2015. The Secretary of State has the right to recover the grant if there is evidence the Local Authority has failed to comply with the conditions of the grant.

Financial Implications:

The financial implications are set out in the report and all proposals can be delivered within the funding available.

Report Author and Contact Details:

Steven Goodwin

Head of Strategic Business and Finance

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
DSG	Dedicated Schools Grant

Appendix 1

Funding Unit Values recommended to Cabinet by the Schools Forum			
Factor	**Sub-level**	**2021/22 Per Pupil**	**2022/23 Per Pupil**
		£	**£**
Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary	3,123	**3,217**
	Key Stage 3	4,404	**4,536**
	Key Stage 4	4,963	**5,112**

Deprivation – Amount Per Pupil			
Factor	Sub Level	**2021/22 Per Pupil**	**2022/23 Per Pupil**
		£	**£**
Free School Meals - Ever 6	Primary	575	**590**
	Secondary	840	**865**
Free School Meals	Primary	460	**470**
	Secondary	460	**470**
Income Deprivation Affecting Children Indices (IDACI) - Primary (Amount Per Pupil)	IDACI F	215	**220**
	IDACI E	260	**270**
	IDACI D	410	**420**
	IDACI C	445	**460**
	IDACI B	475	**490**
	IDACI A	620	**640**
Income Deprivation Affecting Children Indices (IDACI) - Secondary (Amount Per Pupil)	IDACI F	310	**320**
	IDACI E	415	**425**
	IDACI D	580	**595**
	IDACI C	630	**650**
	IDACI B	680	**700**
	IDACI A	865	**890**

Funding Unit Values recommended to Cabinet by the Schools Forum				
Factor		**Sub-level**	**2021/22 Per Pupil**	**2022/23 Per Pupil**
Additional Education Needs Factors – Amount Per Pupil			**£**	**£**
Low cost, high incidence SEND Low Prior Attainment	Primary		1,095	**1,130**
	Secondary		1,660	**1,710**
English as an Additional Language (EAL)	Primary		550	**565**
	Secondary		1,485	**1,530**
Mobility	Primary		900	**925**
	Secondary		1,290	**1,330**

School-Led Factors		**Amount per School**	
		2021/22	**2022/23**
		£	**£**
Lump Sum	Primary	117,800	**121,300**
	Secondary	117,800	**121,300**

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Classification	Item No.
Open	

Meeting:	Overview and Scrutiny Cabinet
Meeting date:	8/16 February 2022
Title of report:	Capital Strategy and Capital programme 2022/23
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	Non- Key Decision
Ward(s) to which report relates	All

Executive Summary:

In line with good practice, the Capital Strategy forms part of the Council's strategic and financial planning framework and provides a framework within which the Council's capital investment plans will be delivered. The Capital Strategy 2022/23 –2024/25 has been prepared to cover a 3-year period initially though it is expected that this will be extended to a 5-year time frame in line with the Council's medium term financial strategy. The current approach recognises the uncertainty, especiallyin relation to funding in future years.

The format of the Capital Strategy reflects the Prudential and Treasury ManagementCodes issued by CIPFA in 2017 which require Councils to prepare a Capital Strategy and include specific information within it. The strategy therefore includes:

- A high-level, long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how the associated risk is managed.
- The proposed capital programme 2022/23 – 2024/25.
- Financing the capital programme.

The Capital Strategy is prepared to ensure Members are fully aware of the overall long term capital investment objectives, capital strategy requirements, governance arrangements and risk appetite. The strategy cannot be viewed in isolation and linksdirectly to the medium-term financial strategy, the treasury management strategy, theschool's capital strategy, the ICT and digital strategies and the asset management plan.

Recommendation(s)

That Overview & Scrutiny:

- Note content of this report
- Consider whether they wish to make any recommendations to Cabinet on the content of this report

That Cabinet:

- Commend the capital strategy to Council

1. BACKGROUND

Capital Strategy

1.2 The Council is committed to an integrated approach that develops a Capital Programme to reflect the priorities with an organisation-wide approach rather than being determined by individual services. This approach aims to ensure our scarce resources are used in the most effective way and support our corporate priorities as set out in the Let's Do It Strategy:

- A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes.
- Harnessing the enterprise of local people and businesses to drive economic growth, and ensuring every resident has the opportunity to connect to the opportunity of this growth through their skills, networks and scope for meaningful work.
- A new collaborative approach to delivering together with communities, to share ownership of issues and opportunity and combine all resources
- A strengths-based approach to public service delivery, to build on the resources people have to solve issues and target resources on the gaps rather than taking a deficit-based view.

2 CAPITAL RESOURCES

2.1 When assessing the level of planned capital investment to undertake, we make a judgement about the level of capital resources that are likely to be available over the period of the programme. Our main capital resources are service specific grants, third party contributions, capital receipts, lease finance and borrowing.

2.2 Historically, the Capital Programme has not required any additional borrowing by the Council. This is no longer considered a sustainable position and borrowing is likelyto be a key source of funding for new schemes in the future. There are revenue consequences of this, as the Council must incorporate the associated borrowing costs and minimum revenue provision in its revenue budget. At the same time, the grant funding opportunities that are emerging from central Government as part of the 'Levelling Up' programme as well as other opportunities including the UK Shared Prosperity Fund and the National Home Building Fund, will provide some funding opportunities, and these will be maximised as part of the overall approach. Indeveloping the capital programme, any revenue costs needed to support potential borrowing have been identified and reflected in the Council's Medium Term Financial Strategy.

2.3 The new funds being made available by the Government are subject to competitive bidding rounds and to maximise the opportunity that these present, the Council needs to ensure it has the required resources to develop these bids.

Central Government Allocations and External Grants and Contributions

2.4 Some capital projects are financed through the allocations received directly from the Government Departments or external grants and contributions, which are mostlyspecific to projects and cannot be used for other purposes. Examples of these wouldinclude the allocations for schools, highway maintenance or disabled facilities grantsfrom Central Government.

2.5 Grants from external organisations are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of Capital developments in the past that would otherwise have been unable to progress.

2.6 The Council will continue to explore cost effective opportunities for grants from external bodies. However, support through grants cannot be accurately predicted and therefore the Council recognises that it cannot depend on this source entirely. The Council will also ensure that exit strategies are prepared in the case of on-going projects funded through external support, in the event of the support being withdrawn.

Capital Receipts

2.7 The Council generates capital resources through the sale of surplus land and buildings. The Cabinet, at its meeting on 24 November 2020, approved an accelerated land disposal programme aimed at generating significant capital receipts for the Borough. Subsequently a number of phases have been approved by the Cabinet: Phase 1 on 24 March 2021, Phase 2 on 30 June 2021 and Phase on 13 October 2021.

2.8 The completion of the programme will generate c£30m of receipts over a 3-year period which can be used to support the Council's capital ambitions.

2.9 The Council will continue to pool both Housing and General Capital Receipts to reflect its commitment to a priority-led approach to the allocation of resources and continue to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or service areas. However, it does recognise that exceptionally there will be instances in which it will be necessary to earmark receipts to particular schemes, and if earmarking is necessary, then a report will be taken to the Cabinet for consideration of the specific circumstances.

2.10 From April 2016 the Government introduced the flexibility for capital receipts to be used to fund revenue expenditure which meets certain criteria. To meet the qualifying criteria the revenue expenditure needs to relate to activity which is designed to generate ongoing revenue savings or to transform a service which results in revenue savings on improvements in the quality of service provision. Local Authorities are only able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use the existing stock of capital receipts to finance the revenue costs of service reform. There is a separate report within these papers on how the Council proposes to use capital receipts to fund transformation in 2022/23.

Borrowing

2.11 From 1 April 2004 Authorities have had the discretion to borrow in line with the CIPFA Prudential Code, which is known as 'Unsupported Borrowing'.

2.12 The Council can make use of the opportunity for the Prudential Borrowing where it is most cost effective and as long as its capital investment plans are affordable, sustainable and prudent. It hence makes a choice on whether revenue resources are used to fund direct service delivery or reserved to finance costs of borrowing for capital investment.

2.13 The Council will consider the use of unsupported borrowing in three particular circumstances:

- Discretionary unsupported schemes – where individual services can meet thefull borrowing, and other revenue costs from within existing resources and where the related expenditure meets with Council ambitions/priorities and would not be able to proceed through another funding source. Any such schemes must be specifically approved by the Cabinet or Council and be supported by a detailed Business Case.

- Invest to save schemes – where pump priming assistance is required but overall, costs are met from additional revenue/capital income or savings generated by the scheme. Pump priming can be funded from unsupported borrowing or from slippage/internal resources. Again, the specific approval of Cabinet will be needed before any such schemes proceed.

- Strategic investment – where strategic investment to support the Borough's economy is required, subject to a detailed business case.

Revenue Contributions and Reserves

2.14 The Council can also use revenue resources to fund capital projects, although revenue budgets have come under increased pressure over recent years and the ability to use revenue is restricted. The proposed Capital Programme requires borrowing and the cost of borrowing to support the 2022/23 programme has been factored into the 2022/23 budget. Any requirements beyond this will need to be factored into the Medium Term Financial Strategy (MTFS). The Council may also finance capital schemes from S106 monies.

Lease financing

2.15 The Council has traditionally used funding by way of leases to mainly acquire or use vehicles and grounds maintenance equipment where the revenue budget did not allow for a full capital repayment and there was a robust business case for the option of leasing to be considered.

2.16 The Council is currently in a programme to replace all of its vehicles and equipment held currently on operational leases and a strategy to cover replacement was agreed as part of the 2020/21 capital programme the phasing of which is over several financial years. The replacement strategy continues into 2022/23.

3 CAPITAL SPEND PROPOSALS

3.1 The Council's capital programme 2022/23 – 2024/25 is set out at Appendix 1. The proposed programme takes account of the latest monitoring position on the 2021/22 capital programme including any identified rephasing that has been agreed for carry forward into the 2022/23 financial year. Several new schemes reflecting the Council's priorities are proposed and are included in the draft programme. A number of these schemes are significant and change the scale of investment across the Borough, these being the Levelling Up Funds and Investment in a Joint Venture for the Millgate estate.

3.2 The proposed Capital Programme is focused on some main themes that align to the Council's objectives and outcomes including:

- Regeneration of key areas within the borough
- Strategic Investment to support economic growth
- Sport and Leisure
- Operational Fleet
- Housing
- Highways

- Children and Young People, including schools
- Carbon Neutrality
- Estate Management

3.3 The key areas of investment proposed for 2022/23 are:

Levelling Up Fund

3.4 The Council has been successful in two levelling up bids for Radcliffe (£20m) and Bury (£20m). These schemes are both supported by an element of match funding from both capital receipts and borrowing. The total investment as being £65.8m included in this capital plan which will be subject to change as detailed plans are developed.

3.5 The Levelling Up Fund (LUF) was announced at the 2020 spending review, it will focus capital investment on local infrastructure by regenerating town centres, investment in cultural facilities and upgrading local transport infrastructure. It will have a visible impact on people and places and support economic recovery.

Millgate Joint Venture Investment

3.6 Cabinet at its meeting on 17 November 2021, approved in principle, subject to the completion of due diligence checks, that the Millgate estate be acquired by a newly formed Joint Venture (JV) with the Council and Bruntwood. The JVs ownership will include a multi-storey car park, office spaces and some substantial service yards, in addition to 350k sq.ft of retail premises. The scale of the Millgate will enable new commercial and residential development to be a part of the re-purposing of the site, along with a rejuvenated retail core. The acquisition will therefore provide the base for major transformational regeneration through repositioning the retail offer and pursuing multiple re-development options. This capital plan includes the purchase of the Millgate estate by the Council to transfer into the JV. This is a cost that would be funded from Prudential Borrowing.

3.7 A priority for the JV is to bring forward underutilised parts of the Millgate estate as residential sites, and to address pedestrian routes through the Millgate estate so they relate more appropriately to surrounding uses and the forthcoming town centre masterplan.

Existing Commitments

3.8 The capital budget for 2021/22 is £113.4m, the budget monitoring report for Q3 requested approval to re-phase £57.7m of this into 2022/23. The following form part of that rephasing:

- **Regeneration.** As part of the 2021/22 capital budget a significant amount of regeneration works were approved covering all major sites and areas across the Council. In addition, the Council has committed to the Radcliffe Strategic Regeneration Framework (SRF) which requires significant funding over a 3-year period. This funding is now supplemented by the successful levelling up bid, £2.6m of which has been received within 2021/22 allowing the Council resources to be phased into future periods. Separate governance arrangements, including a Committee, have been set up to oversee the Radcliffe SRF. Other key areas of regeneration across the Borough include Prestwich Town Centre and the Bury Town Centre Masterplan. For Bury town centre the funding remains in the capital plan, however following the successful Levelling Up bids, this is being reviewed.

- **Replacement of the vehicle fleet.** This is the continuation of the programme that was agreed as part of the 2020/21 capital programme. A vehicle replacement strategy was approved by Cabinet in July 2020 and the procurement of the vehicles is anticipated to take place over a 3-year period.

A total of £10m was approved in 2020/21, the funding of which was all included within 2021/22 although it was anticipated that the purchases would be phased over 3 financial years. This has now been corrected.

- **Highways.** Continued investment in highways services and phasing of the works that have previously been approved. A Highways Strategy was approved by Cabinet in September 20 and showed that the funds available would be spent over 3 financial years. The draft capital programme reflects the latest position on the agreed Highways Strategy.

- **Cycle Ways.** The Council has been provided with grant funded income from the Greater Manchester Combined Authority to support greater use of cycle ways and to promote greater use. The funds are to be phased over several financial years to reflect the spending profile.

- **Education and Schools.** Anticipated grant income for schools related expenditure has been assumed for the funding that is known. £15m of the funding received in 2021/22 is to be rephased into 2022/23. Capital allocations are still awaited and will be reflected in the strategy as and when the information becomes available.

- **Sports and Leisure.** Investment in external sites, including parks, as well as leisure facilities is assumed within the capital programme to promote healthier lifestyles and wellbeing. Some of the schemes are grant funded. A parks strategy (Phase 1) was approved by Cabinet in December 2020 which continues into 2022/23.

- **Fernhill Gypsy and Traveller Site** The Council has previously approved investment in the site, some of which will be funded from a Homes England grant. Until final confirmation is received for the grant, an allocation of £2m has been assumed in the programme.

New Schemes

3.9 The capital budget for 2022/23 includes: £57.2m of new schemes. £21.5m relates to the Millgate JV and £27.9m relates to the regeneration of Radcliffe and Bury through the Levelling Up bids. Other key new schemes include:

- **Housing Revenue Account (HRA).** The continuation of the 3-year investment in properties £14.5m is assumed to maintain the housing stock and meet statutory compliance requirements. This is a continuation of the existing programme of works and is funded from HRA or the Major Repairs Reserve
- **Knowsley Place.** In addition to the previous approved £0.5m another £0.5m has been added to ensure a tenancy for the property can be secured generating rental income for the Council.
- **Fletcher Fold.** £4m has been included, further work is ongoing to develop this scheme and a paper will be presented to Cabinet.
- **Operations.** £5.4m of new projects have been included for schemes related to health and safety, maintenance and other urgent works to ensure both the safety of Bury residents and protect income streams for the Council mainly relating to leisure centres. There is £0.9m included for safety works following floods at Springwater Park.

3.10 Total budget in 2022/23 is planned at £144.2m, of which, £69.8m is funded externally or through the HRA or major repairs reserve. At this point there is no allowance for any of the programme to be funded from capital receipts. As and when capital receipts are received this will be reviewed and Cabinet updated accordingly. However, the position is likely to evolve as:

- There may be further government funding allocations announced prior to the

start of the 2022/23 financial year particularly in relation to schools and the carbon neutral agenda.
- It is likely that new initiatives will be announced later in the financial year.
- The Council may identify other funding sources, including capital receipts, tofinance additional capital expenditure.
- Phasing of the expenditure as more detailed implementation plans evolve.

3.11 Therefore, the capital programme position will be kept under review and any new information in respect of funding allocations will be presented to Members in future reports.

4 Funding the Capital Programme

4.1 The Council must ensure that appropriate funding arrangement are in place, and this is monitored as part of the Treasury Management arrangements and reported to Cabinet on a quarterly basis. It is proposed that the new schemes be funded throughborrowing, and the borrowing costs have been reflected in the Council's Medium TermFinancial Strategy. No funding assumptions for schemes beyond 2022/23 have been made.

5 PRIORITISING, MANAGING, MONITORING, REPORTING AND EVALUATING THE CAPITAL PROGRAMME

Prioritising Capital Resources

5.1 It has long been demonstrated that the demands for capital investment tend to exceed available resources. To alleviate this, a robust mechanism is in place to assess schemes against key criteria and assist in decision prioritisation for use of capital resources.

5.2 New capital gateway processes were introduced in 2020/21 and are clustered on a thematic basis – Housing, Regeneration and Infrastructure; Children and Young People, Schools and Health and Wellbeing; ICT. It is anticipated that the thematic approach will support a cross Council approach and will remove the current silo working. There is further work to be undertaken in 2022/23 to fully embed this process.

5.3 The scrutiny of capital schemes proposed will take place through the GatewayGroups and through the newly established Capital Board. Gateway processes to monitor, review and approve at each stage of the process have also been agreed.

5.4 The Council has in place a comprehensive capital bidding mechanism through which information on the strategic fit, partnership working, revenue consequences, funding profile, statutory drivers and critical success factors are collected for all schemes. The capital bidding mechanism ensures that new capital projects are appraised on a consistent basis and are aligned with the priorities set out in the Let's Do It Strategy.

5.5 Preparation of the Capital Programme is undertaken in two stages. Firstly, scheme bids are placed into the following categories:

- 100% funded schemes.
- Discretionary schemes (Invest to Save and Strategic Investment).
- Discretionary schemes to support priorities and outcomes.

5.6 In line with the priority-led approach previously approved, it is assumed that Members will wish to support the inclusion of schemes that fall into the first category, although this assumption is tested regularly, and Members are free to exercise discretion over the inclusion of any scheme (or scheme funding).

5.7 The second stage involves assessing the extent of any resources that are available to fund new, discretionary schemes and then using a simple quantifiable scoring model that assesses the extent to which schemes reflect our priorities, generate revenue savings/costs and lever in additional external resources.

5.8 The Council's priorities form the framework for the prioritisation of capital investment for the Capital Programme. By using this prioritisation process on an annual basis to decide the Capital programme for the following year, it allows the review of the whole three-year rolling capital programme. This review of schemes allows the addition,withdrawal or deferral of capital investment ensuring available capital resources are focused on corporate priorities.

5.9 Reviewing the Capital Programme is an on-going process and in the past several years available resources have been reducing constantly due to new identified funding requirements and a slowdown in available suitable for disposal surplusassets. A full review of the capital programme has been carried out which has provided greater insight and transparency of the programme. This means that the Council can be more effective in its monitoring and scrutiny.

5.10 Delivery of the capital programme and ensuring that sufficient resources are available is key to the success of the programme. As part of the gateway process, resource requirements including specialist support will be assessed.

6 Monitoring and Reporting on the Capital Programme

6.1 The Capital Programme is monitored regularly throughout the year by the gateway groups, the Capital Board and is reported to Cabinet on a quarterly basis. This report presents detail of spend, potential re-profiling of the programme and any significant changes in funding assumptions, especially the level of asset disposals which are always critical for the delivery of the Capital Programme. An enhanced focus on funding of the capital programme is to be introduced in particular capital receipts and to ensure that all funding is received.

7 RISK MANAGEMENT

7.1 There are some inherent risks in the Capital Strategy. These include:

- Capital receipts are not realised to the level anticipated. This is a major risk and is one that has impacted on past programmes. To maintain this low risk, it is strongly recommended that schemes reliant on capital receipts do not begin until there is a high degree of certainty that the relevant receipt will materialise.

- Future rise in Interest Rates. Planning for Prudential Borrowing can be affected by rises in interest rates making the borrowing option less attractive as a funding option and putting at risk longer term large capital schemes.

- Schemes need re-profiling from one year to the next. This is considered a normal feature of capital schemes and can occur for a number of reasons. The risk can be mitigated by slipping corresponding resources between years and is not felt to be high. It is expected that the new capital gateway processes will improve the profiling of expenditure and also the delivery of schemes in line with expectations.

- Scheme costs increase. Whilst not unusual, increased costs can occur due to a number of factors, and sometimes cannot be mitigated without an impact on other schemes within the Programme or an impact on future years' resources. The risk can be reduced by the use of sound costing techniques, effective project management and monitoring schemes using a risk assessment approach.

- Delivery of the programme and ensuring sufficient capacity is available is a risk. As part of the new gateway processes, resource requirements for delivery will be fully assessed and incorporated in the detailed plans. This will include ensuring appropriate specialist skills and requirements are identified and that arrangements are in place for these to be sourced.

- Government grant funding is needed to deliver the whole of the Council's aspirations and if funding isn't secured the longer-term ambitions and delivery of the capital programme will be affected. The funding of the programme is continually assessed.

Community impact / Contribution to the Let's Do It Strategy

Delivery of the Let's Do It Strategy is dependent upon resources being available. The delivery of the strategy may be impacted by changes in funding and spending.

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

    A public authority must, in the exercise of its functions, have due regard to the need to -

    (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

    (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

    (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services*.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The Council's capital resources are not managed effectively. The Council's capital resources are not targeted to priorities and outcomes and the benefit of the investment across the Borough is not maximised.	The capital programme and the gateway process ensures that all available resources are identified and that, where borrowing is required, the costs are reflected in the Council's revenue strategy. The approach ensures that schemes can be developed and prioritised throughout the year and that appropriate monitoring arrangements are in place.

Consultation:

There are no consultation requirements arising from this report.

Legal Implications:

This report forms the suite of reports with Members need to consider when setting the Council's budget. Members need to give due regard to the setting of the capital budget when undertaking the budget setting process.

The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. The budget must be fixed by 11 March. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the calculation of the Council tax requirement and it must be sufficient to meet the Council's legal and financial commitments in order to ensure the proper discharge of its statutory duties and lead to a balanced budget. In setting the budget the Council has a duty to ensure that it continues to meet its statutory duties.

Financial Implications:

The cost of the new schemes to the Council is £74.1m and will be met from borrowing. A total of £9.8m has been reflected in the Council's revenue budget for this. The Housing option will be met from the Housing Revenue Account and there is sufficient funding for this. There is an opportunity to reduce the level of borrowing through the further generation of capital receipts. The position for future years is only indicative and is subject to future decision making at which point the financial implications will be considered alongside the revenue budget.

Report Author and Contact Details:

Sam Evans

Executive Director of Finance and S151 Officer

Background papers:

The Council's Financial Position as at 31st December 2021

Revenue Budget 2022/23 and Medium-Term Financial Strategy

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Appendix 1

Draft Capital Programme 2022/23						
	Slippage brought forward	Prior Year Commitments	New schemes 2022/23	Total 2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
Regeneration and Economic Growth						
Radcliffe	10.273	10.000	7.340	27.613	24.171	0.853
Prestwich	0.988	0.612	0.000	1.600	5.086	11.092
Ramsbottom	0.259	0.000	0.000	0.259	0.000	0.000
Bury	1.989	11.000	21.057	34.046	19.019	0.654
Commercial Sites Regeneration	0.171	0.000	0.075	0.246	0.000	0.000
Sub Total	***13.680***	***21.612***	***28.472***	***63.764***	***48.276***	***12.599***
Place Shaping/Growth	**1.174**	**0.000**	**0.000**	**1.174**	**0.000**	**0.000**
Sports and Leisure	**1.117**	**2.000**	**0.000**	**3.117**	**2.000**	**0.000**
Operational Fleet	**6.478**	**0.000**	**0.000**	**6.478**	**0.000**	**0.000**
ICT and Digital	**2.551**	**2.500**	**0.000**	**5.051**	**2.500**	**0.000**
Highways						
Cycle and Walking Routes	0.253	0.000	0.000	0.253	0.000	0.000
Highways	3.906	0.000	0.000	3.906	0.000	0.000
Street Lighting	2.861	0.000	0.000	2.861	0.000	0.000

Draft Capital Programme 2022/23						
	Slippage brought forward	Prior Year Commitments	New schemes 2022/23	Total 2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
Traffic Calming and Improvement	0.266	0.000	0.000	0.266	0.000	0.000
Pothole Fund	2.809	0.000	0.000	2.809	0.000	0.000
Sustainable Transport	0.000	0.000	2.546	2.546	2.546	2.546
Other	0.058	0.000	0.000	0.058	0.000	0.000
Sub Total	***10.153***	***0.000***	***2.546***	***12.699***	***2.546***	***2.546***
Children and Young People	**15.788**	**0.000**	**0.000**	**15.788**	**0.000**	**0.000**
Estate Management – Investment Estate	**0.070**	**0.000**	**0.000**	**0.070**	**0.000**	**0.000**
Estate Management – Corporate Landlord						
Fernhill Gypsy and Traveller Site	2.560	0.000	0.000	2.560	0.000	0.000
Other	0.248	0.000	0.000	0.248	0.000	0.000
Sub Total	**2.808**	**0.000**	**0.000**	**2.808**	**0.000**	**0.000**
Older People and Disabled Facilities Grant						
Older People	0.282	0.000	0.000	0.282	0.000	0.000
Disabled Facilities Grant	1.946	0.000	0.000	1.946	0.000	0.000
Other	0.317	0.000	0.000	0.317	0.000	0.000
Sub Total	**2.544**	**0.000**	**0.000**	**2.544**	**0.000**	**0.000**
Housing Public Sector						
Housing Revenue Account	0.000	0.000	14.500	14.500	0.000	0.000

Draft Capital Programme 2022/23						
	Slippage brought forward	Prior Year Commitments	New schemes 2022/23	Total 2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
Empty Property Strategy	0.204	0.000	0.000	0.204	0.000	0.000
Housing Development	0.770	0.000	0.000	0.770	0.000	0.000
Sub Total	**0.974**	**0.000**	**14.500**	**15.474**	**0.000**	**0.000**
Climate Change	**0.396**	**3.142**	**0.000**	**3.538**	**3.142**	**0.000**
BGI New Schemes						
3 & 6 Knowsley Place.	0.000	0.000	1.050	1.050	0.000	0.000
7 Whittaker Street demolition	0.000	0.000	0.750	0.750	0.000	0.000
Fletcher Fold	0.000	0.000	4.000	4.000	0.000	0.000
Cyclical Commercial	0.000	0.000	0.500	0.500	0.500	0.500
Sub Total	**0.000**	**0.000**	**6.300**	**6.300**	**0.500**	**0.500**
Operations New Schemes						
Parks and cemetaries	0.000	0.000	1.240	1.240	0.750	0.700
Health and Safety	0.000	0.000	0.950	0.950	0.030	0.030
Springwater Floods	0.000	0.000	0.850	0.850	1.100	0.750
Highways and Car Parks	0.000	0.000	0.570	0.570	3.453	3.453
IT Systems	0.000	0.000	0.200	0.200	0.060	0.000
Sports	0.000	0.000	1.000	1.000	0.700	0.000
Other	0.000	0.000	0.600	0.600	0.800	1.000
Sub Total	**0.000**	**0.000**	**5.410**	**5.410**	**6.893**	**5.933**
TOTAL	**57.733**	**29.254**	**57.228**	**144.215**	**65.857**	**21.578**

Classification: Open	Decision Type: Key

Report to:	Overview and Scrutiny - 8 February 2022 Cabinet – 16th February 2022	8 February 2022 16 February 2022
Subject:	Flexible use of Capital Receipts Strategy 2022/23	
Report of	Leader and Cabinet Member for Finance and Growth	

Executive Summary

The Secretary of State for Housing, Communities and Local Government issued guidance with effect from the 1st April 2016 that allowed Local Authorities dispensation to use capital receipts to support revenue transformation projects and expenditure that would deliver long term and future savings. However, in order to do so the authority must approve in advance of the financial year a strategy stating that it intends to do so and what those capital receipts will be used for.

Recommendation

Overview and Scrutiny Committee is asked to -

- Note the report.
- Consider whether they wish to make any recommendations to Cabinet on the content of this report

Cabinet is asked to -

To approve the Flexible use of Capital Receipts Strategy 2022/23

Reasons for recommendation

The strategy needs to be approved in advance of the financial year and offers the Council greater flexibility over its use of resources.

Alternative options considered and rejected

The Council could choose not to adopt this strategy and continue to retain all capital receipts for future capital expenditure but this strategy offers greater flexibility of the Council's resources to support transformation and deliver future revenue savings.

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E-mail:

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1. Introduction

1.1 The proposals within this Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under

Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

2. The Direction

2.1 The Direction issued by the Secretary of State under Sections 16(2)(b) of the Local Government Act in relation to the flexible use of capital receipts specifies that Local Authorities can treat revenue expenditure as capital which:

- "is incurred by the Authority that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners".

- "is properly incurred by the Authority for the financial years that begin on 1 April 2016 to 1 April 2021." This has since been extended for a further 3 years and is now available for financial years that begin 1st April 2022, 2023 and 2024.

2.2 It is a condition of the Secretary of State's direction that the flexible use of capital receipts in accordance with the direction only applies to capital receipts which have been received in the years to which the direction applies.

2.3 When applying the direction, Authorities are required to have regard to Guidance on Flexible Use of Capital Receipts issued by the Secretary of state under Section 15(1)(a) of the Act.

2.4 In using the flexibility, the Council will have due regard to the requirements of the Prudential Code and to the CIPFA Local Authority Accounting Code of Practice.

2.5 The Council is also required to prepare a Flexible use of Capital Receipts Strategy before the start of the year to be approved by the Council – this is that Strategy.

3. The Council's Proposals

3.1 The Guidance sets out examples of qualifying expenditure which includes "funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation" and it is for this purpose that the Council is proposing to use Capital Receipts in 2022/23.

4. 2022/2023 Revenue Budget

4.1 To support the significant and continued reconfiguration of the Council's Services to deliver the improvement and efficiencies set out in the Council's budget for 2022/23, it proposed that some of the associated one-off costs are funded from capital receipts. The legitimacy of this use will be determined by the Executive Director of Finance who is the Council's S151 Officer in order to ensure that they meet the requirements set out by the Secretary of State.

5. The Prudential Code

5.1 The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy. In line with this Strategy and the Council's overall Financial Strategies, the first call on capital receipts generated in the year will be utilised to meet the cost of refurbishments required to 3KP and 6KP to facilitate the closure and relocation of staff from other Council buildings. Any capital receipts which are received in excess of the amount required for this purpose will be used to fund revenue costs incurred to support the Council's service development and delivery of savings and efficiencies as part of its transformation programme and to fund further reform of adult social care services as part of the delivery of the Bury Health and Care Locality Plan. It is recognised that some of the Council's capital receipts have already been earmarked as match funding for the levelling up fund schemes but this does not apply to all of those which will be achieved through the accelerated land disposal programme. Therefore, this strategy only applies to those receipts that have not been earmarked as funding for any other proposed capital expenditure and therefore there is no anticipated additional impact on the Council's prudential indicators as set out in the Council's Treasury Management Strategy. The use of capital receipts as match funding for the levelling up schemes is included within the Council's capital programme report which is also on this agenda.

5.2 The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this scheme within the 2022/23 Statement of Accounts.

6. Monitoring the Strategy

6.1 Implementation of this Strategy will be monitored as part of regular financial reporting arrangements and any schemes funded from the flexible use of capital receipts will be included within the quarterly financial monitoring updates to Cabinet.

Links with the Corporate Priorities:

The "Enterprise" principle of the *Let's do it!* Strategy commits to driving innovation and transformation as an enabler of change. The flexible use of capital receipts will allow for resources to be accessed to enable transformation and change within the Council's existing resource envelope

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Equality Impact and Considerations:

There are no equality implications associated with the principle of flexible use of receipts. As such an equality assessment (EA) has not been completed at this stage. An EA will, however, be undertaken for every proposal to use these funds to ensure that there is no disadvantage to any group and the Council takes every opportunity to further equality of opportunity

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Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**

Legal Implications:

Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

The Secretary of State for Communities and Local Government issued guidance in March 2016 under section 15 (1) (a) of the 2003 Act , giving local authorities greater freedoms as to how capital receipts can be used to finance expenditure. This allows for the following expenditure to be treated as capital, "expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."

The guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy with the initial strategy being effective from 1st April 2016 with future Strategies included within future Annual Budget documents.

There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects . It should include a list of each project which plans to make use of the capital receipts flexibility, together with the expected savings that the project will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

Financial Implications:

The financial implications are included within the body of this report. This flexibility will allow for the use of capital receipts from the accelerated land disposal programme to be used to support transformation expenditure, which may in turn allow for the release of some of the transformation reserve.

Background papers:

Government's Statutory Guidance on Flexible Use of Capital Receipts

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Classification	Decision Type
Open	Non - Key

Report to:	Overview and Scrutiny- 8 February Cabinet – 16 February	**Date:** 8 February 2022 16 February 2022
Subject:	Treasury Management Strategy and Prudential Indicators 2022/23	
Report of	Leader and Cabinet Member for Finance and Growth	

Executive Summary:

1.0 The report sets out the proposed strategy for 2022/2023 in respect of the following aspects of the Treasury management function. It is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The Strategy covers:

- Capital plans and prudential indicators;
- The minimum revenue provision policy.
- The current treasury position.
- Treasury limits in force which will limit the treasury risk and activities of the Council.
- Prospects for interest rates.
- The borrowing strategy.
- Policy on borrowing in advance of need.
- Debt rescheduling.
- The investment strategy.
- Creditworthiness policy.
- Policy on use of external service providers.

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

1.2 The overall strategy for 2022/23 will be to finance capital expenditure by reducing cash/investment balances and using short term temporary borrowing rather than more expensive longer-term loans. The taking out of longer-term loans (1 to 10 years) to finance capital spending will only then be considered if required by the Council's underlying cash flow needs. Some long-term loans (over 10 years) may be undertaken to replace debt which matures in the year. With the reduction of cash balances the level of short-term investments will fall. Given that investment returns are likely to remain low, estimated at 0.75% for the financial year 2022/23, then savings will be made from reducing investments rather than taking out more expensive long-term loans.

1.3 All prospects for rescheduling debt will be considered, in order to generate savings by switching from higher costing long term debt to lower costing shorter term debt.

Recommendations

Overview and Scrutiny Committee is asked to

- Note the report.
- Consider whether they wish to make any recommendations to Cabinet on the content of this report

Cabinet is requested to approve, for onward submission to Council, the:

- Prudential Indicators forecast for 3 years.
- Treasury Management Strategy for 2022/23.
- Minimum Revenue Provision Policy for 2022/23.
- Schemes of Delegation and Responsibility attached at Appendices 2 and 6.

It is recommended that Council approves the report.

Reasons for the recommendations:

It is a requirement of the CIPFA Code that the Council receives an annual treasury management strategy report.

2.0 BACKGROUND

2.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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

2.3 The contribution the treasury management function makes to the council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

2.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

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

2.6 Reporting requirements

2.6.1 Capital Strategy

2.6.1.1 The CIPFA 2017 Prudential and Treasury Management Code requires all Local Authorities to prepare a capital strategy report, which will provide the following:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services,
- An overview of how the associated risk is managed,
- The implications for future financial sustainability

2.6.1.2 The aim of this capital strategy is to ensure that elected members understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedues and risk appetite.

2.6.1.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy is included in the capital budget report.

2.6.1.4 Where a physical asset is being bought, details of market research, advisers used (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

2.6.1.5 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MInistry of Housing, Communities and Local Government (MHCLG) Investment Guidance and CIPFA Prudential Code have not been adhered to.

2.6.1.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

2.6.1.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

2.6.2 Treasury Management reporting

2.6.2.1 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy which includes:

* The capital plans (including prudential indicators).
* A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time).
* The treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators.
* An investment strategy (the parameters on how investments are to be managed).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is operating as intended or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2.6.2.2 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Overview and Scrutiny Committee and Cabinet.

2.7 Treasury Management Strategy for 2022/23

2.7.1 The strategy for 2022/23 covers two main areas:

Capital

- The capital expenditure plans and the associated prudential indicators.
- The minimum revenue provision (MRP) policy.

Treasury management

- The current treasury position.
- Treasury indicators which limit the treasury risk and activities of the Council.
- Prospects for interest rates.
- The borrowing strategy.
- Policy on borrowing in advance of need.
- Debt rescheduling.
- The investment strategy.
- Creditworthiness policy.
- The policy on use of external service providers.

2.7.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

2.8 Training

2.8.1 The CIPFA Code requires the responsible officer to ensure that members with responsibilty for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Further training for members will be scheduled in 2022/23. The training needs of treasury management officers is reviewed as part of the Councils personal development process.

2.9 Treasury Management consultants

2.9.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

2.9.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

2.9.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2.9.4 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council uses Bilfinger GVA in relation to this activity.

3.0 THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

3.1 The Council's capital expenditure plans are the key driver of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

3.2 Capital expenditure

3.2.1 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2020/21 Actual £m	2021/22 Q3 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Non-HRA	29.066	34.351	108.215	65.857	21.578
HRA	7.841	14.656	14.500	0.000	0.000
Commercial activities / non-financial investments *	0.000	0.000	21.500	0.000	0.000
Total	**36.907**	**49.007**	**144.215**	**65.857**	**21.578**

*Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

3.2.2 Other long-term liabilities – The above financing need excludes other long-term liabilities.

3.2.3 The table below summarises the Councils capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of Capital Expenditure	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital receipts	1.605	0.087	0.203	9.900	0.000
Capital grants	8.926	12.187	52.205	16.526	3.466
Capital reserves (HRA)	7.265	12.158	16.320	0.000	0.000
Revenue	1.243	2.619	1.329	0.000	0.000
Total	**19.040**	**27.051**	**70.057**	**26.426**	**3.466**
Net financing need	**17.867**	**21.956**	**74.158**	**39.431**	**18.112**

3.2.4 The table above does not utilise the full extent of the planned capital receipts from the accelerated land disposal plan. The flexible use of capital receipts to support transformation and long-term saving strategies has been extended. The Council will look to utilise capital receipts in this way and use any additional receipts to support the net financing need in the table above.

3.3 The Council's borrowing need (the Capital Financing Requirement)

3.3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

3.3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.

3.3.3 The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes.

Capital Financing Requirement	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
CFR – non HRA	147.047	166.687	253.808	291.060	306.670
CFR – HRA	118.784	118.833	103.275	103.275	103.275
CFR - Commercial activities / non-financial investments	8.914	8.918	8.918	8.918	8.918
Total CFR	**274.745**	**294.438**	**366.001**	**403.253**	**418.863**
Movement in CFR	**15.441**	**19.692**	**71.563**	**37.253**	**15.609**

3.3.4 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the council's overall financial position. The capital expenditure figures shown in 3.2 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

3.4 Minimum revenue provision (MRP) policy statement

3.4.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

3.4.2 MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils. The Council is recommended to approve the following MRP Statement for the year 2022/23:-

- MRP for supported financing will be calculated using 2.39% over 50 years under the Annuity method of calculating MRP.
- The Asset Life method of calculating repayment provision will be used for prudential borrowing.
- The Executive Director of Finance may from time to time and when it is beneficial to the efficient financial administration of the Council, vary the amounts charged as MRP in the year by making additional and voluntary payments of MRP. In these circumstances, the amount paid would not prejudice the existing strategy or be counter to the regulatory intent of that strategy.

3.4.3 These options provide for a reduction in the borrowing need over the asset's life.

3.4.4 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

3.4.5 MRP Overpayments – A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31st March 2021 the total VRP overpayments were £2.789m.

4 BORROWING

4.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of approporiate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.2 Current portfolio position

4.2.1 To assist Members in agreeing a strategy for 2022/23 the Council's current treasury portfolio position (at nominal value) is detailed below:

	31st March 2021			**Forecast 31st March 2022**		
	Principal		**Avg.**	**Principal**		**Avg.**
	£m	**£m**	**Rate**	**£m**	**£m**	**Rate**
Fixed rate funding						
PWLB Bury	133.885			164.695		
PWLB Airport	11.828			11.828		
Market Bury	60.300	206.013		55.300	231.823	
Variable rate funding						
PWLB Bury	0			0		
Market Bury	0	0		0	0	
Temporary Loans / Bonds	0.003	0.003		0.003	0.003	
Total Debt		**206.016**	**3.53%**		**231.826**	**3.53%**
Total Cash Investments		**15.928**	**0.13%**		**2.200**	**0.16%**
Total Investment Properties		**8.914**	**5.01%**		**8.918**	**1.96%**

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

£m	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External Debt					
Debt at 1 April	215.902	206.016	231.826	305.494	344.885
Debt Repayments	(21.186)	(5.190)	(13.190)	(5.190)	(2.490)
New Loans	11.300	0.000	13.000	5.000	2.300
Unsupported borrowing (Prudential)		31.000	73.858	39.581	18.262
Debt at 31 March	**206.016**	**231.826**	**305.494**	**344.885**	**362.957**
Net change	**(9.886)**	**25.810**	**73.668**	**39.391**	**18.072**

4.2.1 The forecast accumulated capital financing requirement at the end of 2021/22 is £294.4m. The forecast borrowing at the end of 2021/22 is £231.8m meaning that the Councils under borrowed by £62.6m.

4.2.2 The cash investment portfolio after the Capital Programme has been spent during 2021/22 is estimated to be around £2.2m. In preference to taking out long term borrowing, the Council is taking temporary loans and reducing investments to finance capital expenditure because investment returns are low at the present time. The estimated rate of interest on investments for 2021/22 is 0.16% against the 3 month investment benchmark of 0.2%.

4.2.3 The Council has also invested in properties that deliver a sustainable rental yield; under its “Property Investment Strategy”

4.2.4 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.2.5 The Executive Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

4.2.6 Comparisons have also been made with other GM authorities to assess their long-term borrowing as a percentage of their long-term assets as reported in their 2020/21 annual accounts. For Bury this percentage is 29.73% and the range for Greater Manchester was 13.03% to 42.80%.

4.3 Treasury Indicators: limits to borrowing activity

4.3.1 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

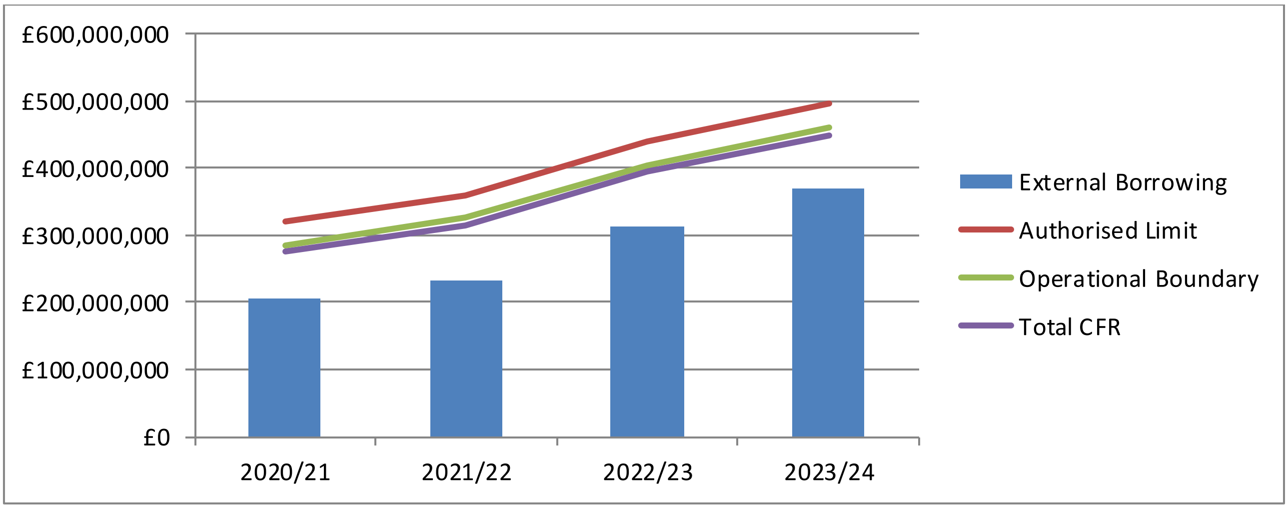
Operational boundary	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £'000
Borrowing	294.400	366.000	403.300	418.900
Other long-term liabilities	5.000	5.000	5.000	5.000
Commercial activities / non - financial investments	10.000	10.000	10.000	10.000
Total	**309.400**	**381.000**	**418.300**	**433.900**

4.3.2 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Authorised limit	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £'000
Borrowing	329.400	401.000	438.300	453.900
Other long term liabilities	5.000	5.000	5.000	5.000
Commercial activities / non - financial investments	10.000	10.000	10.000	10.000
Total	**344.400**	**416.000**	**453.300**	**468.900**

Capital Finance Requirement (including PFI and finance leases)



4.4 Prospects for interest rates

4.4.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The prospects for interst rates can be seen in Appendix 1 with the interest rate forecast in Appendix 2.

4.5 Borrowing strategy

4.5.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

4.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Executive Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *If it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then long term borrowings will be postponed.

- *If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

4.5.3 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

4.6 Policy on borrowing in advance of need

4.6.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

4.6.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

4.7 Debt rescheduling

4.7.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of Public Works Loan Board (PWLB) rates over gilt yields was reduced by 100 basis points (1%) in November 2020.

4.7.2 If rescheduling was done, it will be reported to the Council, at the earliest meeting following its action.

4.8 New financial institutions as source of borrowing and / or types of borrowing

4.8.1 Currently the PWLB Certainty Rate is set at gilts + 80 basis points (0.8%) for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years – still cheaper than the certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

4.8.2 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

5 ANNUAL INVESTMENT STRATEGY

5.1 Investment policy – management of risk

5.1.1 The Department of Levelling Up, Housing and Communities (DLUHC – formerly MHCLG) and CIPFA have extended the meaning of “investments” to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team).

5.1.2 The Council’s investment policy has regard to the following:-

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”).
- CIPFA Treasury Management Guidance Notes 2018.

5.1.3 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options. The detailed Annual Investment Strategy can be seen in Appendix 3.

6 End of year investment report

6.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

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Department: Finance
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Links with the Corporate Priorities:

A strong financially sustainable Council is essential to the delivery of the Let's Do It Strategy.

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	**Mitigation**
There are significant risks in the financial position both in the current and future financial years. Financial sustainability is critical and the report sets out areas of concern that need to be addressed.	Regular monitoring and reporting ensures that any changes in the financial position are quickly identified and action can be taken to manage he overall position.
Delays in delivering projects within the capital programme provide an opportunity to review projects and align to the changing position that has arisen due to Covid and to ensure that projects align to the Let's Do It strategy.	The longer term medium financial strategy takes account of any in-year changes in funding and demand and ensures the Council has a longer term view for future years.

Legal Implications:

The Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy set out the Council's policies for managing its investments which includes giving priority to security and liquidity. It is effectively the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and to set Prudential and Treasury Indicators to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Council also has an obligation to comply with the Ministry for Housing, Communities and Local Government (MHCLG) Guidance under section 15(1)(a). The Act requires the Council to set out its Treasury Management Strategy at the start of each new financial year and to prepare an Annual Investment Strategy. This report sets out the Council's policy for maintaining capital security whilst managing its investments and for giving priority to the security and liquidity of those investments. The borrowing strategy aims to minimise the revenue cost of debt whilst securing the Council from revenue pressures in the event of interest rate volatility.

Financial Implications:

The financial implications are set out in the report. The continuation of the Covid pandemic has impacted significantly on both the revenue and capital budgets across the whole of the Council and needs to be carefully monitored.

Appendix 1 - Interest and Borrowing Rates

1. Interest Rates

1.1 Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 basis points (0.8%).

Link Group Interest Rate View 20.12.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

1.2 Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to 0.10%, it left the Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021. As shown in the forecast table above, the forecast for the Bank rate now includes four increases, one in quarter 2 of 2022 to 0.5%, then quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00%, and, finally, one in quarter 1 of 2025 to 1.25%.

1.3 Significant risks to the forecasts include:

- Mutations of the virus rendering current vaccines ineffective, with tweaked vaccines to combat mutations being delayed or not administered quickly enough to avoid further lockdowns. 25% of the population not being vaccinated is a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- Labour and supply shortages proving more enduring and disrupting and depressing economic activity.
- The Monetary Policy Committee (MPC) acting too quickly, or too far, over the next three years to raise the Bank Rate, causing UK economic growth, and increases in inflation, to be weaker than anticipated.
- The Monetary Policy Committee tightening monetary policy too late to ward off building inflationary pressures
- The Government acting too quickly to cut expenditure to balance the national budget.
- UK / EU trade arrangements impacting on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Longer term US treasury yields rising strongly and pulling gilt yields up higher than forecast.
- Major stock markets, for example in the US, becoming increasingly judged as being over-valued and susceptible to major price corrections. Central banks becoming increasingly exposed to the "moral hazard risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- Geopolitical risks, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries, and on-going global power influence struggles between Russia / China / US. These could lead to safe haven flows.

1.4 The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid and its variants – both domestically and their potential effects worldwide.

1.5 It is not expected that the Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- Uncertainty over how severe an impact Omicron could have on the economy, whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- Before Omicron, there were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. This could lead to stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Some current key supply shortages could spill over into causing economic activity in some sectors to take a significant hit
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- Offsetting this, consumers are sitting on over £160bn of excess savings left over from the pandemic causing uncertainty over when this will be spent, and whether in part or in total.
- The economy coped well with the end of furlough on 30th September, when around 1 million people coming off furlough did not result in a huge spike in unemployment. However, vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- Further uncertainty in relation to Covid beyond the Omicron mutation.

1.6 In summary, with the elevated level of uncertainty prevailing on several different fronts, forecasts will need to be reviewed constantly.

1.7 It should also be borne in mind that the Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

1.8 Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

1.9 While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on gilt yields. As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant upward risk exposure to forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

1.10 There are downside risks from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. There is uncertainty over how this will interplay with the Bank of England not reinvesting maturing gilts and then later selling gilts.

1.11 There is a balance of upside risks to forecasts for medium to long term PWLB rates

1.12 One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major banks like the Bank of England, to tolerate a higher level of inflation than in the previous two decades. The Bank of England has amended it's target for monetary policy so that inflation should be 'sustainably over 2%', before starting on raising Bank Rate.

1.13 For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn.

2. Investment and borrowing rates

2.1 Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of bank rate increases, actual economic circumstances may see the MPC fall short of expectations.

2.2 Borrowing interest rates fell to historically low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

2.3 On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 basis points in October 2019. The standard and certainty margins were reduced by 100 basis points but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The new margins over gilt yields are as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (1%)
- **PWLB Certainty Rate** is gilt plus 80 basis points (0.8%)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (1%)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (0.8%)
- **Local Infrastructure Rate** is gilt plus 60bps (0.6%)

2.4 Link's long-term forecast for Bank Rate is 2.00%. As some PWLB rates are under 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near bank rate and may also prove attractive as part of a balanced debt portfolio.

2.5 While this Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the reduction of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances.

APPENDIX 2: Interest Rate Forecasts 2021 – 2025

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012

Link Group Interest Rate View 20.12.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
Bank Rate														
Link	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
Capital Economics	0.25	0.25	0.50	0.75	0.75	0.75	0.75	1.00	1.00	-	-	-	-	-
5yr PWLB Rate														
Link	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
Capital Economics	1.40	1.40	1.50	1.50	1.60	1.70	1.70	1.80	1.90	-	-	-	-	-
10yr PWLB Rate														
Link	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
Capital Economics	1.60	1.60	1.70	1.70	1.80	1.80	1.90	2.00	2.00	-	-	-	-	-
25yr PWLB Rate														
Link	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
Capital Economics	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	-	-	-	-	-
50yr PWLB Rate														
Link	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
Capital Economics	1.40	1.50	1.60	1.70	1.80	1.90	2.00	2.20	2.30	-	-	-	-	-

Appendix 3 - ANNUAL INVESTMENT STRATEGY

1. Investment policy – management of risk

1.1 The guidance from the DLUHC and CIPFA place a high priority on the management of risk. This Coucil has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit citeria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- **Other information**: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with it's advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings..
- **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 3 under the categories of "specified" and "non-specified" investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 2.6 of Appendix 2.
- This Council will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 4.5 of Appendix 2)
- Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see Appendix 4)
- This Council has engaged **external consultants** (see paragraph 2.9.1), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- All investments will be denominated in **sterling**.
- As a result of the change in accounting standards for 2020/21 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23.)

1.2 However, this Council will also pursue **value for** money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investments performance (see section 4 of Appendix 2). Regular monitoring of investment performance will be carried out during the year.

1.3 The above criteria are unchanged from 2021/22.

2. Creditworthiness policy

2.1 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark Pink 5 years for Ultra Short Dated Bond Funds with a credit score of 1.25
- Light Pink 5 years for Ultra Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

2.3 The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

2.4 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

2.5 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

2.6 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information and information on any external support for banks to help support its decision making process.

	Colour (and long term rating where applicable)	Time Limit
Banks *	**yellow**	**5 yrs**
Banks	**purple**	**2 yrs**
Banks	**orange**	**1 yr**
Banks – part nationalised	**blue**	**1 yr**
Banks	**red**	**6 mths**
Banks	**green**	**100 days**
Banks	**No colour**	**Not to be used**
Limit 3 category – Council's banker (where "No Colour")		**1 day**
Debt Management Account Default Facility (DMADF)	**UK sovereign rating**	**6 months**
Local authorities	**n/a**	**5 yrs**
Housing associations	**Colour bands**	**As per colour band**
	Fund rating	**Time Limit**
Money Market Funds – Constant Net Asset Value (CNAV)	**AAA**	**liquid**
Money Market Funds – Low Volatility Net Asset Value - (LVNAV)	**)AAA**	**liquid**
Money Market Funds – Variable Net Asset Vaue- (VNAV)	**AAA**	**liquid**
Ultra-Short Dated Bond Funds with a credit score of 1.25	**Dark pink / AAA**	**liquid**
Ultra-Short Dated Bond Funds with a credit score of 1.50	**Light pink / AAA**	**liquid**

2.7 Significant levels of downgrades to Short – and long – Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

2.8 **Credit Default Swap (CDS) prices -** Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

3. Other limits

3.1 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 3, although the Council's current approach is to use UK High Street Banks and other public bodies. The list of counterparties will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4. Investment Strategy

4.1 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that the Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

4.2 . The current forecast shown in paragraph 3.4.1, includes a forecast for a first interest rise in the Bank rate in May 2022.

4.3 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in the Bank rate in quarter 2 of 2022), are as follows:

Average earnings in each year	
2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.25%
Long term later years	2.00%

4.4 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short – dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

4.5 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

Maximum principal sums invested for longer than 365 days			
£m	**2022/23**	**2023/24**	**2024/25**
Principal sums invested For longer than 365 days	£10m	£10m	£10m

5. Investment performance / risk benchmarking

5.1 This Council will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded.

APPENDIX 4: Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

(note the Council only invests in the highest rated UK institutions)

APPENDIX 5: The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

The above list of specific responsibilities of the S151 officer in the 2017 Treasury Management Code has not changed. However, implicit in the changes in both codes, is a major extension of the functions of this role, especially in respect of non-financial investments, (which CIPFA has defined as being part of treasury management).

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following *(TM Code p54): -*
    - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
    - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
    - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*

- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

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Classification	Item No.
Open	

Meeting:	Cabinet
Meeting date:	16th February 2022
Title of report:	Bury Corporate Plan Performance and Delivery Report Quarter Three 2021-22
Report by:	Councillor Tahir Rafiq – Cabinet Member for Corporate Affairs and HR
Decision Type:	**Non key decision**
Ward(s) to which report relates	**Whole Borough**

Executive Summary:
This report provides a summary of key delivery and performance that occurred during quarter three 2021-22 aligned to the 3R priorities.

For each quarterly report we are committed to provide a spotlight on an area of delivery, performance, or intelligence to supplement our acknowledgement of progress towards the 2021/22 Corporate Plan delivery objectives. This quarter we are highlighting our intelligence on customer contact services.

Recommendation (s)

That Cabinet:

- Note the performance and delivery against the 3R priorities and the 2021/22 Corporate Plan delivery objectives
- Note the spotlight on our intelligence on customer contact services
- Note the ongoing developments to strengthen and improve this reporting process and functionality

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Community impact/links with Community Strategy

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) *eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Equality Analysis	*Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.*
N/A	

**Please note: Approval of a cabinet report is paused when the 'Equality/Diversity implications' section is left blank, and approval will only be considered when this section is completed.*

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	**Mitigation**
N/A This is an update report and does not propose any decisions or policy changes	.

Consultation:

Legal Implications:

There are no legal implications arising from the report however the updating report to Members and the Corporate plan form a fundamental part of our governance assurance to Members.

Financial Implications:

There are no direct financial implications arising from this update report, although there are a number of key finance performance targets and savings delivery targets included within this report.

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Background papers:

- Bury 2030 Community Strategy – Let's Do It!
- Bury Council & Bury CCG Corporate Plan

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning	Term	Meaning
BME	Black Minority Ethnic	HE	Higher Education
		HWBB	Health and Wellbeing Board
CCG	Clinical Commissioning Group	IAPT	Improving Access to Psychological Therapies
CHC	Clinical Health Commissioning	IMC	Intermediate Care
CIN	Children in Need	JSA	Job Seekers Allowance
CLA	Children Looked After	KPI	Key Performance Indicators
CPP	Child Protection Plan	LGA	Local Government Association
DSG	Dedicated Schools Grant	MOT	Ministry of Transport
EET	Education Employment & Training	NHS	National Health Service
EHC	Education and Health Care	PCN	Primary Care Network
ESOL	English to Speakers of Other Languages	PDR	Personal Development Review
EYFS	Early Years Foundation Stage	PMF	Performance Management Framework
FE	Further Education	QOF	Quality Outcomes Framework
FOI	Freedom of Information	SAR	Subject Access Request
FTE	Full Time Equivalent	SEND	Special Educational Needs Disability
GLD	Good Level of Development	SME	Small to Medium Enterprise
GMCA	Greater Manchester Combined Authority	UC	Universal Credit
GMSF	Greater Manchester Spatial Framework	VCFA	Voluntary Community & Faith Alliance

Bury Council & CCG Corporate Plan Delivery Report Quarter Three 2021/22

1. Introduction

This report provides a summary of key delivery and performance that occurred during quarter three 2021-22 aligned to the 3R priorities which were established in late July 2021 (see figure 1). The structure of this reporting has been revised since quarter two to reflect the 3R priorities which were developed in July 2021 to focus corporate plan activity.

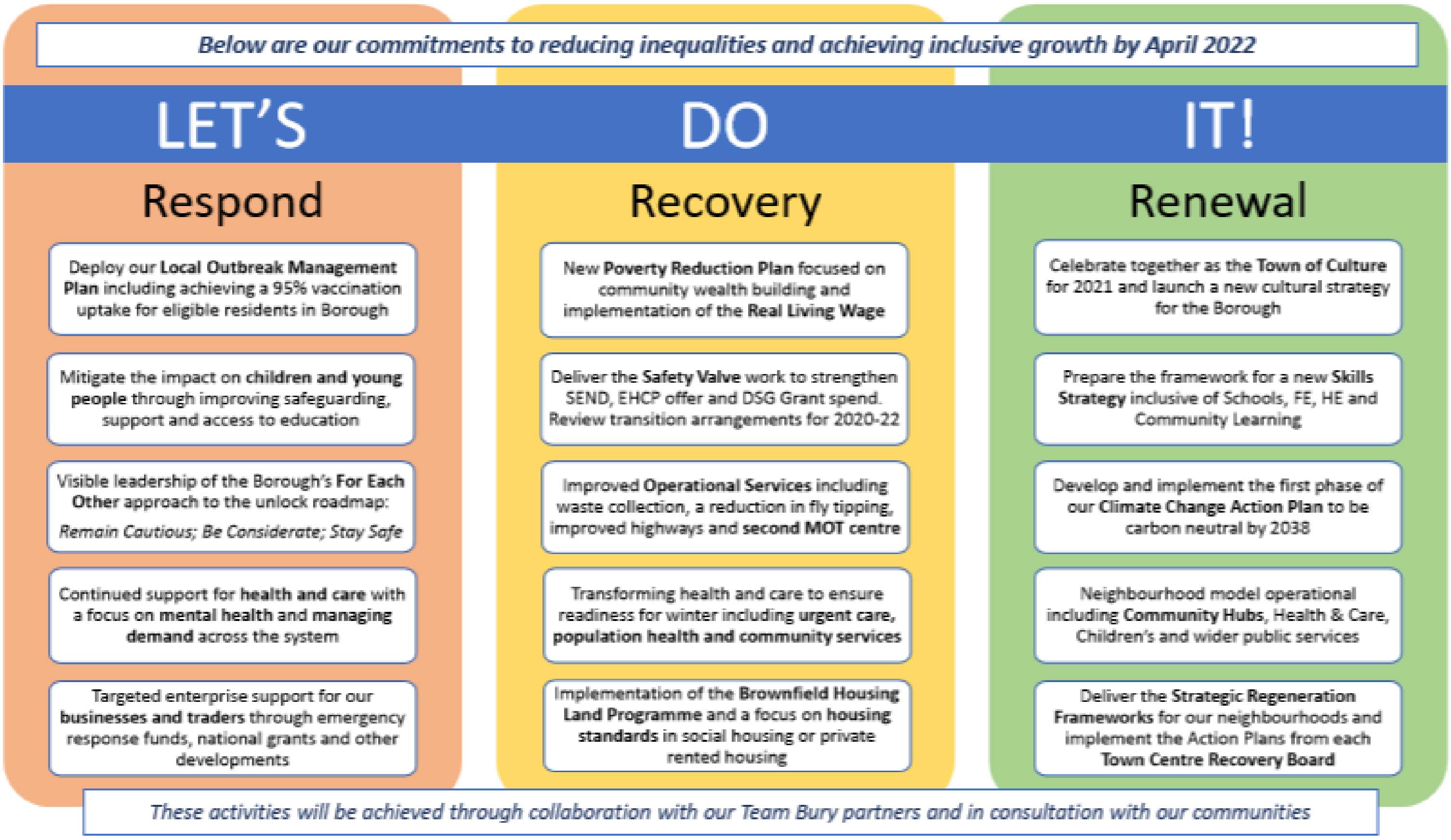

Figure 1 3Rs

Existing delivery activity as outlined in the Corporate Plan has been aligned to the priorities and it is worth noting that each priority has more than several activities linked to it. Monthly Departmental Highlight reporting provides the assurance on delivery alongside the departmental dashboards. Delivery status against each of the priorities and against the original timeframes set within the Corporate Plan is recorded and the latest delivery dashboard is included below (figure 4). Key delivery highlights for the quarter are also outlined below (figure 3).

For each 3R priority we have aligned existing measures from within our Departmental dashboards. This is an iterative process so there is scope for the measures aligned to the priorities to change or new ones to be developed as activity progresses. Where a priority does not have performance measures reported alongside it's delivery, this is monitored via the associated strategy and affiliated working group(s).

We strive to improve the engagement and accessibility of the performance reporting. Below is a key to the performance elements to aid understanding whilst this work is underway.

Key:

Target	Actual Value	Previous Value	Trend	Time Period
Figure for actual value. Where there is a target set for a measure, the actual value will be coloured to reflect whether it has met (green) or is yet to reach the target value (red)	Figure is the latest value for the data period. Green shading means the value has achieved target, red has not achieved target and grey means that no target has been set.	Figure is the previous value for the data period and influences the trend outcome.	The arrow indicates if the data trend has been continuing in an upwards or downwards trajectory and the number indicates longevity of this i.e., how many time periods the trend has been occurring.	Latest time period for data point

Figure 2 Performance Key

For each quarterly report we are committed to provide a spotlight on an area of delivery, performance, or intelligence to supplement our acknowledgement of progress towards the 2021/22 Corporate Plan delivery objectives. This quarter we are highlighting our intelligence on our customer contact services.

Key Delivery Highlights for Q3

Response	• Outbreak Management Plan refresh completed to reflect Govt Autumn Winter Plan. Monitored through weekly Health Protection Board and fortnightly Gold. System wide resilience and sustainability planning in light of Omicron variant growth over Xmas and new year period • Escalated implementation of booster campaign - over 75% of eligible population vaccinated and all eligible patients offered a slot • ILACS Ofsted inspection report has been published and a draft action plan is being developed • Star Academy Trust - Site identified – report to Cabinet 17th November to sign-off Heads of Terms for lease of site • New PSR Board is formed and children's service colleagues including EH, contributing to the neighbourhood design • Project Safety Valve development – recruitment for key roles in the SEND team has been completed. Manager and caseworkers in place, but some posts still to be recruited. • Update paper submitted for the December Bury SCB Meeting for agreement of the secondary care model following the acute reconfiguration and to assure the board of the system work to review the Bury primary and community pathways • £7,060,817.23 allocated to businesses through AG, in addition to grants allocated via the Business Rates team. Funded support is promoted through our communication channels to signpost business to support. • Applications for Pitch Funding received, and two neighbourhoods awarded • Promotion of the Opportunity Pass around December / Christmas events • New Elective Care and Cancer governance framework signed off by the Integrated Delivery Collaborative in November 2021
Recovery	• Real Living Wage Accreditation awarded on 15th November • Plan for Winter Funding agreed and shared with all Elected Members • New Head of Waste Management to started 6th December 2021. Waste rounds are now running more smoothly with over 98% collected each day • A Transport Officers Group has also been established to oversee delivery of Transport Strategy and to seek out funding opportunities • 10 Fixed Penalty Notices were issued in November 6 for littering and 4 for fly tipping. 2 Fixed Penalty Notices have been issued in December, both for failure to comply with commercial duty of care • Empty homes strategy - Draft Strategy and supporting action plan currently undergoing consultation. • Cabinet has now consented to the disposal of Seedfield Bury to Hive Homes for the delivery of 92 homes • School Street Radcliffe (89 homes) and Green Street Radcliffe (136 homes) have concluded pre application planning consultation. Legal resources are in place and contracts drafted. Anticipated execution of contracts and planning submission by Jan 22. • Council has successful applied for £60k of revenue funding to complete feasibility study on the residential development at Pyramid Park Bury (400 homes). • Accelerated land disposal - Two assets sold at auction for 90k (guide price 50k) and £185k (guide price £2k). • Tender exercise completed to appoint a supplier to install 7 electric vehicle charge points at Bradley Fold Depot and one at Bury Cemetery • Costs have been claimed by schools and total £0.544M to cover Sumer 2021 period for free school meals
Renewal	• £40m LUF award confirmed for Radcliffe and Bury Market Flexihall , LUF inception meetings with DHLUF took place on 22nd December • William Kemp Heaton site - Cabinet approval for 37 affordable new homes • Climate Strategy and Action Plan approved by Cabinet • The draft Ramsbottom Town Centre Plan has now been produced and is now out for public consultation • Stage 2 Minimum Licensing Standards approved by November Licensing and Safety Committee and Full Council • External funding to support inclusion work across Bury and Rochdale awarded via GM Health and Social Care Parentship (£65K) • £100k Climate Action fund closed for applications and bids under evaluation • Tender opportunity closed for Second MOT testing station • Town Hall window contract awarded, and project approved under PSDS funding scheme with delivery of end of March for over 200 windows.

Figure 3: Key delivery

3 Strategic Themes with 15 Priorities					
LET'S	**Delivery Status**	**DO**	**Delivery Status**	**It!**	**Delivery Status**
Response		**Recovery**		**Renewal**	
1. Deploy our **Local Outbreak Management Plan** including achieving an 80% vaccination uptake for eligible residents in Borough	Dec Nov	6. New **Poverty Reduction Plan** focused on community wealth building and implementation of the **Real Living Wage**	Dec Nov	11. Celebrate together as the **Town of Culture** for 2021 and launch a new cultural strategy for the Borough	Dec Nov
2. Mitigate the impact on **children and young people** through improving safeguarding, support and access to education	Dec Nov	7. Deliver the **Safety Valve** work to strengthen SEND, EHCP offer and DSG Grant spend. Review transition arrangements for 2020-22	Dec Nov	12. Prepare the framework for a new **Skills Strategy** inclusive of Schools, FE, HE and Community Learning	Dec Nov
3. Visible leadership of the Borough's **For Each Other** approach to the unlock roadmap	Dec Nov	8. Improved **Operational Services** including waste collection, a reduction in fly tipping, improved highways and **second MOT centre**	Dec Nov	13. Develop and implement the first phase of our **Climate Change Action Plan** to be carbon neutral by 2038	Dec Nov
4. Continued support for **health and care** with a focus on **mental health** and **managing demand** across the system	Dec Nov	9. Transforming health and care to ensure readiness for winter including **urgent care, population health and community services**	Dec Nov	14. Neighbourhood model operational including **Community Hubs**, Health & Care, Children's and wider public services	Dec Nov
5. Targeted enterprise support for our **businesses and traders** through emergency response funds, national grants and other developments	Dec Nov	10. Implementation of the **Brownfield Housing Land Programme** and a focus on **housing standards** in social housing or private rented housing	Dec Nov	15. Deliver the **Strategic Regeneration Frameworks** for our neighbourhoods and implement the Action Plans from each	Dec Nov

Figure 4 Delivery Dashboard monthly delivery status: Key: Green = On track, Amber = behind schedule

2. Response 1: Deploy our Local Outbreak Management Plan including achieving an 80% vaccination uptake for eligible residents in Borough

2.1. Summary

Delivery of the COVID outbreak management plan has continued through Q3. System wide resilience and sustainability planning has also taken place in light of Omicron variant growth over Christmas and new year period. Q3 saw the escalated implementation of the booster campaign - over 75% of eligible population vaccinated and all eligible patients offered a slot. At the end of Q3 144,945 people had received their first dose of the vaccine and 133,023 people had received their second, 97,433 boosters have also been given. Active inequalities monitoring is underway and will continue to inform further plans.

2.2. Delivery

Key Delivery Elements in Q3	Key delivery to continue in Q4
• Outbreak Management Plan refresh completed to reflect Govt Autumn Winter Plan and OMICRON. System wide resilience and sustainability planning in light of Omicron variant growth over Xmas and new year period Monitored through weekly Health Protection Board and fortnightly Gold • Escalated implementation of booster campaign - over 75% of eligible population vaccinated and all eligible patients offered a slot • Inequalities compendium in place and updated and monitored weekly	• Delivery of Outbreak Management Plan • Vaccination Management: Phase 2 and 3. • Inequalities monitoring taking place to inform delivery plans e.g., testing and vaccination

2.3. Performance

	Target	Actual Value	Previous Value	Trend	Time Period
7-day average COVID infection rates per 100,000	N/A	1,947.22	271.2	1	Q3 21/22
Number of Bury GP registered people to have received first dose of COVID vaccine (snapshot)	N/A	144945	136238	3	Dec-2021
Number of Bury GP registered people to have received second dose of COVID vaccine (snapshot)	N/A	133023	125159	3	Dec-2021

3. Response: Mitigate the impact on children and young people through improving safeguarding, support and access to education

3.1. Summary

Q3 saw the publication of the ILACS Ofsted report and the development of an action plan to address the recommendations. Q3 has seen the continued development of the Safety Valve programme with recruitment to key posts and ongoing support and leadership to schools, early years providers and further education colleges to mitigate the detrimental impacts of Covid-19. School improvement clusters continue to manage recovery planning. Key performance measures for the safety valve programme are currently under development and will be included in following quarterly reports.

3.2. Delivery

Key Delivery Elements in Q3	Key delivery to continue in Q4
• Project Safety Valve development and recruitment in key positions within SEND team • ILACS Ofsted inspection report has been published and a draft action plan is being developed • Childrens Strategic Partnership Plan completed • Education Business Plan drafted • Bury continues to pilot GMCA work around pathways to talking and behavioural intervention in Early Years • Schools Advisory Group – shifted focus to recovery and school improvement • Leadership of whole system support to schools, early years providers and FE colleges to mitigate the detrimental impacts of Covid-19 • Headteachers have developed proposal for COVID recovery planning through the school improvement clusters • Support to develop a new special free school based in Unsworth, in partnership with Shaw Education Trust - DfE now procuring scheme for new build • Winter HAF Programme delivered • Early Help Strategy presented to Children's Partnership Board	• Development and delivery of Improvement plan following findings of Ofsted inspection • Updating the Self-Assessment and preparing for the Ofsted Annual Conversation • Development of early help support for children and families via a community partnership model through pilot in Bury East • Whole system leadership of improvements to the Bury local offer for children and young people, with additional and SEND needs • Leadership of the Borough's contribution to delivery of the Greater Manchester Children's Plan • Whole system leadership of School improvement to transform outcomes for all children and young people at each key learning stage • Leadership of whole system support to schools, early years providers and FE colleges to mitigate the detrimental impacts of Covid-19 • Development of excellent social work practice, focused on interventions which will have most impact for children and families • Whole system leadership of the skills and youth opportunities offer to deliver the white paper and GM priorities

3.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Percentage of children accessing 2 year take up of free childcare	N/A	86.10	75.40	↗ 2	Dec-2021
Number of Early Help Assessments by partners	N/A	93	25	↗ 1	Dec-2021
Number of Early Help Assessments by Bury Locality Team	N/A	121	147	↘ 2	Dec-2021
Percentage of Early Help assessments by Partners	N/A	43.50	14.5	↗ 1	Dec-2021
Percentage of Early Help assessments by Bury Locality Team	N/A	56.50	85.5	↘ 1	Dec-2021

4. Response: Visible leadership of the Borough's For Each Other approach to the unlock roadmap

4.1. Summary

Q3 saw the approach to the 2021/22 Pitch events approved by Informal Cabinet and several applications received across the borough which saw two neighbourhoods awarded. Promotion of the opportunity pass to increase uptake continued over Christmas. The newly developed culture strategy has been consulted on and will be supported by the Communications and Engagement Strategy.

4.2 Delivery

Key Delivery Elements in Q3	Key delivery to continue in Q4
• Approach to the 2021/22 Pitch events approved by Informal Cabinet and Applications received including a good spread across the borough and two neighbourhoods awarded • Promotion of the Opportunity Pass around December / Christmas events • The Joint Communications and Engagement Strategy drafted • Consultation on the culture strategy	• A community recovery "Pitch" participatory budget scheme to be delivered in each neighbourhood • Culture strategy including micro grants & culture pass will be developed and approved. Promotion to increase uptake. • Joint Communications and Engagement Strategy approved

5. Response: 4. Continued support for health and care with a focus on mental health and managing demand across the system

5.1. Summary

Work in Q3 saw the development of a single Bury system UC plan developed across Transformation/Resilience and BAU supported by newly installed Bury UEC Integrated System Board. The new Elective Care and Cancer governance framework was signed off by the Integrated Delivery Collaborative in November. The Strategic Commissioning Board endorsed configuration of urology services as part of the secondary care service reconfiguration which will see a joined-up care pathway across Bury. Additional investment in mental health services in 22/23 was endorsed at CCG Governing Body and this will be built into the current mental health programme implementation which will continue into Q4 and 2022/23.

5.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Secondary Care Service Reconfiguration: Pennine Disaggregation and Service pathways NCA/MFT – focus on Urology care pathway. Strategic Commissioning Board endorsed configuration of urology services • Single system UC plan developed across Transformation/Resilience and BAU supported by newly installed Bury UEC Integrated System Board • Elective Care Framework - focus on prevention, addressing inequalities and inclusion. • New Elective Care and Cancer governance framework signed off by the Integrated Delivery Collaborative in November 2021 • Additional investment in mental health services in 22/23 endorsed at CCG Governing Body – for core 24 light mental health liaison services and for community-based adults eating disorder services, and in addition for Bury Peer Led Crisis Service and Bury Getting help line evaluation	• Secondary Care Service Reconfiguration • Urgent Care System: Implementation of Urgent Care Transformation Strategy • Elective Care Framework implementation • Mental Health Programme Implementation

5.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Referral to treatment total waiting list entries	15800	23993	22076	5	Sep-2021
Referral to treatment total number waiting in excess of 52 weeks	0	1190	1316	2	Sep-2021
IAPT waiting times % 6 weeks or less from referral	75	41.70	32.89	1	Sep-2021

6. Response: Targeted enterprise support for our businesses and traders through emergency response funds, national grants and other developments

6.1. Summary

Support has continued to be provided to business and traders in Q3, this support is promoted through existing communication channels.

6.2. Delivery

Key Delivery Elements in Q3	Key delivery to continue in Q4
• £7,060,817.23 allocated to businesses through AG, in addition to grants allocated via the Business Rates team. • Funded support is promoted through our communication channels to signpost business to support.	• Targeted enterprise support for our businesses and traders

7. Recovery: New Poverty Reduction Plan focused on community wealth building and implementation of the Real Living Wage

7.1. Summary

Bury Council was accredited as a Real Living Wage employer in November and became a Member of the Greater Manchester Good Employment Standard network. These foundations of high-quality employment have directly improved the pay and conditions of over 4000 local people. In Q3 the winter hardship funds, and household support monies distribution policy was agreed and implemented. Planning for half term support for parents in financial hardship and for the allocation of the Household Support Fund (HSF) was also undertaken. Q3 saw an increase in the number of statutory homeless cases open on the last day of the month due to reduced staffing over Christmas and the continuing impact of the lift of the eviction ban from 30th September. The target for this measure will be revised to account for this current climate.

7.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Real Living Wage Status Awarded on 15 November • ED Strategy submission scored • Winter hardship funds and household support monies distribution policy agreed and implemented • Anti-Poverty Working Group re-convened to minimise impact of the reduction in Universal Credit • Planning for half term support for parents in financial hardship and for the allocation of the Household Support Fund (HSF) • Roll out and access to the Working Well Early Help programme underway – teams in place to support • Costs have been claimed by schools and total £0.544M to cover Sumer 2021 period of free school meals	• Economic Recovery Plan agreed including the Barclays Thriving Local Economies programme • Poverty reduction plan agreed • Implement Breathing Space for Debt Management - Potential system reviewed and proposal to be developed • Working Well programme developed • Planning for update of Council Tax support scheme

7.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Number of rough sleepers in Bury	0.00	1	6	1	Dec-2021
Number of rough sleepers currently being supported	40	64	50	5	Dec-2021
Number of statutory homeless cases open on the last day of the month	300	597	523	2	Dec-2021
Number of households in temporary accomodation on last day of the month	N/A	68	69	1	Dec-2021

8. Recovery: Deliver the Safety Valve work to strengthen SEND, EHCP offer and DSG Grant spend. Review transition arrangements for 2020-22

8.1. Summary

Q3 saw continued development of the Graduated Model within the Safety Valve project, the refreshed delivery plan was submitted to DfE for review. A local area SEND strategic action plan is in development in addition to SEND place planning now aligned to pupil place planning. Recruitment to key posts across SEND teams has also been completed. Additional investment was secured for wider CYP mental Health provision which will be factored in to planning.

8.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4

• Project Safety Valve: Continued development of the Graduated Model and agreement of programme governance and plans
    o PSV refreshed/revised delivery plan and submitted to DfE
    o DfE update and revised financing schedule sent by 17 December 2021
    o Data Pack further developed in iterative process with DfE
    o SEND Sufficiency paper to be sent to DfE
    o Consultation with schools on mainstream top-up funding, and potential changes
    o Local area SEND strategic action plan being developed
    o Ongoing development of RP specification
    o Safeguarding visits to alternative provision continue
• Additional investment secured for wider CYP MH provision.
• Work has been initiated on the OOB complex case review.
• Work is ongoing to progress Key worker and Ealing models at a GM and local level.
	• Project Safety Valve delivery
	• Continued development of improved support for children with additional needs to prevent the need for recourse to statutory intervention
	• Delivery of a balanced budget, including £1.2m savings and robust management of the Dedicated Schools Grant recovery plan
	• Mobilisation to deliver additional investment secured for wider CYP MH provision

8.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Percentage of Pupils with an EHCP	N/A	4.20	4.20	2	Oct-2021
Number of Children with an EHCP	N/A	1220	1224	1	Oct-2021
EHCP: Percent of Plans issued on time, compliance at 20 weeks	N/A	31.50	43.79	2	Oct-2021

9. Recovery: Improved Operational Services including waste collection, a reduction in fly tipping, improved highways and second MOT centre

9.1. Summary

Q3 saw the continued delivery of the waste improvement plan. A new head of Waste Management started in December and the issues regarding the new rounds have been resolved with collection rates averaging at 99% during Q3.

The Environmental Quality delivery plan is being implemented leading to increased enforcement for fly tipping, 11 fixed penalty notices have been issued and one littering FPN following investigation by officers.

Tender exercise closed for the 2nd MOT testing centre with 2 applicants, site visits will take place in the new year.

Bury Market improvement programme has been awarded £20m as part of the levelling up bid, work on implementation will continue into 2022/3

A contractor is in place to deliver the Preventative Maintenance Programme, now in year 2 with £3m of work being done this financial year so far. We've seen an increase in the waste collected from street cleaning this quarter (840 tonnes) and continue to complete 79% of highway repairs on time.

9.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• New Head of Waste Management to started 6th December 2021. • Implementation of waste improvement plan to ensure all waste collection rounds are completed as scheduled without missed bins • Environmental Quality delivery plan in place. Immediate priority is to increase enforcement for fly tipping as remove fly tipping promptly • 11 fixed penalty notices have been issued and one littering FPN following investigation by officers • Environmental quality programme developed for Radcliffe which will commence in Spring 2022 • Company to be appointed to develop the design to stage 2 for Decarbonising the Public Estate Programme	• Environmental Quality: Reduce contaminated bins and maximise recycling • Environmental Quality: Strategy in respect of community ownership – keeping the Borough clean and tidy • Green Spaces: Implement the playing pitch strategy, including 3G pitch plan. Meet with Football Foundation to develop governance arrangements and the establishment of the Trust. • Green Spaces: Play areas strategy • Green Spaces: Green Flag improvement programme • Green Spaces: Accessible allotments strategy • Green Spaces: Promoting our physical strategy in green spaces • Green Spaces: Tree planning in conjunction with City of Trees • H&E: Highways Investment Tranche 2 • H&E: Cycling and Walking Infrastructure • Waste and Transport: Waste collection review including optimisation and balancing

• MOT testing site tender opportunity readvertised and closed on 24 December with 2 bids. • Contractor in place to deliver Preventative Maintenance Programme. • The consultants WSP have been appointed to write a Borough-wide Transport Strategy • Bury Markey Investment - Levelling up bid approved - £20m confirmed	• Waste and Transport: 3 Year Vehicle Decarbonisation Programme. • Civic Venues Review conclusion of consultation • Bury Markets investment and improvement • Strategic Transport Capacity and Transport plan with 'on the shelf' schemes • Tackling Litter and Fly Tipping Hotspots • Produce a report re: increased taxi testing capability. Initial evaluation in progress and will be followed by site visits in January

9.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Waste collection (tonnes)	N/A	14152.40	16594	2	Q3 21/22
Waste collection: grey bins (tonnes)	N/A	6774.06	7044	1	Q3 21/22
Waste collection: blue bins (tonnes)	N/A	2355.06	2503	2	Q3 21/22
Waste collection: green bins (tonnes)	N/A	1792.70	1680	1	Q3 21/22
Number of missed bin collections per 100,000	N/A	74	108	1	Q3 21/22
Proportion of household waste recycled	N/A	52	57.60	2	Q3 21/22
Waste collection (tonnes) from street cleaning	N/A	840.68	659.7	2	Q3 21/22
Number of potholes reported	N/A	397	338	1	Q3 21/22
Number of potholes repaired	N/A	1968	3203	1	Q3 21/22
Highway repairs completed on time (%)	N/A	79	79	1	Q3 21/22

10. Recovery: Transforming health and care to ensure readiness for winter including urgent care, population health and community services

10.1. Summary

As mentioned previously Q3 saw the development and agreement of a single system Urgent Care plan developed across Transformation/Resilience and business as usual supported by the newly installed Bury Urgent and Emergency Care Integrated System Board.

Q3 also saw the preparation of the new contract and specifications for community health services provided by the Northern Care Alliance (NCA) across Bury. This will be agreed hopefully during Q4.

Applications for the Wellness - Community Fund scheme was launched on 15/10/21 and the Neighbourhood Health Improvement Frameworks were finalised.

10.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Secondary Care Service Reconfiguration: Pennine Disaggregation and Service pathways NCA/MFT • Single system UC plan developed across Transformation/Resilience and BAU supported by newly installed Bury UEC Integrated System Board • Elective Care Framework - Pilot of urology pathway underway • New Elective Care and Cancer governance framework signed off by the Integrated Delivery Collaborative in November 2021 • Proposal for GP collaborative delivered and agreed • Preparing new contract and specifications for community health services provided by the NCA • Population Health: Bury Food Strategy - Local food charter agreed with partners • Population Health: Health related behaviour change - Neighbourhood Health Improvement Frameworks were finalised	• Secondary Care Service Reconfiguration: Hospital Transformation • Primary Care Programme including Primary Care Network Development • Urgent Care System: Recovery and Transformation to the new operating model • Elective Care Framework • Preparing new contract and specifications for community health services provided by the NCA • Population Health: Physical Activity Strategy • Population Health: Starting Well • Population Health: Bury Food Strategy • Population Health: Primary and Secondary Prevention of LTC (including MSK and HIV) • Population Health: Adverse Childhood Experiences (ACES) and Mental Wellbeing • Population Health: Health related behaviour change • Population Health: Sexual Health Strategy and procurement • Population Health: Health protection • Population Health: Substance misuse

• Population Health: Health protection - Planning for Flu Programme being delivered alongside Covid Vaccination • Population Health: Substance misuse - Action plan refreshed, re-developed Pharmacy service specifications • Primary Care Programme including Primary Care Network Development • Wellness - Community Fund application scheme launched 15/10/21 - closed 30/11/21.	

10.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Number of births registered	N/A	465	463	2	Dec-2021
Number of deaths registered	N/A	596	526	2	Dec-2021
IMC (Killelea) Bed Occupancy (%)	N/A	82	55	1	Dec-2021
Residential and Nursing Care Bed Occupancy (%)	N/A	85	84	2	Dec-2021

11. Recovery: Implementation of the Brownfield Housing Land Programme and a focus on housing standards in social housing or private rented housing

11.1. Summary

Work on the programme continued in Q3 with both the School Street Radcliffe (89 homes) and Green Street Radcliffe (136 homes) having concluded pre application planning consultation. Cabinet has now consented to the disposal of Seedfield Bury to Hive Homes for the delivery of 92 homes. The accelerated disposal programme also saw the selling of two assets at auction for 90k (guide price 50k) and £185k (guide price £20k). The Council has also successfully applied for £60k of revenue funding to complete feasibility study on the residential development at Pyramid Park Bury (400 homes).

11.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Background work on the Bury Local Plan underway • Places for Everyone (GMSF/Plan of 9) - analysing representations to identify key issues raised. • First draft of the Empty Homes Strategy and supporting Action Plan is currently undergoing internal consultation • Residential Housing Delivery - School Street Radcliffe (89 homes) and Green Street Radcliffe (136 homes) have concluded pre application planning consultation. • Cabinet has now consented to the disposal of Seedfield Bury to Hive Homes for the delivery of 92 homes. • Council has successful applied for £60k of revenue funding to complete feasibility study on the residential development at Pyramid Park Bury (400 homes). • Approval of Accelerated disposal programme (various stages) o Two assets sold at auction for 90k (guide price 50k) and £185k (guide price £2k).	• Development Plan / Local Plan (new Planning Policies) • Places for Everyone (GMSF/Plan of 9) – end of consultation analysis and preparation of submission • Empty Homes strategy development • Housing Strategy (including review of affordable housing) development • Residential Delivery • Private Rented Strategy development • Brownfield Housing Land Programme • Affordable Housing Delivery • Approval of Accelerated disposal programme (various stages) • HRA Strategy: The Council's relationship with STH strengthened • Accelerated Disposal Programme - Review of Phases 1, 2 and 3 assets to continue to prepare them for disposal

11.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Total planning applications received	N/A	252	289	1	Q3 21/22
Percentage of planning decisions granted	N/A	89	92	2	Q3 21/22
Annual housing completions	N/A	212	200	1	2021
Number of housing units completed in the borough which are affordable	N/A	32	20	1	2021
% Housing completions on brownfield land	N/A	68	62	1	2021

12. Renewal: Celebrate together as the Town of Culture for 2021 and launch a new cultural strategy for the Borough

12.1. Summary

Q3 saw applications received across the borough for the 'pitch' events. Promotion of the opportunity pass was intensified over the Christmas period. The town of culture celebration event was delayed due to COVID plan B restrictions.

12.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Approach to the 2021/22 Pitch events approved by Informal Cabinet and Applications received including a good spread across the borough • Promotion of the Opportunity Pass around December / Christmas events • Town of Culture celebration event delayed due to Covid Plan B restrictions.	• Culture strategy developed, which gives a clear plan for how we continue to develop our cultural identities and economy • Programme of culture events for the year continues, including micro grants & culture pass for key workers;

13. Renewal: Prepare the framework for a new Skills Strategy inclusive of Schools, FE, HE and Community Learning

13.1. Summary

Development of an all-age skills strategy continued in Q3 This is being produced in collaboration with children's services.

The apprentice strategy first draft was completed for review. A supporting delivery plan is in place and will be implemented through Q4.

13.2. Delivery

Key Delivery Elements in Q2	Key Delivery to continue in Q3-Q4
• Production of an all-age skills strategy in collaboration with children's services underway • Apprentice strategy - Final draft strategy being reviewed. – supporting delivery plan in place.	• Apprenticeship strategy agreed & implemented including pipeline of opportunities for local residents • Skills strategy agreed and in place

14. Renewal: Develop and implement the first phase of our Climate Change Action Plan to be carbon neutral by 2038

14.1. Summary

During Q3 the climate strategy and action plan were approved. The report also approved the establishment of Climate Action Forums, a Climate Action Board and the distribution of the £100k Climate Action Fund. Following approval this will move to consultation.

Stage 2 Minimum Licensing Standards were approved by November Licensing and Safety Committee and Full Council

Our performance measures for climate change are currently updated annually, these are being developed to assess whether we can offer a regular, tangible view of progress towards our 2038 aim.

14.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4
• Climate Strategy and Action Plan approved by October Cabinet. The report also approved the establishment of Climate Action Forums, a Climate Action Board and the distribution of the £100k Climate Action Fund. • Stage 2 Minimum Licensing Standards approved by November Licensing and Safety Committee and Full Council. • Clean Air HGV Fund opened for applications. • Funding secured for BAME engagement officer to support businesses with funding applications.	• Climate Change Strategy: Implementation • Clean Air and Minimum Licensing Standard Consultation undertaken

14.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Number of air quality monitoring stations breaching nitrogen dioxide targets	N/A				
Total CO2 emissions produced within our borough	N/A				
Total CO2 emissions resulting from council operations	N/A				

15. Renewal: Neighbourhood model operational including Community Hubs, Health & Care, Children's and wider public services

15.1. Summary

During Q3 the first round of community forum events were completed with a focus on Community Safety. Q3 also saw the draft community safety strategy and the domestic abuse strategy signed off by the Community safety partnership.

External funding to support inclusion work across Bury and Rochdale was awarded via GM Health and Social Care Parentship (£65K). This will support implementation during Q4.

15.2. Delivery

Key Delivery Elements in Q2	Key Delivery to continue in Q3-Q4
• Neighbourhood Model - First round of community forum events completed with a focus on Community Safety • External funding to support inclusion work across Bury and Rochdale awarded via GM Health and Social Care Parentship (£65K) • Community Safety strategy - Draft Strategy signed off by Community Safety Partnership • Domestic Abuse Strategy - Draft Strategy signed off by Community Safety Partnership • Integrated Neighbourhood Teams - Development plan in health and care in place and aligned to neighbourhood hubs	• The neighbourhood model will be implemented including a residents' forum in every neighbourhood & integrated public service teams • Delivery of a volunteer strategy • Inclusion strategy delivery including equality assessment; leadership development & action plan on race inclusion • Community Safety strategy publication via Cabinet/Council subject to verification of the Constitution. • The Domestic Abuse Strategy publication via Cabinet/Council subject to verification of the Constitution • Further Development of Integrated Neighbourhood Teams alongside Neighbourhood hubs • Let's do it Strengths Based Strategy in Adult Social Care

15.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Total number of VCFA volunteers (cumulative)	N/A	521	470	3	Dec-2021
% of residents who feel safe	90	90.7	92	1	Q2 21/22
Rate of all crimes (per 1,000 population)	20	27.70	26.69	3	Q2 21/22

16. Renewal: Deliver the Strategic Regeneration Frameworks for our neighbourhoods and implement the Action Plans from each

16.1. Summary

Q3 saw the awarding of £40m levelling-up funding to support both the Radcliffe Regeneration and Bury Flexihall programmes. LUF inception meetings with DHLUF took place on 22nd December. Town centre recovery boards continued to meet across the quarter. Groundwork have been engaged to provide additional support for the town centre groups around delivery and development.

16.2. Delivery

Key Delivery Elements in Q3	Key Delivery to continue in Q4

• One Public estate strategy – plan developed to decant the tenants from Humphrey House to 3KP
• Town Centre Recovery Boards established and meeting. Approach is tailored to town centre
• Radcliffe Strategic Regeneration Framework
  ◦ RIBA Stage Two consultation complete, design pack and report due in January 22
  ◦ Surveys and site investigations ongoing
• Prestwich Urban Village Plan - workstreams progressing with Muse
  ◦ First Phase of development – Health and Wellbeing Hub initial meetings with Public Sector Partners in Jan to pull together schedule of accommodation
  ◦ Funding workstream
  ◦ Communication and Engagement
  ◦ Vacant Possession and tenant engagement.
• Bury Flexihall - RIBA Stage 2 drawing to a conclusion
• Bury Interchange – Discussions continuing on a revised CRSTS submission document.
• The draft Ramsbottom Town Centre Plan has now been produced and is now out for public consultation
	• Inward investment strategy developed
	• The One Public Estate strategy will be implemented in Bury town centre
	• Town Centre Recovery Boards continue
	• Radcliffe Strategic Regeneration Framework
	• Bury Town Centre Masterplan
	• Ramsbottom Place Management Plan Consultation
	• Prestwich Urban Village Plan
	• Leisure Review: Determine options re: the viability of a facility as part of the Bury Town Centre Masterplan
	• Leisure Review: Determine options re: the viability of a facility as part of the Strategic Regeneration Framework plans in Radcliffe
	• Leisure Review: Determine the options re: the viability of a facility as part of the Ramsbottom Town Centre development
	• Full Fibre Rollout (5G network will follow)
	• Business incubators
	• Business relationship and engagement function
	• Bury Economic Strategy developed
	• Bury Flexihall
	• Northern Gateway implementation
	• Bury Interchange

• Bury Town Centre Masterplan - Work continuing to develop the consultation draft of the masterplan • Business relationship and engagement function - Pre Covid engagements resumed	

16.3. Performance

	Target	Actual Value	Previous Val...	Trend	Time Period
Number of JSA and UC Claimants	N/A	6610	7185	2	Sep-2021
Net business growth rate	N/A	-790	175	1	2020

17. Spotlight – Customer Contact Services

The Bury Council and CCG's internal transformation workstream 'Let's do it … Once!' aims to improve the performance of our customer contact services and achieve budget reductions. As part of this response, we have incorporated further performance measures on our customer contact services within our departmental delivery and performance reporting. The spotlight section for this quarter reviews these in detail to present an analysis of the performance of our customer contact services, focusing on the following three areas;

1. Contacts
2. Complaints
3. FOIs

Efforts to improve these service areas have been recommended by Ameo and the ICO in their assessments of Bury Council's and Bury CCG's operations.

17.1. Contacts

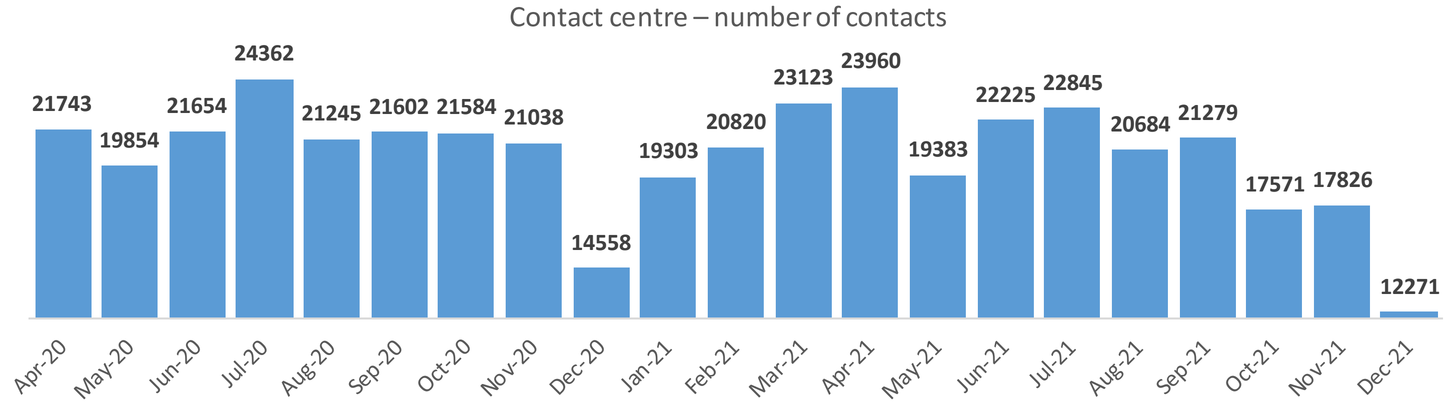

Figure 3 Number of contacts

Figure 3 above demonstrates the number of contacts (phone and email) Bury Council received month on month since the start of 2020-21. Fluctuations occur throughout the year with December being the quietest month each year. Although performance across the two years appears consistent, comparing Q1-Q3 2020 to 2021 we have received 9,596 fewer contacts. This suggests the information we provide to our customers is proving more effective in answering their queries without having to make a contact. The customer contact team have made efforts to improve the online information available and to customers and encouraged the use of online forms which reduces the requirement for email or phone contact.

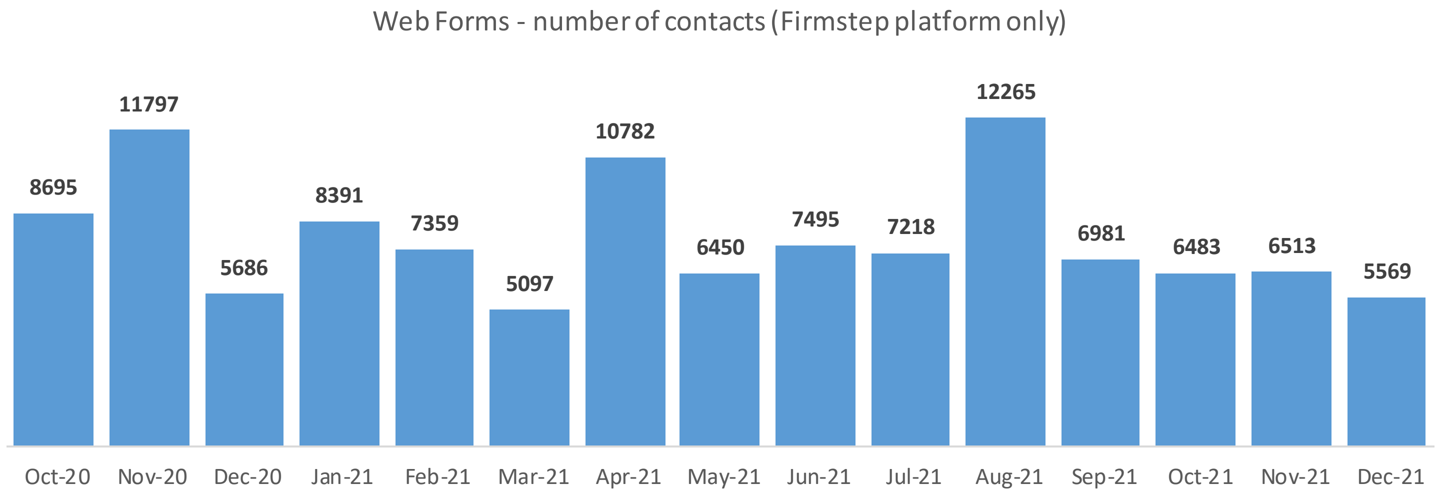

Figure 5 Number of webform contacts

The activity counted above in figure 4 represents most of our web-based contact from customers. Let's Do It… Once! endeavours to harness digital-first delivery through a single, digital front door providing integrated self-service access to back-office processes. We expect this activity to increase and phone calls to reduce as this aspect of the transformation programme is fully established. It can be seen here that our web form contacts have begun a downwards trajectory, however we cannot conclude what this tells us about our customers behaviour until we can report on all web-based contact together. Further development to our reporting is underway to capture all contacts made to Bury Council via a web form and will be incorporated into our organisational performance monitoring once available.

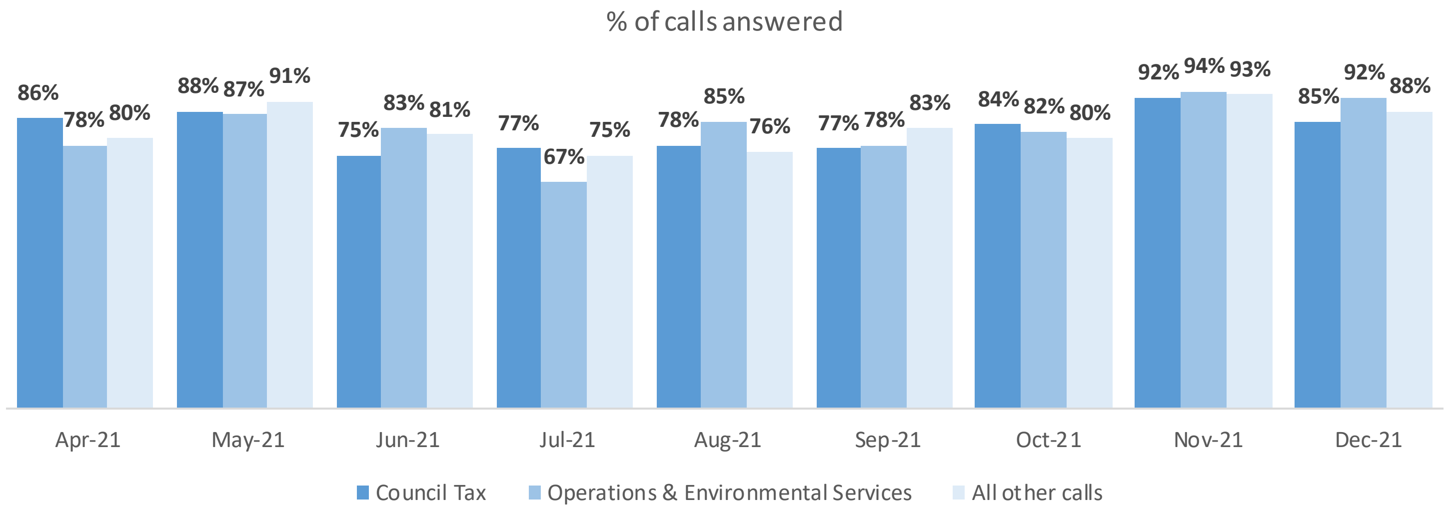

Figure 4 Percentage of calls answered

As part of our departmental dashboard development, we have begun to monitor the percentage of telephone calls answered relating to our busiest service areas; council tax, operations and environmental services, as well as all other calls. As figure 5 demonstrates our performance is consistent and has shown improvement over the past quarter with the percentage answered within the 80-95% range.

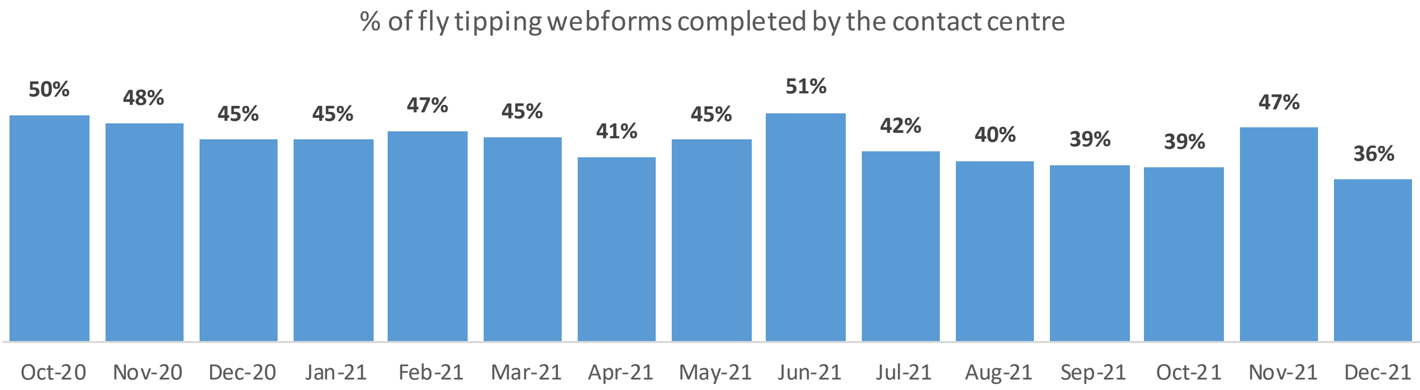

Figure 6 Percentage of fly tipping webforms completed by the contact centre

As we cannot currently collate all web-based contact activity to assess the performance of this service area and change in customer's behaviour, we have been monitoring a sample of activity to indicate whether a shift is occurring. Fly tipping can be reported online or via the phone. When reported via the phone the contact centre completes the same web form as the customer would themselves. Assessing the proportion of fly tipping web forms completed by the contact centre indicates what proportion of customers are self-serving as opposed to requiring our support to report this issue. As figure 6 indicates, the proportion of reports completed by the contact centre has decreased over the past 15 months to a low of 36% demonstrating an increase in customers self-serving by using the webform.

17.2. Complaints

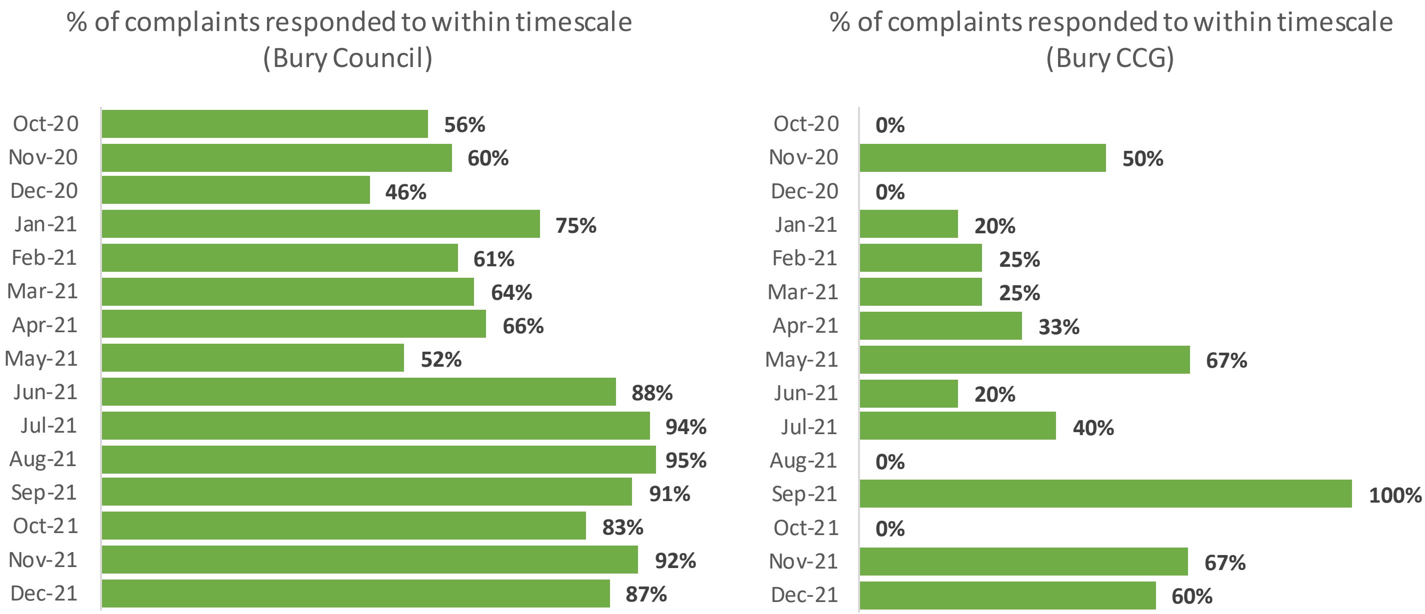

Figure 7 Percentage of Bury Council and CCG complaints responded to within timescales

It is good practice to respond to a complaint within 20 working days of its receipt. Please note that where the CCG performance displays 0% this is where no complaints had been received or were due a response during that month. There have been fluctuations in meeting this standard for both organisations with Bury CCG reaching a milestone of 100% in September 2021 and Bury Council greatly improving to achieve an increase of 49% from the lowest to the highest proportion responded to in timescale over the past 12 months.

17.3. Freedom of Information Requests

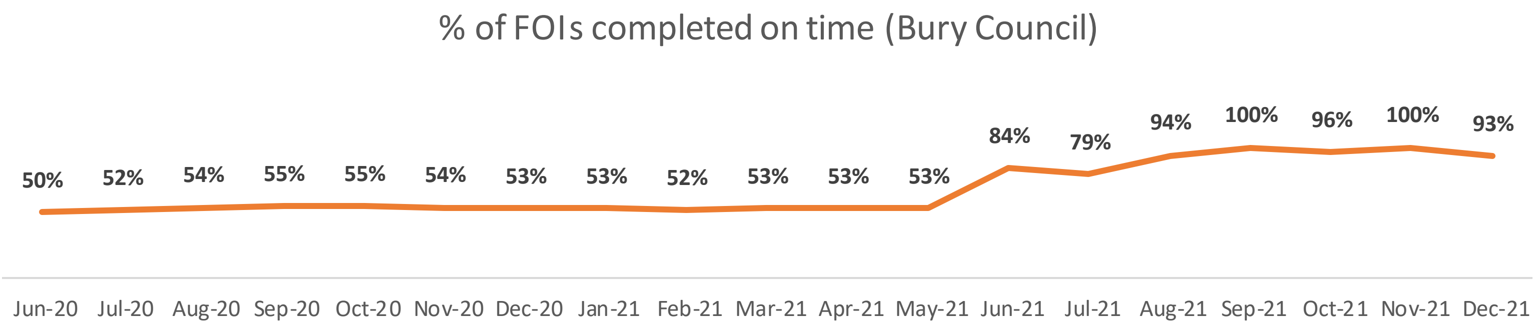

Figure 9 Percentage of Bury Council FOIs completed on time

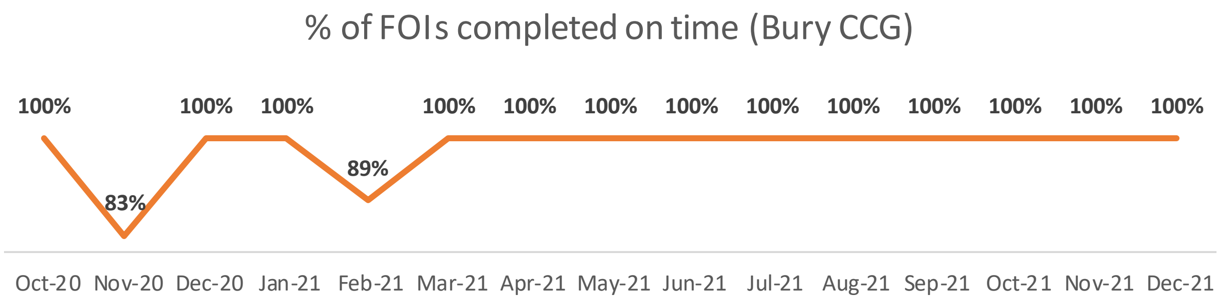

Figure 8 Percentage of Bury CCG FOIs completed on time

We also have 20 working days to respond to an FOI request. Our performance in this area, as figures 8 and 9 demonstrate, is generally consistent with Bury CCG often achieving 100% and Bury Council improving its rate greatly to also achieve 100% some months.

17.4. Summary

This report's spotlight on customer contact services performance has displayed several areas of improvement where the customer journey has been enhanced and efficiencies have been made. We will continue to monitor these areas of activity in our monthly reporting of departmental delivery and performance. Activity that aligns to our corporate priorities will be fed up with this quarterly report and progress of the Let's Do It… Once workstream will be reported via our transformation programme.

18. Conclusion and Next Steps

This is the second delivery and performance report aligned to the 3R priorities. Further development required has been noted and strives to strengthen and improve the reporting process and functionality. This report will be presented for scrutiny, providing opportunity for further engagement and direction on this workflow. Performance and delivery will continue to be reviewed internally on a monthly basis, generating conversations that will substantiate the content of these quarterly reports to Cabinet.

19. Recommendation

That Cabinet is asked to:

- Note the performance and delivery towards the 2021/22 3R delivery objectives
- Note the spotlight on our intelligence on customer contact services
- Note the ongoing developments to strengthen and improve this reporting process and functionality

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet	**Date:** 16 February 2022
Subject:	Bury Council and CCG Corporate Plan 2022/23	
Report of	Cabinet Member for Corporate Affairs and HR	

Summary

1. The 2022/23 Corporate Plan is the second joint plan to be agreed by the Council and CCG to describe our commitment to the delivery of the Let's Do It! Strategy for Bury. This document summaries the progress made in 2021/22 and includes new priorities that have been agreed with Cabinet Members based on consultation with ward members, residents and other stakeholders.

Recommendation(s)

2. That Cabinet approves the Corporate Plan so that it can be presented to Full Council alongside the budget options for 2022/23 and the longer-term Medium Term Financial Strategy.

Reasons for recommendation(s)

3. This continues our commitment to "strengthening the basics" by embedding the corporate business planning process across all the work of the Council and CCG. This will allow for more effective performance management at organisation, departmental and officer level.

Alternative options considered and rejected

4. No alternative option considered.

Report Author and Contact Details:

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Department of Corporate Core Services
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Background

5. In 2020 Bury Council and CCG led the development of the Let's Do It! Strategy for the Borough of Bury, which sets out the vision for the next ten years. In 2021 a corporate strategic planning process was established, which provided an annual, integrated strategic plan for the Council and CCG partnership to guide the

partnership's delivery against the Let's Do It! vision. This is the second plan within this structure.

6. The Plan for 2022/23 has been designed following feedback from elected members, staff and external organisations such as the Local Government Association. In comparison with the plan for 2021/22 this Plan has been sharpened to have a greater focus on actions to be delivered, by quarter, and also the link to key performance indicators. In addition, the Plan includes more detail on the enablers of Internal Transformation, Organisational Design, Delivering Inclusion and Financial Management.

7. As well as setting out the priorities for the year ahead the Plan summaries the progress that has been made in 2021/22 in terms of delivery against the priorities with the 3R's Programme (Response, Recovery, Renewal) and other achievements that have been delivered in addition to the top 15 list agreed with Cabinet last summer.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

8. This Plan references the contribution that the Council and CCG will make to the delivery of the Let's Do It! Strategy by the end of 2022/23.

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA.

9. Detailed EIAs for the individual projects included in the Plan will be developed and presented as appropriate.

10. The Plan reaffirmed the commitment from the Council and CCG to address inequalities within our workforce and throughout the wider population of the borough.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

11. This Plan includes details of our delivery commitment to addressing the climate change challenge within Bury.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation

Legal Implications:

There are no legal implications arising from the report however the updating report to Members and the Corporate plan form a fundamental part of our governance assurance to Members.

Financial Implications:

There are no direct financial implications arising from this update report, although there are a number of key finance performance targets and savings delivery targets included within this report.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

CORPORATE PLAN 2022-23

Bury Council and NHS Bury CCG

1 Introduction

The Bury Council and Bury CCG Corporate Plan 2022-23 sets out delivery priorities and performance measures that will guide the work over the next 12 months. This plan describes how the Council and CCG will deliver its contribution to the Let's Do It! Strategy to support the Borough of Bury as it recovers from the local impact of the COVID-19 pandemic.

In 2020 Bury Council and CCG led the development of the ***Let's do it!*** Strategy for the Borough of Bury, which sets out the vision for the next ten years. In 2021 a corporate strategic planning process was established, which provided an annual, integrated strategic plan for the Council and CCG partnership to guide the partnership's delivery against the *Let's do it!* vision. This is the second plan within this structure. It aims to:

- Set out the **context** for 2022 strategic delivery, including progress made over the last 12 months and the corporate challenges in the year ahead;
- Proposes strategic **priorities** for the year ahead within the "**Response; Recover; Renewal"** Framework and departmental delivery plans against this;
- Provides an overview of the approach to delivery, with a focus this year on strengthening the "**basics**" through the agreed transformation strategy; strategic finance; organisation development and driving inclusion; and
- Introduces the partnership including the operational **"business as usual"** and key performance indicators.

The priorities in this plan have been developed through:

- Feedback from residents through Community Hubs and our Elected Members;
- The *Let's do it!* Action plan, which is being updated in parallel by "Team Bury" partners for the year ahead;
- Feedback from external reviews into our services including OFSTED and the Corporate and Children's LGA Peer reviews; and
- Insight from wider governance including performance data, the Medium-Term Financial Strategy and corporate risk registers.

Delivery of this plan will be achieved through the work of our staff and leadership of Elected Members and the NHS partners:

- Every member of **staff** will have an annual performance and development plan to support these corporate priorities as well as their operational role.
- **Council Cabinet Members** have complementary work plans which reflect the milestones in this plan for their portfolio.

Performance will be tracked through:

- Monthly **highlight reports** of delivery against the plans, for discussion at the Executive Team and Cabinet Member portfolio meetings.
- **Quarterly performance reports** which are formally presented to the Council's Cabinet and CCG Governing body.

2 Organising our Delivery

The Council and the CCG in this locality is organised as six departments:

Business Growth and Infrastructure	• Provides building control and planning functions and leads on Town Centre masterplans and regeneration programmes
Children and Young People	• Provides universal and targeted help and support for the borough's children, including support to schools and children with additional needs
Corporate Core Services	• Provides HR, communications, performance, ICT legal and business support services. Provides a number of direct services to the borough's residents
Finance	• Leads on the medium-term financial strategy and planning, including delivery of revenue and benefits services to residents, businesses and stewardship of Council and locality NHS financial activities
Operations	• Responsible for environmental services including waste management, street cleansing, management of all highways and street lighting and operation of the Council's leisure, civic and regulatory services
One Commissioning Organisation (Health and Adult Care)	• Brings together all the health and adult social care commissioning functions of the CCG and Council into one structure. This includes public health functions and a single strategy for health and care commissioning, and reflects a 'place-based leadership' role for the operation of the whole health and care system

Together we provide a diverse range of services. For example, in 2021 we:

- Operated some of the highest standard public realms including a Purple Flag Town Centre and 14 Green Flag Parks
- Provided over 145,000 first doses of the Covid-19 vaccination, over 134,000 second doses and 99,000 booster doses
- Recycled over 40,000 tonnes of household waste last year
- Registered 1,852 births last year, as well as 2,252 deaths and 378 marriages
- Were parents to 359 Looked After Children
- Employed 2385 staff across all our services (excluding schools)
- Received 18,500 contacts each year in relation to Adult Social Care, leading to 5,000 assessments; providing support to around 2,500 adult social care users at any one time
- Managed 660km of carriageway, 300km of footpaths, 19,000 street lighting columns, 36,500 street gullies and 600ha of green space
- Provided leadership to 82 schools and education to over 29,200 children
- Received over 240,000 contacts to our services in a year
- Planned healthcare services for 2021/22 with a registered population of 208,284, with 89,239 A&E attendaces planned, 26,000 elective admissions and over 263,000 outpatient appointments
- Aligned our budget for health and care to the value of £339m

3 Context for the Corporate Plan 2022/23

Over the last 12 months, the Council and CCG has worked tirelessly to protect residents from the impacts of **COVID-19.** As a category one emergency responder, our work has fulfilled the national requirements, supported the Greater Manchester Emergency Response programme and also continued to deliver other priorities within ***Let's Do It!***

Last year, to deliver the emergency response, the Council and CCG developed a planning approach called the '**3Rs**' (figure 1). This set out 15 priorities across three strategic themes: response, recovery and renewal.

3.1 Response – fulfilling the Council's role as a category one emergency responder and the CCG's leadership in the role in the health system:

- The Local Outbreak Plan was maintained which included delivery of public health advice, humanitarian aid, mass testing centres and rolled out mass vaccination.
- The impacts of COVID-19 on children and young people were mitigated by continued support and leadership for children in need of help and protection. This saw an increase in the percentage of 2-year-olds accessing funded childcare (86%) to help narrow the gap in educational attainment.
- The 'For Each Other' campaign was delivered, including the £250,000 community recovery 'Pitch' participatory budget scheme.
- The health and care system worked together to maintain the availability of health and care services during the pandemic, both in terms of demand and staff availability.
- Support was provided to our businesses and £7,060,817 has been allocated through additional restriction grants (ARG) since December 2020.

3.2 Recovery – leading the civil contingencies recovery phase to restore the social, health and economic impacts of COVID-19:

- A total of £1,500,000 in additional financial support was provided, through distribution of national grants and maintenance of free school meals, to prevent and mitigate the hardship impacts of COVID-19.
- Over £700,000 funding for community recovery and health improvement was administered through a community-led, participatory model in every neighbourhood.
- Bury Council was accredited as a Real Living Wage employer and became a Member of the Greater Manchester Good Employment Standard network, which has improved the pay and conditions of over 4,000 local people.
- The Project Safety Valve programme for children with additional needs is now in delivery phase, endorsed by the Department for Education.
- Operational Services introduced a new waste round, invested in fly tipping and procured a second taxi MOT centre.
- Health and care transformation activity to address increased demand for health and care services, such as elective care waiting lists and demand for mental health provision.
- Town centre delivery boards were established for each town centre.

3.3 Renewal – visionary changes to "build back better" in the borough:

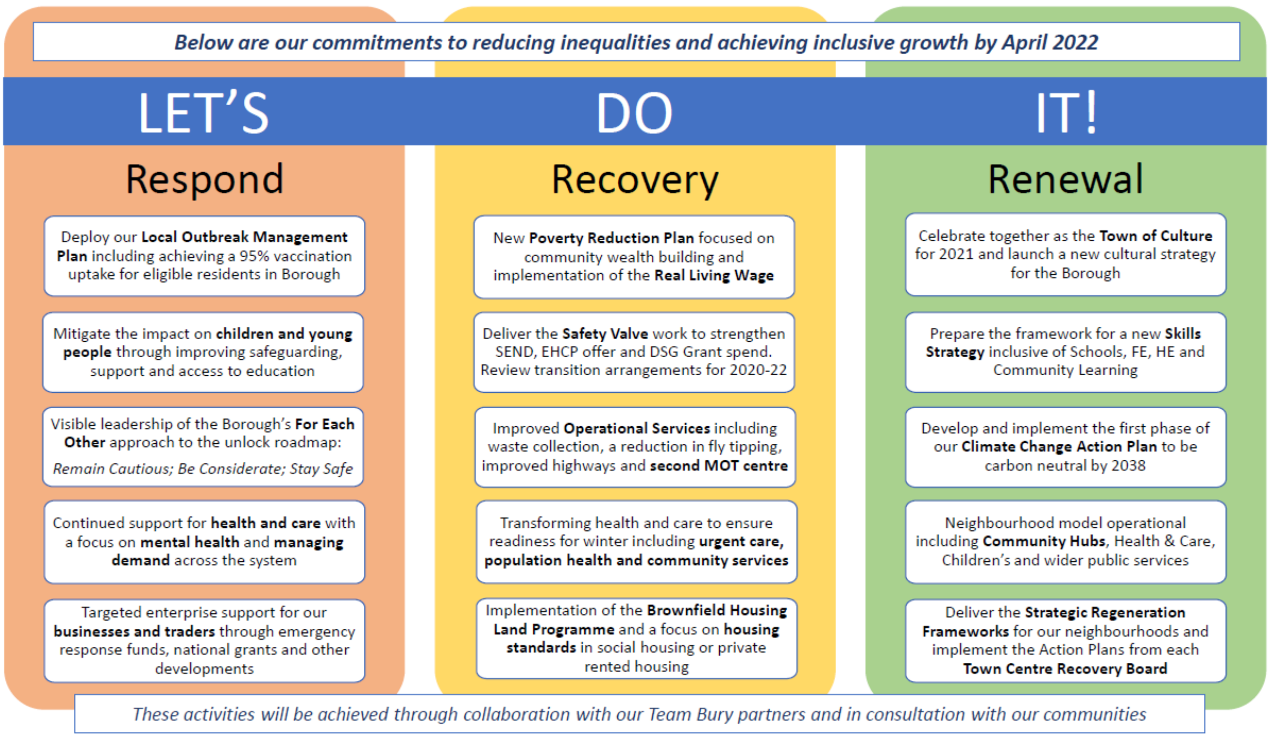
- Town of Culture celebrations included the Head for the Hills and Burrs Festival events, as well as the Victoria Wood Foundation Happy Festival.
- Strategic development plans in place for Radcliffe, Bury Town Centre, Prestwich

and Ramsbottom as well as ongoing delivery of the Northern Gateway vision.
- Strategic Regeneration Framework for Radcliffe agreed, including confirmed plans for a new high school. This also sets out a People Plan to engage local communities in the regeneration vision.
- Strategy for carbon neutrality by 2038 published to achieve the target of carbon neutral by 2026.
- Triage model developed for medium risk domestic abuse cases. 25 units of specialist housing have been commissioned and improvement plan delivered for management of high-risk cases.

3.4 Additional activity outside of the planned framework was also delivered last year, including:

- Securing two national Levelling Up bids, with a combined value of £40m, for Radcliffe regeneration and the development of a flexi hall at Bury Market. In addition to this, the Bury Interchange development forms part of the £1.07 billion award of monies through the City Region Sustainable Transport Settlement (CRSTS).
- Implementation of an Agile Workforce Strategy which has provided a platform for more efficient ways of working. This positions the Council effectively in a challenging recruitment market and makes significant savings from disposal of office estate.
- Launching delivery of the multi-year internal transformation programme, including agreement of a Digital First Strategy and design of a corporate business support service.
- Agreement of a Community Safety Plan for 2022-25. With the following priorities for the next three years: reducing offending and drug-related offending, supporting victims and tackling the causes of domestic abuse, strengthening community cohesion, creating and maintaining safe spaces and tackling crime and anti-social behaviour.
- A refresh of the partnership-wide Health and Social Care Locality Plan. and the development of whole new set of partnership arrangements in the light of the transition to a GM Integrated Care System model and the replacement of Bury CCG by a GM Integrated Care Board.

Figure 1: The 3R's



4 The Challenges and Opportunities for 2022

At the beginning of 2022, the longer-term health and economic impacts of the pandemic are emerging. The 2022 Corporate Plan will therefore continue delivery of the '3R' priorities. There are, however, some significant challenges which frame this delivery, including:

- The **challenge of improving outcomes** in the post-COVID-19 context. In the 2021 Corporate Plan, it was reported that the gap in healthy life expectancy between those who live in the most and least affluent parts of our borough is, after decades of improvement, starting to widen, the measure of deprivation in our towns is stagnating and our educational attainment is not as good as it was. The post-emergency health and economic challenges, including the increase in cost of living, growing mental health demands and evidenced inequity in outcomes across protected groups are anticipated to make it even harder to reverse this decline.

- The **Council's fragile financial position**. The Medium-Term Financial Strategy requires delivery of budget savings and efficiencies of £16.5m in 2022/23 (£10.9m of these were agreed in prior years). This year, the Council must also plan how to respond to the more fundamental reductions of c£9m in 2023/24 at the same time as managing significant increases in demand for some services, particularly health and care.

  In parallel, work is required to develop a strategy for the Housing Revenue Account, develop governance for the Capital programme and deliver a reduction in the Dedicated Schools Grant (DSG) deficit.

- The national **transformation of health system commissioning** will be implemented in 2022, with the establishment of an Integrated Commissioning Board (ICB) replacing Bury CCG and the other 9 CCGs in Greater Manchester as part of a transition to a GM Integrated Care System (ICS). The vision for Bury is that the new delivery structure and partnership arrangements will help to drive the delivery of the local Bury objectives of the refreshed Bury Locality Plan for Health and Care

- **Children's Services** in the council has been assessed as inadequate and an Improvement Notice has been issued by the Department of Education. The Council is developing an improvement plan across the following three themes: workforce, leadership and practice improvement. Delivery will be overseen by a whole-system Improvement Board.

- Children's Services are also leading the Department for Education Project Safety Valve initiative to reduce the size of the **Dedicated Schools Grant deficit**. The value of the Bury deficit is currently one of the largest in the country.

- Delivery of large-scale **regeneration projects** will provide many challenges including:

  - Pressures on securing clean title, materials and labour.
  - Availability of commercial skills for major construction contracts.
  - Stakeholder management throughout the lifecycle of the programme.

- Driving **Organisational Improvement** and getting 'the basics' right.

5 Priorities for 2022

The 2022 plan will continue to be structured against the "3Rs" with a focus on **delivery** to support our commitments to response, recovery and renewal. These are described in the table below and will be revisited on a quarterly basis through the Performance Management Framework. In addition to the long-term work carried forward from 2021, priorities for 2022 will also reflect:

- New activity agreed as part of the children's improvement plan;
- Action plans to support the delivery of our Levelling Up and other regeneration schemes;
- Support to understand the implications of the adult social care reform white paper; and
- Operational support for businesses and residents due to the implementation of the clean air policy and associated regulatory changes.

To address issues raised through our external peer reviews, a cross-cutting commitment has been made to strengthen '**the basics**' of how we operate, to maximise available resources and improve effectiveness. The majority of this will be delivered through the internal transformation programme including:

- A staff behaviour framework which defines a consistent, high performing way of working against the LETS principles
- A re-launch of the Council Customer care standards
- A refreshed system for managing Members' casework
- The Council website update and channel shift priorities
- Improvements in internal HR and finance processes
- Investment in the skills and systems of management
- A framework for identifying and developing strengths in delivering the basics

The "Basics" work will also see the development of:

- A corporate problem-solving methodology.
- An improvement plan for Operational Services including a transformation of leisure services and highway improvement programme
- Preparation and delivery of the 2022 Local Election.

Progression of these priorities will ensure delivery is right first time, that service user satisfaction is improved and there is an agreed approach to addressing problems when they arise.

Alongside the delivery of the key priorities, we will support **enabling activity** including:

5.1 Internal Transformation, including digital

In July 2021, Cabinet agreed a multi-year internal transformation programme with the objectives of both improving service quality and reducing costs. The programme is comprised of three workstreams: ***Let's do it….***

- Once – an integrated customer contact strategy.
- Flexibly – estates rationalisation and agile working.
- Well – internal improvement and efficiencies.

Underpinning much of this work is the Council's **digital programme**, which seeks to promote digital-first user engagement, a digital workplace and improved business intelligence.

5.2 Driving Inclusion

Significant progress was made during 2021, including establishing a staff-led Inclusion Working Group across CCG and Council and strengthening the underpinning staff networks, community demographic research and delivery of 'peer-led' internal training. The Inclusion Strategy focussed characteristic in 2021 was race. This saw us deliver a series of race 'listening events' to inform how we better understand and engage with communities with a commitment to clear actions to deliver.

The partnership also recognises military veterans, personnel and reservists within its Inclusion Strategy and gives equal focus to this group as to other protected characteristics. A refreshed Military Covenant on behalf of CCG and Council was also agreed this year. Delivery of the inclusion strategy work plan will continue into 2022.

5.3 Organisation Development

The partnerships mission is to provide direct and robust leadership of the ***Let's Do It!*** vision through the mindset of staff and impact on their approach to delivery services. In 2022, a People Strategy will be created, setting out the organisations framework for developing skills, structures and culture needed to drive delivery of the vision. Work here will include:

- Co-creation of a set of **values** which support our diverse workforce to demonstrate the 'LETS' principles, underpinned by practical behaviours which drive a change in culture.
- **Development of leaders and managers** to equip them with the skills and confidence to deliver on the partnerships ambition.
- Strengthening approaches to **talent identification and development**, including work with apprenticeships to focus on creating opportunities for Bury residents.
- Focus on **wellbeing and engagement,** emphasising the role of managers, informed by best practice and internal evidence.
- Improvement in the **systems and processes** that support quality management.

5.4 Financial Management

2022/23 will see the long-awaited finance department restructure. A fundamental objective of this restructure will be to create and develop a high performing team who support all budget holders and activities within Bury to ensure financial discipline, grip and control is achieved. It is key that finance is seen as an enabler to all departments to achieve the objectives and priories of the Council, whilst ensuring financial sustainability and resilience.

6 The '3R Priorities for 2022' – Overview of Priorities

A summary of the delivery programme for 2022 is illustrated below. Delivery plans, developed by all departments, are outlined below.

Response	Recovery	Renewal and Regeneration
- Delivery of the COVID-19 Outbreak Management Plan including testing, vaccination and Public Health support. - Support to Bury businesses, including administration of national grants. - Supporting the Health and Care system to cope with COVID-19 and the backlog of demand, including Mental Health.	- Delivery of Project Safety Valve to reduce the Dedicated Schools Grant deficit. - Programme of improvements in operational services. - Support to health and care transformation, including establishment of the Integrated Commissioning Board. - Developing the neighbourhood model, using a multi-agency approach, including the pilot of a Family Hub. - Update the poverty reduction strategy. - Delivery of the all-age borough skills strategy as part of the Economic Development Strategy. - Delivery of the children's OFSTED improvement plan. - HRA strategy. - Developing a Corporate Landlord function to effectively manage our estate. - Clean Air and Minimum Licensing Standards. - Decarbonising the Public Estate.	- Delivery of the regeneration strategies in Radcliffe, Ramsbottom, Prestwich and Bury East. - Delivery of the Levelling Up Schemes for the market flexi hall and Radcliffe Hub. - Delivery of the brownfield housing programme. - Support to the establishment of new secondary schools in Radcliffe and Unsworth. - Implementation of the Climate Change programme. - Delivery of the accelerated Land Disposal. - Submission of the Places for Everyone (GMSF/Plan of 9) and subsequent engagement with residents.
Strengthening the Basics		
Enablers Organisation Development; Internal Transformation; Financial Management; Driving Inclusion		

Figure 2: 2022 priorities aligned to the 3R's

7 Outline Delivery Plans for key priorities by Department

7.1 Business, Growth and Infrastructure

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Developing Bury Market & Flexi Hall	- RIBA Stage 3 - site investigations and surveys, detailed design, planning application submission, completion of acquisition programme by June 2022	- RIBA Stage 4 - technical design, planning consent approval, market testing, obtain approval to proceed by September 2022	- RIBA Stage 5 – Enter into main contract, Site mobilisation, demolition, start on site Flexi Hall by December 2022	- RIBA Stage 5 - Start on site market canopy and kiosks by March 2023
Radcliffe Hub Levelling Up programme	- RIBA Stage 3 – completion of site investigations and surveys, detailed design, planning application submission, issue notice to commercial tenants where applicable by June 2022	- RIBA Stage 4 – technical design, planning consent approval, market testing, obtain approval to proceed by September 2022	- RIBA Stage 5 – Enter into main contract, vacant possession of South Block, Market Basement and Market Chambers, mobilisation and site set up by December 2022	- RIBA Stage 5 - Demolition and soft strip, backlog maintenance works by March 2023
Radcliffe SRF including: - Housing - North Block - Transport	- Housing: Green Street comes forward for planning approval -North Block: Further exploration of opportunity with shortlisted partners	-Housing: Planning approval confirmed for School Street -North Block: Early concept drawings and plans outlined. -Transport: Detailed review of proposed transport improvement schemes.	-Housing: Start on site for School Street -North Block: Cabinet paper for approval of development approach -Transport: Detailed schemes worked up for submission to TFGM and other funders on the basis of available funding	-Housing: Start on site at Green Street. -Procurement of partner/s to deliver North Block regeneration.
Delivering the Prestwich Plan	- RIBA Stage 0/1 – prepare client requirements, preparation of project brief, including project outcomes, sustainability outcomes, Quality aspirations and spatial requirements. Feasibility studies, funding options to agree project budget, Site info/surveys, project programme by June 2022	- RIBA Stage 2– concept design. Architectural concept. Cabinet approval by September 2022	RIBA stage 3 – spatial coordination. Undertake design studies, engineering analysis, costs exercises, update cost plan, project strategies and outline specification	RIBS stage 3/4 –technical design, planning consent approval, market testing, submission to Cabinet for scheme sign off and approval to proceed
Delivering the Ramsbottom Plan	- Consultation complete and approval of Plan at Cabinet in March 2022	- Development of project plans/ programmes for the delivery of detailed plans for developments, to continue into Q4		
Delivering the Bury Town Centre Plan	- Consultation complete and approval of Plan at Cabinet in March 2022	- Development of project plans/ programmes for the delivery of detailed plans for developments, to continue into Q4		

Circa. £5m of assets disposed of (subject to planning permission and public consultation, where required) in line with the Land Disposal Programme	- Review and reprofile the delivery of the programme to determine a more accurate timescale for the disposal of each asset. - Phase 4 Programme launched	- 5 assets successfully sold (subject to contract)	- 10 assets successfully sold (subject to contract)	- 10 assets successfully sold (subject to contract)
Delivery of Borough Wide Transport Plan	- Development of Draft Transport Plan by June 2022	- Consultation complete and approval of Transport Plan at Cabinet by September 2022.	- Development of key programmes following approval to continue into Q4	
Delivery of activity associated with the Places for Everyone Joint Plan, including: Northern Gateway; Elton Reservoir	- Submission of PfE to Government for examination	- Outcome of examination		- Approval and implementation of Plan
Delivery of the Economic Development Strategy including embedded all age skills strategy	- Baseline information gathered, and stakeholder events undertaken - Deep dive into local skills gaps to future proof for inward investment on the Northern Gateway	- Consultation on Draft Economic Development Strategy -In-depth skills analysis bespoke to Bury	- Approval and publish of Economic Development Strategy including focus on: o Reducing unemployment/under employment o Raising the skills aspirations – all ages o Closing the skills gaps in identified hot spots o Influencing and supporting skills provision that employers need o A skilled workforce that is attractive to inward investors	- Ongoing Implementation of Economic Development Strategy Action Plan
Delivery of activity associated with the progression of the Bury Local Plan		- Development of the Local Plan complete	- Consultation on draft Local Plan	- Analysis of consultation undertaken and plan issued
Delivery of Brownfield Housing Site Sales Programme	-Sale of School Street (subject to planning permission) generating £1.6m (+13 properties to the value of £2.5m) -Sale of Green Street generating £1.45m	-Sale of Seedfield generating £1m	-Sale of Fletcher Fold -Sale of Wheatfields generating £300k -Sale of William Kemp Heaton (TBC)	
Delivery of HRA Strategy	- Sheltered Housing review complete - Approval of redevelopment programme for four sheltered housing developments	- Planning and funding approval at Cabinet for Fletcher Fold social housing and shared ownership	- Six Town Housing savings proposals agreed by 31/12/22	- HRA budget 2023/24 approved at Cabinet

7.2 Children and Young People Department

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Delivery of activity within the OFSTED Improvement Plan	- Improvement Plan agreed by Ofsted and the Improvement Board and programme established - New Senior leadership structure established - Refresh and review of the MASH. - Review of short breaks and personal budgets	- Implementation of PLO Pre Proceedings work to track and monitor progress - Practice Learning Plan established -Ofsted monitoring visit complete	- Launch of the Social Work Academy - 1st formal review from the DfE appointed commissioner	- Ofsted monitoring visit complete - Establishment of an adolescent service - Re-launch of the IRO service
Support to deliver the Schools Capital Programme, including: ▪ Star Academy Trust in Radcliffe ▪ Special free school in Unsworth (in partnership with Shaw Education Trust) ▪ DFE approved SEMH Special Free school ▪ Relocate Secondary PRU	- Establish Programme Infrastructure including a Schools Capital Board and associated action/ delivery Plan - Identify site and agree required specification for SEMH Free School. Begin tender process - Finalise resource provision (RP) SLA with primary/ secondary schools - Relocation of Secondary PRU - Commission Project Management/QS Services - Develop scheme, surveys & investigations, stage 2 design	- Conclude SEMH Free school presumption tender process. Final decision by RSC. - Develop scheme, undertake surveys & investigations, stage 2 design. Planning Application submitted.	-Engage with successful Trust & DfE in developing capital project for SEMH Free School -Tender process completed and Contractor appointed	- Construction at new premises commenced
Delivery activity within the Safety Valve programme to reduce the Dedicated Schools Grant deficit and strengthen SEND, EHCP offer and DSG grant spend	- EHCP Process: Co-produced process map and new EHCP proforma in place - Revised QA framework developed - Design EP Academy Process - Create roadmap of planned changes to LiquidLogic - Implement agreed funding changes in regard to Special School Top ups and EHCP bandings -DFE submission complete	- EHCP Process: Training pathway launched - Launch live changes in first phase of Liquid Logic upgrade - Implementation following consultation of non-statutory services against the high Needs Block - Parent/ Carer network established - DFE submission complete	- Undertake procurement exercise and award preferred supplier to develop integrated finance reporting system - Process in place for Resource Provision places and establish an outreach/in reach offer	
Improve education outcomes at all Key Stages, particularly Key Stage 4	- Deliver Recovery of Learning Plan - Evaluate & re-broker support plans for schools judged less than good - Deliver statutory moderation in primary schools to assure and share effective practice	- Bury Ready Together (PVIs/ schools) share practice on the new EYFS framework - Evaluate the effectiveness of the self-improving school led system	- Review and refresh the recovery of learning plan based on summer outcomes/ intelligence - Quality assurance of school performance through analysis of outcomes	- Deliver targeted support and intervention in line with information from quality assurance & cross-service intelligence.

	- Sharing of learning event from NW1 Maths Hub Y5 – Y8 continuity project	leading to refreshed co-produced Bury Toolkit	- Support plans developed for Category 3 & 4 schools.	
Response to Government White Paper (expected March 22)	- CYP restructure in line with revised LA role and duties - Establish principles for MAT growth & their wider contribution to the system - Plan to deliver expectation as an Education Investment Area (EIA)	- Develop attendance strategy - Revise Bury Toolkit	- Consult schools in relation to full removal of the School Improvement and Brokerage Grant	- Develop report on progress against EIA plan
Review of Early Years Services against the 1001 days pathway and GMCA 8 stage delivery model	- Review service provision and map current offer through the Bury East Pilot steering group	- Develop integrated approach to family support	- Evaluate pilot	- Roll out offer across Bury
Develop locality teams to a Family Hub model through Bury East pilot	- Develop a Bury East steering group to develop the service offer aligned to the Redvales Centre	- Repurpose the centre to allow for colocation of integrated services	- Launch pilot and test proof of concept	- Review pilot and develop plan to rolling out across Bury
Develop a specific service for adolescents to support young people to more successful transition to adulthood	- Develop service specification	- Agree funding and approach and identify appropriate resource to deliver	- Launch new service	- Review impact/outcome of new service
Increasing attendance levels through a strengthened strategic approach to attendance and by the expansion of the role of the Virtual school	- Develop Revised approach to statutory action in relation to attendance - Finalise accountability pathways for children and young people not in full time education - Implement Anxiety Based School Avoidance Pathway	- Develop with schools an Attendance Strategy Policy for implementation by Sept 2022 -Virtual school to implement expanded duty to all children known to Social Care		
Develop SEND integrated transparent pathways through the revised Graduated Approach		- Develop revision of the Bury "thresholds" document to become the Bury new "Graduated Approach" - Introduction of the Early Years Ordinarily Available Provision toolkit to support the graduated response	-Implement Graduated Approach guidance -Undertake inclusion health checks to support schools with self-evaluation of inclusive practice build a network within the school self-improvement system -Develop Ordinarily Available Provision to diminish the difference between Children with SEN and those without, in EYFS.	
Increase the proportion of 16–25-year-olds with SEND in employment	- Maximise opportunities within the ESF project to engage SEND young people and support positive transition	-Develop process with Bury College and other FE colleges to place high needs students from SI	- Expand Bury's supported Internship programme - Develop SEND Ambassador approach	

		-Source employment opportunities by contacting local employers and promoting a SEND workforce		
Improve the outcomes of SEND children and young people so they attain educationally to the best of their ability and potential		-Support school improvement plans, particularly highlighting SEN K and SEN with an EHCP performance	- Use SEND data to broker schools to school support and sharing of good practice within Inclusion across the schools system.	

7.3 Corporate Core Services

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Embedding the Neighbourhood Model	- Pitch funds fully allocated - Community Safety Plan Delivery Milestones agreed - Culture Strategy and annual programme of events agreed in Jubilee celebrations - Anti-poverty action plan implemented - Partnership risk stratification model agreed	- Formative evaluation of Pitch funding (Process and Early Impact) - Bi-annual Community Safety Report to Scrutiny - Summer arts and culture events programme, inc. HAPPY	- Summative evaluation of Pitch funding (Impact and ROI) - Interim evaluation of Domestic Abuse and Safe Accommodation Strategy - Autumn / Winter arts and culture events programme inc. Head to the Hills, Remembrance and Christmas - Interim evaluation of anti-poverty action plan	- Interim evaluation of Community Hubs to inform Year Two planning - Bi-annual Community Safety Report to Scrutiny - Evaluation of Year One of the Culture Strategy - Demand management savings delivered
Getting the Basics right	- LETS Values & behaviours framework designed - Election Preparation and delivery - Customer care standards relaunched - Communications & engagement strategy finalised and implemented - Elected Members casework system launched - Switch on iTrent self-service function (absence management and pay) and Multi-Factor Authentication - Core management development programme designed - Constitutional revisions to May Council - Revised Member induction implemented - Initial targeted action plans for absence, agency and honoraria reductions in place - Media and social media policy revised and agreed	- Mod.gov implemented - I-Trent Phase 2 agreed - Core Management development programme delivery begins - Internal mystery shopping for public facing services - Establish customer services working group		
Delivery of the Internal Transformation Strategy	- Customer Engagement Strategy developed, starting with digital offer	- Current website re-launched with additional functionality - Channel shift - Staff structures consultation	- Channel shift - Consultation on new staffing structures - Channel shift - new staffing structures implemented	- New contact strategy in place with new technology and digital first approach

	- Channel shift - Staff structures designed - Internal digital self-improvement plan developed - Phase 1 of Cloud Migration Completed - Corporate business support service established - Community Safety re-structure: Consultation - New health & safety structure implemented - Adult Education Options Appraisal: consultation - Review of housing allocation policy complete - Review of strategic tenancy policy complete - Legal Services restructure	- Digital Team – consultation on new staffing structures - Phase 2 of Cloud Migration Completed - GM One implementation inc. CCTV upgrades - Community Safety re-structure: implementation - Adult Education Improvement Plan - implementation	- Digital Team – implementation of new staffing structures - Data Platform launched	- Channel shift – Year One evaluation
People	- Organisation redesign – senior management - Inclusion strategy – reciprocal mentoring scheme & employer value proposition begin staff survey - Staff handbook launched - Inclusion strategy – reciprocal mentoring scheme & employer value proposition joint project with Rochdale begins - Employee Pulse Survey approach live - Workforce Inclusion Training approach agreed - Armed Forces Covenant – Silver Award - Wellbeing strategy re-launch		- Review reward approach - People strategy agreed - Inclusion data re-published - Corporate leadership approach defined	- Inclusion Strategy Year 2 review, plan for Year 3 agreed - Talent strategy including new approach to attraction

7.4 Finance

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Finance restructure and implementation	- Staff consultation complete - Final staffing structure agreed	- Restructure complete - Recruitment process complete	- Final review	
Education and training programme on finance	- The development of directorate training plan - Council wide training plan in place - Plan for the delivery of continued member finance training in place	- Development and delivery of relevant finance training to budget holders - Apprentices appointed	- Review and update to the budget holder training linked to self service	- Review of training provided and assessment.
Support the transition of locality to new health and care infrastructure	- Engagement with ICS & ICB workstreams to ensure the Bury voice is heard in decision making - Work with System Finance Group to ensure finance locality & activity reporting continues at a local level	- Complete Q1 set of CCG accounts and all other finance and contracting related closedown activities - Deliver, and support delivery where appropriate, locality financial reporting.	- Continues to support staff where appropriate - Resolve any initial issues with locality reporting from both partners and the ICB	- Delivery of locality-based budget setting under the ICS from a health point of view
Review of processes, controls and systems to transform finance delivery within the locality	- Review of outstanding internal and external audit actions. - Complete review of payments process.	- Restructure complete. - Plan in place to transform finance delivery within the locality.	- Models of working (behaviours) implemented. - Complete a review of policies and procedures	- Conclusion of review of internal charges.

7.5 One Commissioning Organisation – Health and Adult Care

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Maintaining and ongoing delivery of the COVID-19 Outbreak Management Plan including testing, vaccination and Public Health support	- Delivery of Vaccination programme in accordance with JCVI guidance - Review of Epidemiology through Health Protection Board - Maintain testing arrangements - On-going infection control support to community stakeholders	- Complete review of sustainability of vaccination, and develop proposition for future delivery - Understand the trajectory of 'living with covid'	- Finalise public health winter planning arrangements (including flu vaccination) and reflect and amend in light of Covid epidemiology	- Complete review of effectiveness of covid outbreak management plan delivery to inform future planning arrangements
Managing and overseeing transition to ICS	- Structured staff engagement commencing the 14 February 2022 moving into formal TUPE consultation on 4 April 2022 - Receive and reflect GM ICS operating model in local governance arrangements - Bury System to confirm Place Based Lead - Bury System to finalise the governance of the Locality Board	- All CCG staff (in scope of employment promise) safely transferred to GM ICB under TUP - Review of the 1st 3 months of the new arrangements started on 1/7/22, to be complete by 30/9/22 - Full participation in development of ICB staff transition arrangements to ensure sufficient capacity and support for locality ambition	-Demonstrate evidence of the effective operation of all elements of the local partnership arrangements, including: - Locality board - Integrated Delivery Board - Clinical and Professional Senate - GP Collaborative - Strategic Finance Group - Population Health Group - System Assurance Group	- Review of first year of operation of new arrangements.
Health and Care System Transformation including Urgent and Elective Care and Mental Health, Frailty, Adult Social Care Transformation, population health, learning disabilities, primary care, community services	- Finalise the leadership arrangements for all health and care system priorities as defined by the work of the Integrated Delivery Collaborative (14 programmes) - Establish the leadership role of CSPB for children's health and care transformation - Confirm outcomes and financial ambition for all programmes	- Reporting on deliverables across all programmes through to IDC Board and on a rotating basis to Locality Board - Review capacity and capability of all programmes.	- Demonstrate reported outcomes and mitigated action where appropriate	- Review of all programmes
Supporting the H and C system to cope with COVID-19 and the backlog of demand	- Finalise the scale of backlog of demand across a range of programmes including: ○ Elective care ○ Mental Health (Adults and Children) ○ Adult Social Care	- Review progress against planned trajectory for the programmes identified and report to locality board and IDCB - Reassess demand trajectory to reflect significant economic	- Report progress on locality board and IDCB	- Review and assess future year planning priorities with partners

	○ Long Covid - Participate in system wide planning (NHS) commitments for ICS	challenges to household income in addition to pent up demand from covid		
Deliver the government's adult social care reforms - Fair Cost of Care - Charging Reform - Assurance by the Care Quality Commission	- Carry out a fair cost of care exercise - Engage in trailblazer opportunity for early charging reform implementation - Review published assurance framework	- Carry out new assessments for charging reform - Implement required assurance systems	- Deliver fair cost of care plan - Implement charging reform - Monitor assurance and performance	- Implement fair cost of care reforms - Deliver improvement plan and ensure inspection readiness

7.6 Operations

Priority	Key Deliverables			
	Q1 22/23	Q2	Q3	Q4
Develop the Wellness model and prepare to move existing provision to the new Radcliffe Hub (Ops improvement plan)	- Launch the bike hub at Radcliffe Library to support wider Active Travel Plans	- Work alongside Public Health and embed Live Well Deliverables into the Health Improvement Plans	- Embed the Live Well Service into the Neighbourhood Model to increase referrals from Radcliffe	- Review
Achieve carbon neutrality by 2038	- Distribute all Community Climate Action Funding (CCAF) - Complete PSDS1 projects - Develop business case for Go Neutral - Carbon Literacy – E-Learning rolled out - School Climate Conference delivered - Climate Action Board established - Commence Social Housing Decarbonisation Fund project if bid successful - E car club pilot commenced	- Fleet EVCI installed at Bradley Fold and Bury Cemetery - Bury Means Green Business Breakfast Event - Community Environmental Forums established in each Neighbourhood - Carbon Literacy Training – rolled out for decision makers - Publish Greenhouse Gas report for 21/22	- 10 public Electric Vehicle Charging Infrastructure installed - Completion of E-hub trial - Developing case studies from the (CCAF)	- Community Energy Company Set up.
Highway resurfacing (delivery of Highway Investment Strategy (HIS) - Tranche 2) and Improvement programme	- Develop plan with framework contractors to deliver £4million of resurfacing works in 2022-2023 - Decision made on HIS3 strategy (3-year highway programme)	- If agreed, plan HIS3	- Submit Cabinet report on HIS3	- Completion of highway resurfacing as outlined in HIS2
Ops Improvement Plan - Corporate landlord implementation	- Scoping and development including resource requirements - Building conditions surveys completed, including health and safety	- Development of an Implementation plan		
Ops improvement Plan - Create a Youth Zone facility (subject to site identification and mutual approval)	- Decision on facility - If yes, consideration of a bid to government Youth Investment Fund for £8.2m capital			
Ops Improvement Plan – Transformation of Leisure services	- Development and agreement of programme plan and governance			

8 Operational Key Performance Indicators (KPIs)

In support of strategic delivery, the operational KPIs against which departmental delivery will be reported and resources managed are outlined below. These will be aligned to delivery priorities for reporting.

Business Growth and Infrastructure

- Number of entries on housing waiting list
- Total planning applications received
- Percentage of planning decisions granted
- Annual housing completions
- Number of housing units completed in the borough which are affordable
- Percentage of housing completions on brownfield land
- Number of Job Seekers Allowance (JSA) and Universal Credit (UC) Claimants
- Net business growth rate

Children and Young People

- Percentage of children accessing 2-year take up of free childcare
- Number of Early Help Assessments by partners
- Number of Early Help Assessments by Bury Locality Team
- Percentage of Early Help assessments by Partners
- Percentage of Early Help assessments by Bury Locality Team
- Percentage of EHM Contacts with an outcome of 'start a MASH referral to Early Help Episode'
- Expenditure of Disability Schools Grant (DSG)
- Percentage of pupils with an EHCP
- Number of children with an EHCP
- Percentage of EHCP plans issued on time, compliance at 20 weeks
- Rate of Permanent School Exclusions
- Rate of Fixed Term School Exclusions
- % of children defined as ready for school
- Percentage of children achieving a good level of development – pupils with Special Educational Needs (SEN)
- Average attainment 8 score – pupils with SEN
- Percentage of 16-17 years in education, employment or training (EET)
- Rate of hospital admissions caused by deliberate or unintentional injuries in children
- Percentage of children achieving the expected level in personal-social skills at 2-2.5 years
- Percentage of pupils in Good or Better Schools (All Schools)
- Percentage of Childminders rated good or outstanding by OFSTED
- Percentage of childcare on non-domestic premises rated good or outstanding by

Corporate Core

- Number of births registered
- Number of deaths registered
- Number of rough sleepers in Bury
- Number of rough sleepers currently being supported
- Number of statutory homeless cases open on the last day of the month
- Number of households in temporary accommodation on last day of the month
- Total number of VCFA volunteers (cumulative)
- Number of rough sleepers in Bury
- Number of rough sleepers currently being supported

- Number of statutory homeless cases open on the last day of the month
- Number of households in temporary accommodation on last day of the month
- Percentage of residents who feel safe
- Rate of all crimes (per 1,000 population)
- Staff turnover
- Percentage of Freedom of Information Requests (FOIs) completed on time
- Percentage Performance and Development Reviews (PDRs) completed
- Percentage of Subject Access Requests (SARS) completed on time
- Percentage of complaints responded to on time
- Contact centre – number of contacts
- Web Forms - number of contacts (Firmstep platform only)
- Contact Centre - Percentage of forms completed on the web
- Agency spend
- Sickness absence: average number of days lost per Full Time Equivalent (FTE)

Finance

- Numbers of benefits claimants
- Numbers of council tax support
- Number of new roles appointed to following restructure.
- Number of new roles appointed to internal recruitment.
- Number of new roles appointed to following external.
- Occupancy rate within the service (permanent or fixed term contract).
- Percentage of invoices paid within 10 and 30 days
- Percentage Council Tax collected
- Percentage Business rates collected
- Debtor days above 30 days
- Capital slippage
- Departmental savings achieved

One Commissioning Organisation

- 7-day average COVID-19 infection rates per 100,000
- Number of Bury GP registered people to have received first dose of COVID-19 vaccine (snapshot)
- Number of Bury GP registered people to have received second dose of COVID-19 vaccine (snapshot)
- Referral to treatment total waiting list entries
- Referral to treatment total number waiting in excess of 52 weeks
- IAPT waiting times Percentage 6 weeks or less from referral
- Patients in Fairfield General Hospital with No Right to Reside on the last day of the month
- Number of referrals to Adult Social Care (ASC)
- Proportion of completed Adult Social Care (ASC) annual reviews in a rolling 12-month period
- IMC (Killelea) Bed Occupancy (Percentage)
- Residential and Nursing Care Bed Occupancy (Percentage)
- Percentage of 10/11-year olds who are a healthy weight
- Under 75 mortality rate from cardiovascular diseases considered preventable
- Percentage of physically active adults
- Percentage of physically active children and young people

Operations

- Waste collection (tonnes)
- Waste collection: grey bins (tonnes)

- Waste collection: blue bins (tonnes)
- Waste collection: green bins (tonnes)
- Number of missed bin collections per 100,000
- Proportion of household waste recycled
- Waste collection (tonnes) from street cleaning
- Number of potholes reported
- Number of potholes repaired
- Highway repairs completed on time (Percentage)
- Average time taken to repair street lighting
- Number of high and medium food standards inspections completed
- Capital projects completed
- Licence applications completed within timescales
- Percentage of council vehicles changed to lower emission versions
- Number of air quality monitoring stations breaching nitrogen dioxide targets
- Total CO_2 emissions produced within our borough
- Total CO_2 emissions resulting from council operations

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Classification:	Decision Type:
Open	Key

Report to:	Cabinet	**Date:** 16 February 2022
Subject:	APPOINTMENT OF A DEVELOPMENT PARTNER FOR PHASE 2 OF CHAMBERHALL BUSINESS PARK, BURY (Part A)	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

1. Approval is sought to approve the results of the recent tender exercise to bring forward the development of Phase 2 of Chamberhall Business Park.

2. The site forms part of the larger Chamberhall business park. Phase 1 which consisted of 130,000 sqft has been successfully developed by St Modwen's. The phase 2 land comprises of circa 7 acres of serviced employment land.

3. The appointment of a development partner will ensure that a high-quality sustainable development is brought forward as well as ensuring best value is achieved for the site.

Recommendations

That Cabinet:

4. Note the results of the tender exercise for the development of the Phase 2 land as set out within Part B of this report.

5. Approve the grant of a long lease of the Phase 2 site to the selected developer.

6. Delegate agreement to the final land price and the detailed terms of the long lease to the Director of Regeneration & Capital Growth in consultation with the Monitoring Officer, Section 151 Officer and the Executive Member for finance, the final price must have regard to the financial offers as set out in the part B report.

7. Delegate the signing of all contracts required to complete the sale to the Director of Law and Democratic Services.

Reasons for recommendation(s)

8. To bring the Chamberhall Phase 2 land forward for development.

Options considered and rejected

Option 1 - Do Nothing

- In this scenario the site will be left vacant.
- This option has been dismissed as the Council is prioritising its redevelopment so as to bring forward new employment land to meet the needs of businesses.
- There is also an opportunity cost for not seeking new development in that the ability to secure a sustainable income flow through new business rates will be lost.
- As such, this option has been discounted.

Option 2 - Accept tender from the highest ranked bidder

- This option would see the Phase 2 site being brought forward for the development of a modern high-quality scheme within the next 12 months.
- Bring in a significant capital receipt to the Council in the 2022/23 financial year.
- Provide a sustainable income flow through new business rate revenue.
- Create new jobs and secure existing ones.

Report Author and Contact Details:

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Key considerations

9. **Background**

9.1 In June 2021 Cabinet approved the sale via a competitive tender of the Phase 2 land at Chamberhall Business Park, as shown verged red on the plan in Appendix 1.

9.2 The site forms part of Chamberhall Business park. Phase 1 which consisted of 130,000 sqft has been successfully developed by St Modwen's. The phase 2 land comprises of circa 7 acres of serviced employment land.

9.3 It is proposed that the land disposal will follow the same process as phase 1, a 250-year lease alongside a development agreement.

9.4 Tender documents were issued via the Chest on 30th September 2021, with a return date of 22 November 2021.

9.5 5 compliant tenders were received and have been assessed by officers.

10. Current Position

10.1 As noted above 5 compliant tenders were received. Details of the results of the tender exercise are within Part B of this report.

11. Proposed Scheme

11.1 The submission of the highest ranked bid is proposing a total of 91,850sqft of accommodation in a range of sizes with the flexibility for subdivision. The masterplan is in accordance with planning policy and the Council's wider aspirations for the site.

12. Programme

12.1 The programme submitted with the tender is as follows:

Date	**Activity**
March 22	Completion of legal agreements
May 22	Submission of planning application
July 22	Issue building contract tender
July 22	Approval of planning application
Nov 22	Expiry of planning Judicial Review period
Dec 22	Start on site (9 month building contract)
Sept 23	Practical Completion

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

13.The proposal;
- Will bring a vacant site into employment use, therefore creating new job opportunities and safeguarding existing ones, and
- Provide training opportunities during the construction period.

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA.

14. This proposal does not adversely affect equality.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

15. Officers will work with the selected developer to minimise the carbon impact of the new buildings to be constructed and minimise waste from the construction process.

Assessment and Mitigation of Risk:

Risk / opportunity	**Mitigation**
The selected developer fails to enter into the legal agreements	Officers have reviewed the preferred developers track record and funding proposals, all of which are satisfactory. A dialogue will continue with the second placed bidder in the event that the preferred bidder withdraws.
The purchaser's masterplan fails to secure planning approval	The developer's masterplan is in accordance with planning policy for the site. Officers will work with the developer and planning colleagues to mitigate this risk
Future site investigations reveal unknown below ground conditions that result in a reduction in the land price	The developer has already identified an additional budget to cover this eventuality. Officers will also oversee the developers site investigations and challenge any proposed cost increases
Purchaser does not develop the property.	The legal documents will include positive obligations on the developer to ensure the units are constructed within a set timetable. Failure to achieve this

	will mean that the Council can take back control of the site.

Legal Implications:

The Council has the power to dispose of the land under section 123 of the Local Government Act 1972, for the best consideration reasonably obtainable, or otherwise with the consent of the Secretary of State. There is no defined way for a local authority to meet the best consideration requirement. However, by tendering the proposal disposal the Council is able to be satisfied that through the competitive process, and by proceeding with the disposal to the highest bidder, it can demonstrate the attainment of best consideration for the disposal.

Financial Implications:

This land is currently held within Bury Councils asset register at £1.9m. The disposal of this land will see a capital receipt being recognised by the Council and following development revenue income from business rates and the creation of jobs within Bury.

Background papers:

Appendix 1 – Chamberhall Phase 2 site Plan

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

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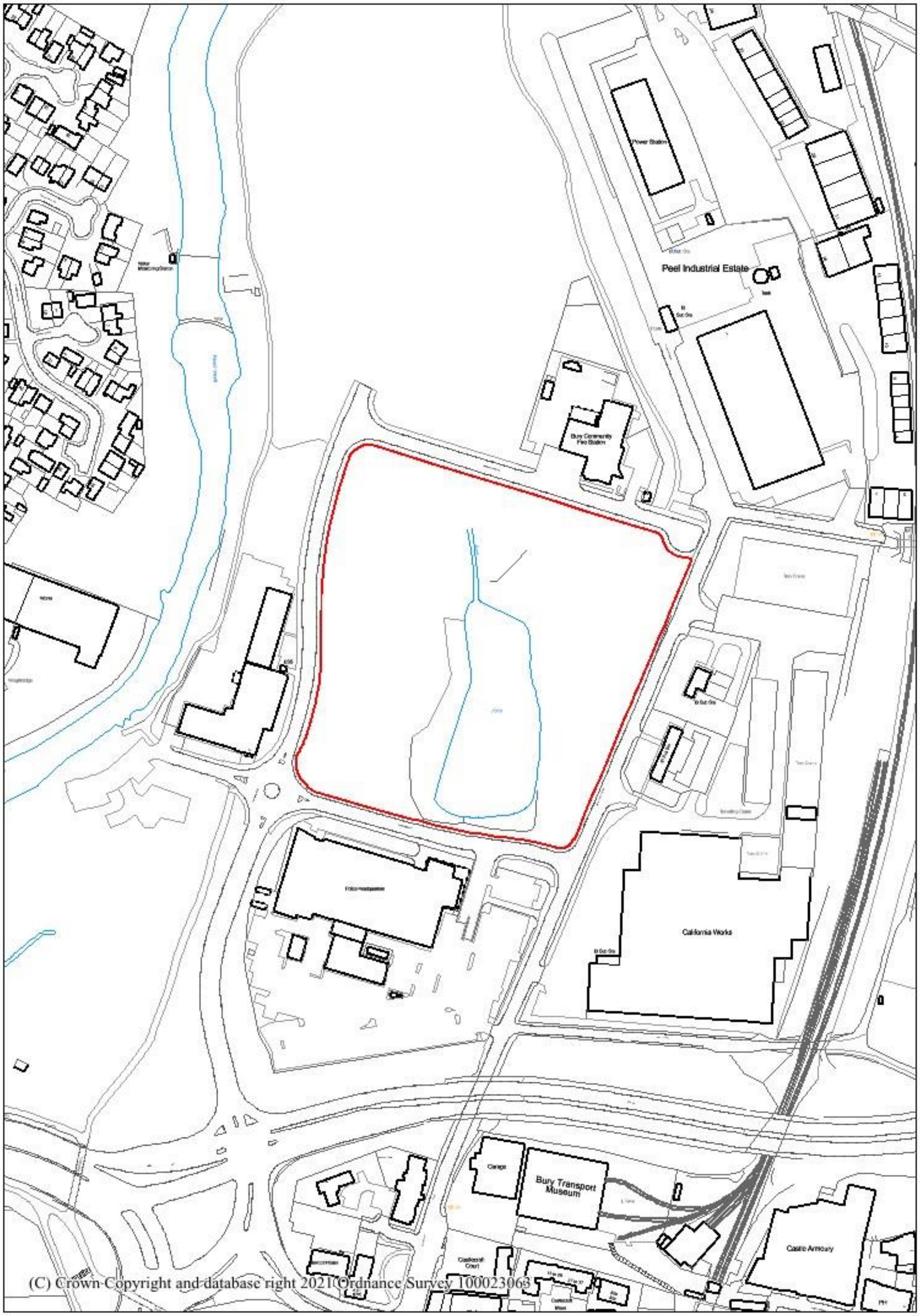

Chamberhall Phase 2 – Site Plan

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Classification: Open	Decision Type: Key

Report to:	Cabinet	**Date:** 16 February 2022
Subject:	Greater Manchester One ICT Network	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

This report sets out the process for a joint procurement of ICT network services across several councils (Bury, Rochdale, Oldham, and Stockport), Greater Manchester Combined Authority including Greater Manchester Fire and Rescue Service and Transport for Greater Manchester.

Recommendation(s)

Cabinet is requested to:

1. Agree that Bury enters contracts via GMCA to connect Bury assets to the preferred provider.
2. Agree to Bury entering the GMOne Network Collaboration Agreement with the GMCA, TfGM, and Stockport, Rochdale and Oldham councils.

Reasons for recommendation(s)

When Greater Manchester's Digital Blueprint was launched in February 2020 it included a specific ambition to Extend Our World Class Digital Infrastructure as a cross cutting enabler to underpin the city regions economic and social ambitions.

A key element of this has been the GM Local Full Fibre Network (LFFN) "anchor tenancy" programme that is in the final stages of laying up to 2,700km of new fibre infrastructure across Greater Manchester leveraging approximately £20M of DCMS funding plus investment from GMCA(FRS), TFGM and seven of the councils. This work will be complete by April 2022 and will connect approx. 1,600 public sites including as illustrated in Table 1.

Related work is underway led by Manchester City Council is also shortly due to complete, connecting 130 further sites, and the live fibre activity in Tameside delivered through the Digital Infrastructure Cooperative continues to grow successfully.

Of the 1,600 sites within the LFFN programme, over 1,320 have now been connected and commissioned. This has been challenging to achieve during the pandemic and leads in Bury, Bolton, Oldham, Rochdale, Stockport, Trafford and Wigan councils plus TFGM and GMCA(FRS) are to be commended for work with Virgin Media Group for this delivery.

"Lighting the Fibre"

Each of the partners involved with LFFN operates a "Wide Area Network" (WAN) so that users and computers in one location can communicate with users and computers in other locations.

These WAN services are typically procured from major telecoms companies and include both infrastructure and services. However as LFFN is putting in place a new fibre infrastructure there is potential to jointly procure the services that will use it.

Recognising this, in 2020 several partners with similar WAN contract end dates proactively considered the option for jointly procuring WAN services across the LFFN infrastructure for their own organisational needs.

Alternative options considered and rejected

Do Nothing – including not lighting the fibre delivered under the LFFN programme. This option is discounted as each organisation needs effective network services and wishes to leverage the infrastructure. This option could also require repayment of the DCMS funding for LFFN as a condition of the grant funding is to use the fibre.

DIY – involving each organisation procuring network services separately across the LFFN infrastructure. It was felt that this would result in a missed opportunity to provide network services with higher resilience, capabilities and bandwidth at lower cost.

Collaboratively light the fibre with other LFFN partners - this option was preferred on the basis that a joint approach could generate savings and service improvements plus wider strategic benefits with potential further gains as other organisations join at a later stage. In addition it would avoid duplicate procurements. The network design would still enable each organisation to manage its services across this shared network. The benefits of this approach are described further below.

Report Author and Contact Details:

Name: Stephen Denton
Position: Head of ICT
Department: Corporate Core
E-mail: s.denton@bury.gov.uk

Background

Having undertaken significant financial and technical analysis of a collaborative approach, three councils plus TFGM and GMCA(FRS) agreed to commence a joint procurement for network services under the collective title of GM One Network. Bury Council subsequently joined at the outset of procurement activity as shown in Table 1.

In line with procurement guidelines, this was non-committal with agreement that it would be brought to each organisation's governance in due course in line with previous WAN refresh procurements.

Partner Organisation	Number of circuits
GMCA (GMFRS)	**71**
Bury MBC	**131**
Oldham MBC	**74**
Rochdale BC	**97**
Stockport MBC	**138**
TFGM inc. GMCA sites managed by TFGM (UTC)	**804**

Table 1: LFFN Partner Organisations / Circuits within GM One Network initial scope.

The rationale for these six organisations being the initial partners in this project related to their involvement in LFFN and the timing of existing contract renewals. Bolton and Wigan Councils are tied to existing arrangements with Agilisys although this is being reviewed as part of wider changes; Trafford Council has specific timing requirements which meant that they needed to make separate provision, but have expressed interest in joining at a later stage.

All Greater Manchester councils, GMP and health services were named in the tender documents to create provision for scaling. Importantly, the procurement does not restrict partners with non LFFN sites from joining in the future.

If other public organisations were to join, there is a clear principle that this would need to be on an equitable basis with the original partners, with either a financial return to those partners or further investment as determined appropriate by the partners.

OVERALL BENEFITS TO GREATER MANCHESTER ONE NETWORK PARTNERS

The principal drivers for the creation of a GM One Network are detailed below:

- Realise the benefits of the Local Full Fibre Network (£28.5m investment).

- Address increasing network security, support and performance issues.
- Reduce the total cost of ownership for operating networks across GM.
- Enable access to cloud services by Partner organisations.
- Accelerating the digitalisation of public sector services.
- Deliver the GM Digital Blueprint foundation layer.
- Enable the delivery of the 5 GM digital priorities.
- Support GM to become a top 5 digital City in Europe.
- Create many high skill employment opportunities for GM citizens.

The initial benefits of this initiative are:

- Overall financial savings against current spend levels, although these vary by organisation for several reasons including levels of existing spend and the service improvements they are gaining, numbers of sites, and the extent to which equipment costs are shared with other partners
- Significant improvements in service speed and quality, particularly for those partners migrating from copper infrastructure to fibre through this process. This is highly relevant as industry wide data consumption is doubling approximately every three years and projections indicate may be eight times higher by 2030.
- Improved resilience through a digital infrastructure connectivity "backbone" across Greater Manchester.
- Improved user experience, by providing a common and consistent platform for each organisation to use, users will be able to connect at different public sites more easily.
- Ability to leverage the free 2 x 10GB internet connections offered by Virgin Media Business through the LFFN programme and the ability to consume other relevant digital services jointly.
- Significant social value.
- Moving to a software/policy defined network platform which will give partners more flexibility to deploy, configure and install network infrastructure, using automation to reduce the need for third party site visits.

Whilst the focus here is providing networking services to the partner organisations and for TFGM to connect with Urban Traffic Control Signals, several current GM programmes have data connectivity requirements - and more are likely in the future – which could benefit from this programme. These include:

- Bus Reform, which will require connectivity to on-bus services for operating payment and performance monitoring and for Network Planning as well as CCTV.

- CCTV – a high level review of GM wide CCTV capability across a wide range of public organisations is currently underway.
- The Clean Air Zone programme's digital infrastructure.
- Potential extension of the TfGM led smart traffic optimisation pilot that is linking traffic signals on a section of the A6 in Salford with internet based machine learning capabilities in order to test the ability to improve flow.
- Smart energy and environmental monitoring initiatives in line with the city region's carbon neutral ambitions.
- Potential to offer open access connectivity in support of GM's digital inclusion ambitions and as expressed in the Young Person's Guarantee and GM Inequalities Commission report.

In addition to the benefits listed above GMCA will also benefit from establishing a strategic relationship with the preferred bidder which include:

- A strategic purchasing framework with preferred bidder which provides access to additional discounts to GM One Network Partners and potentially the broader GM Public Sector over and above those available to individual organisations.
- Access to preferred bidder expertise development resources and global Partner network to further develop GM's Digital and Smart City capabilities.
- Potential to showcase Greater Manchester's involvement in Digital and Smart City developments through preferred bidder's global network of Partners and industry commentators.

COST BENEFIT ANALYSIS

This procurement will let contracts for ten years with the GMCA acting as contracting authority on behalf of the partners.

Key Assumptions in the Financial Model

A number of assumptions have been made in the design of this proposal as follows:

- GM One Network is a 10 year investment, aligned to the 30 year Local Full Fibre Network (LFFN) programme as agreed by the GMCA Board in March 2021.
- Hardware asset lifetimes will be assumed at predominately 10 years, with some components 5-7 years – all in line with industry standards.
- The financial case is based on providing connectivity to the sites shown

in Table 1 and the services supporting them. However a further procurement is planned that will enable circuits and equipment for non-LFFN sites to be procured more effectively through economies of scale across GM.

- The connectivity costs within individual sites - such as Wi-Fi routers - are not included in either the "as-is" or "to-be" financial case, however the procurement has generated a framework for these additional elements to be procured at significant discount.
- As is typical in WAN contract changes, bridging contracts with current suppliers may be needed for short periods which may create a reduction in benefits for part of the first year. The first financial year (22/23) of the programme is being treated as Year 0 adhering to the financial principal of minimising the impact of transition and dual running costs as far as possible for all partners.
- To ensure an equitable share of investment in the GM One Network platform build, and scalability for future joiners, a fair basis for apportionment of core build costs has been determined that takes into account factors such as number of connections, BT Exchanges used and average cost of current connectivity per site for each organisation. This will be used to return resources to partners in an equitable manner if other public sector organisations join GM One Network.
- The cost of borrowing for capital, exchange rates, contingency and impacts of inflation have been factored into the model by GMCA Finance.
- There is a cost to running this complex procurement based on the need for project management, specialist legal guidance and support for the Competitive Dialogue activity. The collective costs for this have been included within the financial modelling although individual organisations will also bear some costs which are not included.

SOCIAL VALUE

The offer includes the following social value benefits:-

- Digital skills training for disadvantaged people.
- Local employment & Apprenticeships.
- School Partnerships for careers in Technology.
- Career guidance mentoring and work placements.
- Equipment donations to the local community.
- Investment in programmes to support digital enablement.
- Community donations.
- Innovation programme to support socially engineered entrepreneurs.

PROCUREMENT PROCESS

The procurement process is set out in the Tender Outcome Report included in Part B with a summary of the scoring.

GOVERNANCE FOR PROGRAMME DELIVERY

At present a Project Board is co-ordinating this work, chaired by Stockport Council with attendance from GMCA(FRS), TfGM and Bury, Oldham, Rochdale and Stockport Councils. This reports into the GMCA Digital Portfolio governance which reports to the GMCA Board. Individual partners report to their own organisational governance in line with their own formal decision-making processes.

It is proposed that this group continues to coordinate activity between the partners and reports back into each partner organisation until the Collaboration Agreement is signed.

The Collaboration Agreement specifies the creation of a Collaboration Board which will be established to provide oversight and governance.

At the time of writing all but the Financial Agreement has been drafted and we expect the Collaboration Agreement to be completed by the time each of the respective Partner boards / cabinets meet to review and approve the decisions recommended in this paper.

Links with the Corporate Priorities:

This report links to the Enterprise component of the Let's Do it Strategy seeking to connect public services and has the potential to join up health and social care across one IT network infrastructure.

Equality Impact and Considerations:

Better and more resilience digital connectivity is important for Greater Manchester both economically and socially. This proposal improves our public sector connectivity by leveraging the Full Fibre investment and supports better services across community buildings, libraries, council offices and other locations with the potential to do so more cost effectively, to enable more people to access the internet, information and services more easily.

Environmental Impact and Considerations:

This proposal builds on the Local Full Fibre Network infrastructure in Greater Manchester which supports our environmental objectives in several ways:

By re-using and re-conditioning a high proportion (approx. 90%) of existing ducting to install new fibre connectivity not only is the pace of deployment faster but the effort required is lower. Consequently, the carbon normally generated by laying over 2,500km of new fibre is lower.

By consolidating authority by authority work into the One Network GM programme results in:-

- Reducing duplication of equipment and associated space and power requirements.
- Avoiding the need to mobilise multiple project teams and reducing the associated environmental impact.
- Consolidating the number of suppliers engaged across GM and reducing the associated environmental impact.

Assessment and Mitigation of Risk:

Risk	Impact	Likelihood	Mitigation
Pressure on capital budgets especially for FY22.	High	High	To be managed through GMCA borrowing on an "invest to save" model as described above.
Existing contract end dates may result in dual running costs for some partners and lower number of non LFFN sites may result in increased per site costs.	Medium	High	Plan migrations to minimize impact, with each partner looking to offset any transition costs through optimum timing.
Potential TUPE Impact may impact Business Case.	High	Low	Local Network Operations were excluded from GM One scope.
Lack of network operations skills may limit effectiveness and impact business case if recruitment required.	Medium	High	GM One reduces complexity and improves efficiency of network operations however new skills will be required – this has been factored into the programme.
Initial partners do not fully maximise the potential benefits of this initiative which increase as further partners join.	High	Low	High levels of engagement and co-design. Basis for equitable arrangements for future partners investment is being established through financial model.

Initial Partner organisation(s) choose not to join the GM One Network Platform.	High	Low	Ensure initial partners fully engaged in discovery and OBC, engaging senior stakeholders in partner organisations regularly.

Legal Implications:

The Council has been represented on an GM-wide working group of lawyers from GMCA, TfGM, Oldham, Rochdale and Stockport Councils whose role has been to oversee progress on the project since July 2021. This has included determining the procurement process and reviewing its conduct and agreeing the approach to Contract preparation following award together with the form of Collaboration Agreement to be entered into by the Council. The procurement process has been conducted satisfactorily and a preferred bidder identified following evaluation. Work on the Collaboration Agreement is at an advanced stage and it is to be finalised shortly.

Financial Implications:

Work is ongoing to identify where all of the "As is" budgets are currently held and whether these are a combination of both revenue and capital budgets. The proposal represents improved technology and at reduced overall cost once the existing budgets have been identified. However, they do need to be consolidated and clearly defined against this programme.

Consideration needs to be given to the impact for Bury and the existing partners if new partners are to join the collaborative and how any existing fixed costs may be apportioned which should also generate further savings.

It is key that this programme is managed in view of any future estate rationalisation or changes in connections required by partners within the Bury locality to ensure that we are maximising all opportunities and investment.

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY HELD ON 26 NOVEMBER 2021 AT OLDHAM CIVIC CENTRE, WEST STREET, OLDHAM

PRESENT:

Greater Manchester Mayor	Andy Burnham (In the Chair)
Greater Manchester Deputy Mayor Police Crime & Fire	Baroness Bev Hughes
Bolton	Councillor Martyn Cox
Bury	Councillor Eamonn O'Brien
Manchester	Councillor Richard Leese
Oldham	Councillor Arooj Shah
Rochdale	Councillor Daalat Ali
Salford	City Mayor Paul Dennett
Stockport	Councillor Elise Wilson
Tameside	Councillor Brenda Warrington
Trafford	Councillor Andrew Western
Wigan	Councillor David Molyneux

IN ATTENDANCE:

Police, Fire & Crime Panel Chair	Councillor Janet Emsley
Manchester Council Deputy Leader	Councillor Bev Craig
Oldham Council Deputy Leader	Councillor Amanda Chadderton

OFFICERS IN ATTENDANCE:

GMCA – Chief Executive	Eamonn Boylan
GMCA – Deputy Chief Executive	Andrew Lightfoot
GMCA Monitoring Officer	Liz Treacy
GMCA Treasurer	Steve Wilson
Bolton	Sue Johnson
Bury	Lynn Risdale
Manchester	Joanne Roney
Oldham	Harry Catherall
Rochdale	Steve Rumbelow
Salford	Debbie Brown
Stockport	Pam Smith
Tameside	Steven Pleasant
Trafford	Sara Saleh
Wigan	Alison McKenzie-Folan
Office of the GM Mayor	Kevin Lee
GMCA	Julie Connor
GMCA	Nicola Ward
GMCA	Sylvia Welsh
TfGM	Steve Warrener
TfGM	Simon Warburton
TfGM	Kate Brown

GMCA 206/21 APOLOGIES

RESOLVED/-

That apologies be received and noted from Councillor Neil Emmott (Councillor Daalat Ali attending), Councillor David Molyneux, Cllr Nazia Rehman, Tom Stannard and Tony Oakman.

GMCA 207/21 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

The GM Mayor, Andy Burnham, noted that the Integrated Rail Plan (IRP) and Union Connectivity Review had both been published.

Manchester remained a core part of the North-South HS2 network but there were concerns around East-West connectivity. The East-West proposals would disrupt the Manchester-Leeds rail corridor, have knock-on disruptive effects for the rest of the North, and would not deliver sufficient capacity uplift. A meeting of Transport for the North had been unanimous that the proposals would not have the transformative effect that was desired, and it had been agreed that the GM Mayor, along with other Metro Mayors, would ask the Government to enter into a mediation process to consider alternative options, including land value capture.

The Union Connectivity Review had recommended that options to connect to the West Coast Mainline south of Preston should be taken forward. Previous proposals had centred around Wigan, which would have carried major benefits for Wigan and the surrounding areas. There were concerns that the new proposals would carry less economic benefit for the whole of the North.

RESOLVED /-

1. That it be noted that the recent publication of the Integrated Rail Plan (IRP) did not include proposals that would deliver the required capacity uplifts nor the intra-city connectivity that would allow for levelling up in the North of England.

2. That the proposal for the GM Mayor to address Government, along with other Metro Mayors to call for a mediation process that would enable an opportunity for land value

capture proposals to be considered and alternative IRP options to be developed be endorsed.

3. That it be noted that the Wigan Council Leader and GM Mayor would be sharing their concerns with Government regarding the missed potential for a Wigan transport hub as a result of the extension of the HS2 West Coast mainline to Preston, given the impact of the decision would likely reduce the economic return for Greater Manchester.

4. That the GMCA would continue to actively represent residents of Greater Manchester at all opportunities, urging for a convening of the Convention of the North to formally make representations to Government.

GMCA 208/21 DECLARATIONS OF INTEREST

RESOLVED /-

That it be noted that Councillor Andrew Western declared a disclosable pecuniary interest in relation to agenda item 14, GMP Site – Chester Road – Trafford.

GMCA 209/21 MINUTES OF THE GMCA MEETING HELD ON 29 OCTOBER 2021

RESOLVED /-

That the minutes of the GMCA meeting held on 29 October 2021 be approved as a correct record.

GMCA 210/21 MINUTES OF THE GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON 16 NOVEMBER 2021

RESOLVED /-

That the minutes of the Greater Manchester Local Enterprise Partnership Board meeting held on 16 November 2021 be noted.

GMCA 211/21 MINUTES OF THE CORPORATE ISSUES & REFORM OVERVIEW & SCRUTINY COMMITTEE HELD ON 16 NOVEMBER 2021

RESOLVED /-

That the minutes of the Corporate Issues & Reform Overview & Scrutiny Committee meeting held on 16 November 2021 be noted.

GMCA 212/21 GREATER MANCHESTER APPOINTMENTS AND NOMINATIONS

The GMCA Monitoring Officer updated appointment changes received from GM Local Authorities in relation to GMCA Committees.

RESOLVED /-

1. That the appointment of Councillor Daalat Ali to the Greater Manchester Combined Authority as substitute member for Rochdale Council be noted.

2. That the appointment of Councillor Shah Wazir to the Clean Air Charging Authorities and Air Quality Administration Committees as substitute member for Rochdale Council be noted.

GMCA 213/21 TFGM EXECUTIVE BOARD – RECRUITMENT OUTCOMES

GM Mayor Andy Burnham, Portfolio Lead for Transport, introduced a report to confirm the outcome of the recruitment process for the appointment of a new Non-Executive Director of Transport for Greater Manchester (TfGM), whereby a candidate was recommended for appointment.

RESOLVED /-

1. That the appointment of Mike Blackburn as Non-Executive Director of TfGM be approved.

2. That authority be delegated to the Chief Executive Officer, GMCA & TfGM, to formalise the terms of the appointment.

GMCA 214/21 HOMELESS FAMILIES REVIEW – PROGRESS UPDATE

City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure, provided an update on the progress of the Homeless Families Review.

Four workstreams had been identified by the GM Homeless Families Task and Finish group that had stood down in July 2021. Since then, work had been ongoing and the group intended to reconvene in January. The report updated Members on progress in each area, including new minimum quality standards for hotel accommodation used as homelessness provision.

City Mayor Paul Dennett provided a further update on the outcome of the annual rough sleeper count, which had taken place the previous night. There had been 89 people identified during the count, which represented a 29% reduction on the previous year, and a 67% reduction since 2017. Members were pleased with the progress that had been made but noted that that 89 people was still too many. Concerns were raised around the growing cost of living crisis, which would place many people in a precarious position. Thanks were given to colleagues who had worked to reduce rough sleeping in Greater Manchester, including council colleagues, faith communities, and the VCSE sector, among others.

RESOLVED /-

1. That the progress being made be noted and that the GMCA would continue its support.

2. That further exploration of actions relating specifically to joint commissioning opportunities, data sharing, and early help standards be supported.

GMCA 215/21 GREATER MANCHESTER ECONOMIC DASHBOARD AND ECONOMY PORTFOLIO UPDATE

Councillor Elise Wilson, Portfolio Lead for Economy & Business, took Members through the latest version of the Greater Manchester Economic Resilience Dashboard and provided an overview of activity related to the Economy portfolio, including the implementation of the Greater Manchester Industrial Strategy.

The furlough scheme had ended and the claimant count in Manchester had continued to fall throughout October. The Office for National Statistics had published inflation figures for the month of October and there had been a 0.9% rise, resulting in an inflation rate of 3.8%. The Office for Budget Responsibility forecasts published alongside the Budget suggested that inflation was likely to rise to 4.4% in 2022 and could potentially reach 5%. There were growing pressures on businesses, including a rise in minimum wages and National Insurance. Some businesses had been asked to begin repaying loans that had been granted during the height of the pandemic. Despite these pressures, businesses remained resilient.

The Government's Spending Review had been assessed and contained commitments to industries that were growing in Greater Manchester, with research and development, net zero, internationalisation and Industry 4.0 high on the agenda. The Levelling Up White Paper was still awaited but anticipated to provide further details on initiatives

An event had taken place to launch Greater Manchester as a Living Wage City-Region and Bury had been credited for its commitment to paying the real living wage to care workers, with nearly 4000 workers due to benefit in the borough. The Local Enterprise Partnership had continued its focus on place by holding its meetings across Greater Manchester. The Growth Company had been providing assistance to businesses in accessing USA markets, low carbon funding, and preparing for the implementation of Greater Manchester's Clean Air Zone. Marketing Manchester had celebrated its 25th year by launching campaigns to support Greater Manchester.

RESOLVED /-

That the latest update of the Greater Manchester Economic Resilience Dashboard and response, including delivery of the Local Industrial Strategy and Greater Manchester Economic Vision, be noted.

GMCA 216/21 GMCA CAPITAL UPDATE 2021/2022 – QUARTER 2

Steve Wilson, GMCA Treasurer, presented an update in relation to the Greater Manchester Combined Authority 2021/22 capital expenditure programme.

RESOLVED /-

1. That the current 2021/22 forecast of £625.7 million compared to the 2021/22 quarter 1 capital forecast of £681.7 million be noted.

2. That the additional funding secured of £3.4 million for the Clean Bus Fund from the Joint Air Quality Unit (JAQU) as outlined in para 8.1 of the report be noted.

3. That the addition to the Capital Programme of Clean Air Plan Electric Vehicle Taxi Infrastructure (part of the Greater Manchester Clean Air Plan) be approved with a current forecast of £0.9 million in 2021/22, £1.3 million in 2022/23 and £0.8 million in 2023/24.

4. That the grant of £0.1m to Greater Manchester FOF Limited Partnership be approved and that it be noted that this will be funded by a corresponding sum distributed to the GMCA from Evergreen Holding Fund.

GMCA 217/21 GMCA REVENUE UPDATE QUARTER 2 – 2021/22

Steve Wilson, GMCA Treasurer, presented a report to inform the GMCA of the 2021/22 financial position at the end of September 2021 (quarter 2) and forecast revenue outturn position for the 2021/22 financial year.

RESOLVED /-

1. That an increase to the Mayoral budget of £535k to be funded from reserves, as set out in Section 2 of the report, be approved.

2. That an increase to the GMCA general budget of £13.746m, fully funded from additional income and use of reserves, as set out in Section 3 of the report, be approved.

3. That the use of the revenue reserves earmarked for the capital programme to increase the TfGM revenue budget for costs relating to two approved capital schemes that cannot be capitalised, be approved. That it be noted that the transfer would be offset by a commensurate reduction in the capital programme.

    - £0.730m to fund the Mayors Challenge Fund programme.
    - £0.800m of revenue costs relating to the temporary Metrolink Park and Ride facility at Whitefield.

GMCA 218/21 THE MAYOR'S CYCLING AND WALKING CHALLENGE FUND AND SIDE ROAD ZEBRA STUDY

GM Mayor Andy Burnham, Portfolio Lead for Transport, took Members through a report which sought approval of the funding requirements for the Stockport Hazel Grove Phase 1 scheme, and noted the study updates set out in the report, in order to ensure the continued delivery of the GM Active Travel Capital Programme.

Members heard about the positive impacts of the side road zebra trials in Tameside. Residents had quickly become accustomed to the markings and they became popular with motorists and pedestrians alike. The markings were removed at the end of the trial period and Tameside Council had received messages from residents asking for their return, which highlighted the popularity of the scheme. Roads had been notably safer for pedestrians and there had been no increases in dangerous incidents with motorists, who had instead slowed down and given way to pedestrians more often.

RESOLVED /-

1. That the release of up to £532,000 of MCF funding for the Stockport Hazel Grove Phase 1 scheme, as set out in section 2 of the report be approved, in order to secure full approval and enable signing of the necessary legal agreements.

2. That TfGM be requested to seek regulatory approval from the Department for Transport to allow further long-term side road zebra trials as recommended in section 3 of the report.

GMCA 219/21 GMP SITE, CHESTER ROAD, TRAFFORD

GM Deputy Mayor Baroness Bev Hughes, Deputy Mayor for Policing, Crime, Criminal Justice and Fire, took members through a report which sought the Greater Manchester Combined Authority's approval to enter into a Joint Venturewith Trafford Council and a Developer Partner and its agreement to the disposal of the current use of the Chester Road site.

The Chester Road site had been identified as surplus to GMP's requirements and there had been proposals to turn the site into a residential-led mixed-use site. The proposal was compliant with social housing and net zero policies and there had already been interest in the site. The site itself would not be sold off and capital would be returned to GMP in time.

Members noted that the proposal would contribute to Greater Manchester's commitment to build 30,000 net zero social homes and could act as an exemplar in the disposal of public land.

RESOLVED /-

1. That the disposal of the GMP Chester Road site be approved.

2. That the Joint Venture between the GMCA, Trafford Council and a Developer Partner, on terms to be agreed, be approved.

3. That the £642,500 of funding needed to appoint a development partner and obtain detailed planning consent for the scheme be approved.

4. That authority be delegated to the Chief Executive Officer, GMCA & TfGM, and GMCA Treasurer to commence the procurement process and appoint a development partner.

5. That authority be delegated to the Chief Executive Officer, GMCA & TfGM, and GMCA Treasurer to agree appropriate legal agreement with Trafford Council.

6. That authority be delegated to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

GMCA 220/21 GREATER MANCHESTER HOUSING INVESTMENT LOANS FUND – INVESTMENT APPROVAL RECOMMENDATIONS

Salford City Mayor Paul Dennett, Portfolio Leader for Housing, Homelessness and Infrastructure, took Members through a report which sought the CA's approval for one loan to the GM Housing Investment Loans Fund. The site had been granted planning permission in September 2021 for five homes, which would be built on brownfield land.

RESOLVED /-

1. That the GM Housing Investment Loans Fund loan detailed in the table below and as detailed further in this and the accompanying Part B report be approved.

BORROWER	SCHEME	DISTRICT	LOAN
Corbar Ltd	Aldersgate Rd, Great Moor	Stockport	£1.464m

2. That authority be delegated to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

GMCA 221/21 SIR RICHARD LEESE

The GM Mayor made a presentation to Sir Richard Leese following his resignation as Deputy Mayor of the GMCA and recognised his long service as a member in particular his leadership in rebuilding of the city centre following the IRA bomb in 1996 and the transformation that has taken place thereafter. His legacy could be seen through the fundamental way that lives had been changed throughout his 25 years of service as Leader of Manchester City Council and in the foundations for devolution that he had laid, upon which the future of Greater Manchester could continue to grow.

GMCA 222/21 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED /-

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

GMCA 223/21 GREATER MANCHESTER HOUSING INVESTMENT LOANS FUND – INVESTMENT APPROVAL RECOMMENDATIONS

Clerk's Note: This item was considered in support of the report considered in Part A of agenda (Minute GMCA 220/21 above refers).

RESOLVED /-

That the report be noted.

Signed by the Chair:

MINUTES OF THE MEETING OF THE
GREATER MANCHESTER COMBINED AUTHORITY
HELD ON 17 DECEMBER 2021 AT ROCHDALE COUNCIL OFFICES,
NO.1 RIVERSIDE, ROCHDALE

PRESENT:

Greater Manchester Mayor	Andy Burnham (In the Chair)
Bolton	Councillor Martyn Cox
Bury	Councillor Eamonn O'Brien
Manchester	Councillor Bev Craig
Oldham	Councillor Arooj Shah
Rochdale	Councillor Neil Emmott
Salford	Councillor Paul Dennett
Stockport	Councillor Tom McGee
Tameside	Councillor Brenda Warrington
Trafford	Councillor Andrew Western
Wigan	Councillor Nazia Rehman

OFFICERS IN ATTENDANCE:

GMCA – Chief Executive	Eamonn Boylan
GMCA – Deputy Chief Executive	Andrew Lightfoot
GMCA Monitoring Officer	Liz Treacy
Bolton	Tony Oakman
Bury	Lynne Risdale
Manchester	Rebecca Heron
Oldham	Harry Catherall
Rochdale	Steve Rumbelow
Salford	Tom Stannard
Stockport	Holly Rae
Tameside	Steven Pleasant
Trafford	Sara Saleh
Wigan	Alison McKenzie-Folan

Office of the GM Mayor	Kevin Lee
GMCA	Sylvia Welsh
GMCA	Nicola Ward
GMCA	Ross Macrae
GMCA	James Killan
TfGM	Steve Warrener
TfGM	Simon Warburton

GMCA 224/21 APOLOGIES

RESOLVED/-

That apologies be received and noted from Councillor Elise Wilson (Councillor Tom McGee attending), Councillor David Molyneux (Councillor Nazia Rehman attending), Deputy Mayor for Police, Fire and Crime Bev Hughes, Geoff Little (Lynne Risdale attending), Pam Smith (Holly Rae attending), and Joanne Roney (Rebecca Heron attending).

GMCA 225/21 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

The GM Mayor, Andy Burnham, opened the meeting with an update on the outcome of an inspection from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services that had assessed Greater Manchester Fire and Rescue's (GMFRS) effectiveness, efficiency and workforce support. The report had concluded that the service had made improvements since its last inspection, especially in its workforce management, and that its response to fires was good. However, further improvement was still required in some areas, and it was noted that work had been underway preceding the inspection to address some of the issues contained within the report, particularly around the service's ability to respond to marauding terrorist attacks.

Updates relating to the Greater Manchester Gender Based Violence Strategy were also provided. The strategy had been created following the tragic high-profile deaths of Sarah Everard and Sabina Nessa and it sought to enhance women and girls' safety. The first meeting of Greater Manchester's Gender Based Violence Board had taken place and had brought together a range of stakeholders who would work to support survivors of gender-based violence. A new #IsThisOk campaign video had been launched and had received over a million views in the 24 hours following its publication, receiving widespread praise for focusing on the harmful attitudes and behaviours that led to gender-based violence. Members welcomed the campaign, noting that the focus on preventing perpetrators from committing gender-based violence was a positive change from the usual focus on the steps that women and girls could take to protect themselves from it.

The campaign video was played for Members.

It was noted that this was Pam Smith's last meeting as a member of the GMCA and she would be commencing a new role as Chief Executive of Newcastle City Council at the start of 2022. Members reflected upon the great work that she had undertaken and the positive contributions that she had made to Stockport and Greater Manchester. Members gave their thanks to Pam and wished her well in her new role.

RESOLVED /-

1. That the recently published HIMC report on Greater Manchester Fire and Rescue Service be noted, and recognition given that although improvements have been made, further work was required to ensure that the service could deliver strongly against all its performance measures.

2. That the GMCA's campaign #isthisok? to address gender-based violence, specifically in relation to the safety of women and girls be endorsed, noting the overdue conversation with all boys, lads and men to call out unacceptable behaviour and promote changing attitudes.

3. That Leaders and Chief Executives be requested to actively promote the #isthisok? campaign across their own Local Authorities and networks.

4. That thanks be recorded to Pam Smith, who was moving on from her position as Chief Executive of Stockport Council, for all her work on behalf of Greater Manchester recognising that GM was a different place as a result.

GMCA 226/21 DECLARATIONS OF INTEREST

RESOLVED /-

There were no declarations of interest received in relation to any item on the agenda.

GMCA 227/21 MINUTES OF THE GMCA MEETING HELD ON 26 NOVEMBER 2021

RESOLVED /-

That the minutes of the GMCA meeting held on 26 November 2021 be approved.

GMCA 228/21 MINUTES OF THE GMCA AUDIT COMMITTEE HELD ON 30 NOVEMBER 2021

RESOLVED /-

That the minutes of the GMCA Audit Committee meeting held on 30 November 2021 be noted.

GMCA 229/21 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE MEETINGS IN DECEMBER 2021

RESOLVED /-

That the minutes of the Housing, Planning & Environment Overview & Scrutiny Committee meeting held on the 9 December 2021, and the minutes of the Economy, Business Growth & Skills Overview & Scrutiny Committee meeting held on the 10 December 2021 be noted.

GMCA 230/21 MINUTES OF THE GM TRANSPORT COMMITTEE HELD ON 10 DECEMBER 2021

RESOLVED /-

That the minutes of the GM Transport Committee meeting held on 10 December 2021 be noted.

GMCA 231/21 GMCA APPOINTMENTS UPDATE

The GMCA Monitoring Officer took members through a report which updated several appointment changes received from GM Local Authorities in relation to GMCA Committees.

RESOLVED /-

1. That the appointment of Cllr Bev Craig, Manchester, as a member of the GMCA be noted.

2. That the appointment of Salford City Mayor, Paul Dennett, by the GM Mayor, as the Deputy Mayor of the GMCA be noted and that it be noted that the Deputy Mayor was automatically appointed as a Vice Chair, under Part 5A, section 4, of the Constitution.

3. That the revised appointments made by the GM Mayor and Chief Executive Officer, GMCA & TfGM, to Portfolios for 2021/22 as below be noted.

Portfolio	**Lead Member**	**Lead Chief Executive**
Safe & Strong Communities (Police and Fire)	Bev Hughes (GMCA)	Alison Mckenzie-Folan (Wigan)
Green City Region Waste	Neil Emmott (Rochdale)	Harry Catherall (Oldham) Eamonn Boylan (GMCA)

Economy & Business	Elise Wilson (Stockport)	Joanne Roney (Manchester) Mark Hughes (Growth Co)
Housing, Homelessness & Infrastructure	Paul Dennett (Salford)	Steve Rumbelow (Rochdale)
Resources & Investment	David Molyneux (Wigan)	Steve Wilson (GMCA)
Equalities, Inclusion & Cohesion	Arooj Shah	Sara Todd (Trafford)
Policy & Reform, Transport	Andy Burnham (GMCA)	Eamonn Boylan (GMCA) – Policy & Transport Tony Oakman (Bolton) - Reform
Clean Air Zone Communities & Co-operatives	Andrew Western (Trafford)	Eamonn Boylan (GMCA) & Simon Warburton (TfGM) Andrew Lightfoot (GMCA)
Education, Skills, Work & Apprenticeships Digital	Bev Craig (Manchester)	Tom Stannard (Salford) -
Young People	Eamonn O'Brien (Bury)	Steven Pleasant (Tameside)

Culture	Martyn Cox (Bolton)	Alison McKenzie-Folan (Wigan)
Healthy Lives & Quality Care	Brenda Warrington (Tameside)	Geoff Little (Bury)

4. That Cllr Andrew Western be appointed to the GMCA Resources Committee.

5. That Cllr Bev Craig be appointed to the GM Local Enterprise Partnership Board.

6. That the appointment of Cllr George Hulme, Oldham, replacing Cllr Steve Williams, as the substitute member on the Air Quality Administration Committee, be noted.

7. That the appointment of Cllr George Hulme, Oldham, replacing Cllr Steve Williams, as the substitute member on the Air Quality Charging Authorities Committee, be noted.

GMCA 232/21 GREATER MANCHESTER STRATEGY REFRESH

The GM Mayor, Andy Burnham, introduced a report which provided the GMCA with the final draft of the Greater Manchester Strategy for comment and approval. The report also contained the proposed performance framework approach, targets and metrics to be used, alongside an initial Delivery Plan with process for approval for the further development of the Delivery Plan and implementation process.

The refreshed Greater Manchester Strategy had been based on learning from the pandemic and the recommendations of the Greater Manchester Independent Inequalities Commission. The central aim of the strategy was to build a greener, fairer and more prosperous era in Greater Manchester. Addressing the climate challenge would help to reduce inequalities across the city region by reducing rates of fuel poverty, improving health outcomes for residents, and creating high quality jobs. A launch event was planned for early 2022, which would officially launch the strategy as a future-shaping tool to improve Greater Manchester over the next ten years.

RESOLVED /-

1. That the final draft Strategy text be approved.

2. That the draft performance framework, targets and approaches be approved.

3. That the initial Delivery Plan be noted and that the establishment of a multiagency Delivery Support Group be approved for its further iteration, development and implementation.

GMCA 233/21 INTEGRATED RAIL PLAN FOR THE NORTH AND THE MIDLANDS

The GM Mayor, Andy Burnham, introduced a report which provided members with an update on the latest TfGM analysis of the Integrated Rail Plan for the North and the Midlands ('the IRP').

The analysis confirmed that the IRP fell substantially short of expectations in terms of connectivity and that the alterations to the original vision for improved rail services were detrimental to the economic potential of the north. The proposal to have a surface station at Manchester Piccadilly was sub-optimal and would sever communities living in the vicinity of the station. It was noted that if Bradford, Sheffield, and Leeds were poorly connected, the plan would not allow for connections between these cities themselves and to Manchester to be strengthened. Additionally, there would be significant disruption to services by merging with an already congested Huddersfield line and proposed works to the TransPennie line.

Northern leaders have been working on proposals to increase potential funding using land value capture and this work would continue in order to pursue a proposal that would better meet the needs of the north of England

Members agreed that the IRP was not suitable for the Greater Manchester, especially in relation to proposed plans for a surface station at Piccadilly. The IRP had missed an opportunity to create an underground station that would contribute to the local, regional and national economy by increasing capacity and productivity. Members were also concerned that opportunities on the wider network across the north had been missed and that the effects on communities had not been properly analysed. Transport for the North had agreed that active travel should be integrated with all rail and road infrastructure, which addressed some concerns from Members.

The GMCA agreed that building the wrong infrastructure now would mean accepting an economic downgrade for Greater Manchester and would cause problems for future generations. Consequently, Members agreed that they would work to respond to the HS2 Bill and petition against it if it proposed a surface level station at Piccadilly.

RESOLVED /-

1. That the early TfGM analysis of the Integrated Rail Plan be noted and that it also be noted that it fell substantially short of expectations in terms of connectivity through HS2 on both the east and western side of the country and linked by a high speed east & west (HS3/Northern Powerhouse Rail) service.

2. That it be noted that Manchester City Council would be bringing forward further evidence of the detrimental economic and wider regenerational impact as a consequence of the proposed overground station development proposals for Manchester Piccadilly.

3. That it be noted that there were ongoing strategic discussions underway with Trafford Council regarding the wider impact of the proposals, noting the scope for similar discussions across GM regarding the wider impact and opportunities including active travel solutions that may potentially arrive from HS2 that the opportunities be raised with Government continuously.

4. That it be noted that the GM Mayor would relay these concerns through the Transport for the North Board.

5. That it be noted collectively the Northern Leaders were considering options, including proposals for land value capture along the original proposed new line from Liverpool through Warrington to Manchester Airport and Bradford/Leeds, as an alternative proposal for submission to Government.

6. That it be noted work was underway to respond to the HS2 Bill, including petitioning specifically against the Bill if it included the surface level Piccadilly Rail Station.

GMCA 234/21 GMCA RESPONSE TO THE PUBLIC CONSULTATION ON DECEMBER 2022 TIMETABLE OPTION TO IMPROVE RAIL PERFORMANCE IN THE NORTH OF ENGLAND

The GM Mayor, Andy Burnham, introduced a report which set out the proposed approach in response to the consultation on the timetable options to improve rail performance in the north of England. The timetable that had been proposed would have the effect of reducing rail services due to current inadequate rail infrastructure. As a consequence of the proposals, Wigan and Stockport in particular would be negatively impacted. The GM Mayor had attended a meeting of Transport for the North and had proposed a formal objection to the consultation unless a timetable for infrastructure upgrades was also provided.

Members highlighted the challenges that their own districts would face as a result of the proposals. Whilst recognising that Stockport has more rail lines than most, the proposals drastically reduce opportunities and access to culture and leisure facilities across the conurbation; in Wigan, there would be no direct lines to Manchester Airport and Piccadilly; in Oldham, the Greenfield and Mosley service proposals would drastically impact on employment opportunities.

Timetabling was raised as a wider issue as services in some districts were not evenly spaced within the hour which disincentivised passengers from using the network. The removal of weekend services would be detrimental to Greater Manchester's aspirations of increasing leisure patronage which had begun to see some recovery. The rail network was also important at evenings to provide transport to and from the conurbation's sporting grounds.

RESOLVED /-

1. That it be noted that the proposals for rail timetable improvements for December 2022 included a reduction in the current service levels in the north of England, given limitations of the current infrastructure.

2. That it be agreed that the GMCA formally object to the new timetable proposals, unless a timetable for the required infrastructure improvements be provided.

3. That it be noted that the analysis undertaken by TfGM has suggested that the network could support 2 trains per hour, throughout the day, on the Greenfield and Mosley line from May 2022 and that the proposal would be included in the formal response to the timetable proposals.

4. That authority be delegated to the Chief Executive Officer, GMCA & TfGM, in consultation with the Mayor of Greater Manchester, to approve and submit a response to the consultation on behalf of GMCA.

GMCA 235/21 YOUTH HOMELESSNESS PREVENTION PATHFINDER

Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure, introduced a report which provided members with an update on the Youth Homelessness Prevention Pathfinder (2021) and the plans for a Youth Homelessness Prevention Social Outcomes Contract (2022-24).

The pathfinder intended to reduce demand at the crisis stage and improve resilience against homelessness. It had been co-produced with individuals who had lived experience of homelessness and carried this experience at its heart. It was hoped that the Youth Homelessness Prevention Social Outcomes Contract would result in further positive outcomes for around 1500 young people.

Members noted that the pandemic had exacerbated youth homelessness and more needed to be done to prevent young people from becoming homeless. Higher risk groups have been identified and a partnership approach was proposed to ensure that these groups were fully supported into proper housing.

Members were reminded that the Housing First scheme had successfully supported 300 clients to date, however it was disappointing that there had been no confirmation from Government regarding the continuation funding support for the scheme.

RESOLVED /-

1. That the update in relation to the Youth Homelessness Prevention Pathfinder 2020/21 be noted.

2. That the contract award be delegated to the GMCA Treasurer.

3. That funding for the contract from the Reform Investment Fund (£2.5m) and 2019/20 Business Rates (£2.5m) contribution totalling £5m for years 2022-2024 be approved.

GMCA 236/21 GM MOVING IN ACTION – GM MOVING STRATEGY 2021-31

GM Mayor, Andy Burnham, introduced a report which provided the members with the final draft of the GM Moving in Action Strategy.

The campaign video was played for Members and thanks were given to the GM Moving team for their hard work.

Members highlighted the importance of physical activity for both physical and mental health and made reference to the positive impacts of exercise evidenced especially during the pandemic. As recovery from the pandemic continued, physical activity would provide a lifeline to residents who had experienced social isolation by bringing them together with others and it was recognised that here were lots of outdoor activities available for those who wanted to limit COVID-19 transmission. Greater Manchester could be a leader in this space by using social prescribing to drive change and build happier and healthier communities. Members highlighted that investments were being made into leisure facilities in districts which would further support the GM Moving Strategy.

RESOLVED /-

1. That the Strategy and the approach set out be endorsed for local authorities and other partners across the system to enact.

2. That it be recommended that senior leaders from across Greater Manchester agencies continue to provide visible strategic leadership on this agenda at the highest level.

3. That it be recommended that Local Authority senior leaders provide ongoing support to their district integrated locality teams and local networks, supporting culture change, system change and behaviour change.

4. That it be recommended that Local Authorities facilitate a meeting of key strategic leaders across the integrated system in each district in 2022.

GMCA 237/21 DEVOLVED ADULT EDUCATION BUDGET – PROPOSED PRIORITIES AND APPROACH FOR 2022/2023 ONWARDS

Councillor Bev Craig, Portfolio Lead for Digital, Education, Skills, Work & Apprenticeships introduced a report which provided an overview of progress against the planned priorities of the Adult Education Programme since its inception in August 2019. The report outlined the proposed process for continuing plan-led grant funding agreements and extensions to the procured contracts for 2022/23 (academic year), in addition to providing an outline of the proposed refreshed objectives for the Adult Education Programme, in preparation for implementation from 2022/23.

The programme had funded over 200 level three courses and provided support to key sectors during the pandemic. The flexibility of the programme was crucial to its success and had provided courses to 1200 people to create key workers, including HGV drivers. Members praised the programme's progress and highlighted its importance in helping residents to take advantage of gaps in the labour market at pace.

RESOLVED /-

1. That the progress against the planned priorities be noted.

2. That the proposed process for continuing plan-led grant funding agreements and extension to the procured contracts for 2022/2023 academic year be agreed.

3. That the proposed refreshed objectives for the Adult Education Programme, in preparation for implementation from 2022/23 academic year be agreed.

GMCA 238/21 GREATER MANCHESTER GROWTH LOCATIONS UPDATE

Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure, introduced a report which set out the six Growth Locations identified within the updated Greater Manchester Strategy and the work that was progressing to support the development of the Growth Locations.

The six Growth Locations presented a unique opportunity to respond to the needs of the conurbation and level up Greater Manchester by helping it to meet its ambitious targets across several strategies. The identified locations would support employment, education and housing with a focus on inclusive growth.

Members were pleased with the plans and noted the chance to make a real difference for residents who lived and worked within the Growth Locations. The longevity of each area would require strong forward planning, including good transport infrastructure which would be essential to each location’s ongoing development.

RESOLVED /-

1. That the six GM Growth Locations as set out in section 2 of the report be endorsed.

2. That the work plan and progress update and next steps be noted.

3. That it be noted that further details on each of the Growth Locations would be shared at the ‘A new era for Greater Manchester – Greener, Fairer and more Prosperous’ event in January 2022.

GMCA 239/21 DELIVERING NET ZERO CARBON SOCIAL RENTED HOMES – A WHOLE SYSTEM CHALLENGE FOR GREATER MANCHESTER

Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure, introduced a report which sought approval for a proposed approach to the delivery of net zero carbon social rented homes. The report also provided an initial interim report on the development of a robust delivery plan, which would be forthcoming in early 2022.

Members were reminded that the strategy was a critical element to addressing homelessness and rough sleeping in Greater Manchester. Research from the National Housing Federation highlights some of the challenges being faced, with 2M children Christmas in housing that was overcrowded, unaffordable or unsuitable. The research also highlighted the underfunding for social rent, together with the fact that larger homes were deemed more expensive to build leading to an acute shortage of family sized social homes.

In Greater Manchester there were currently there were over 1000 people living in emergency accommodation, 4000 households were also in in temporary accommodation at the end of June 2021, compared to 3535 in 2020, representing a 13% increase.

Since 1980, over 95,000 homes have been purchased under right to buy schemes, with over 40% of those homes moving into the private rented sector and many of those homes not replaced. Right to buy and right to acquire schemes continued to operate despite the chronic undersupply of truly affordable housing. Greater Manchester has committed to building 30,000 social rented or affordable homes within 'Places for Everyone' Plan as part of the overall commitment to deliver 50,000 affordable homes during the period of the Plan. The Plan also commits to any new homes being carbon free form 2028.

The Affordable Homes Programme which would be in operation until 2026 with 50% for affordable home ownership and 50% for affordable rent and not exclusively for social rent. Five Greater Manchester Authorities were not eligible to apply for social rent grant due to constraints of the scheme, which was exacerbating the housing crisis. Members called on Government to work with Greater Manchester to support those who were currently ineligible and to match Greater Manchester's ambitions to provide good-quality net zero carbon social rented homes.

The strategy was more than just homes and was integral to inclusive growth, employment and the required infrastructure to deliver.

RESOLVED /-

1. That a further report detailing a robust Delivery Plan will be submitted to the GMCA in the New Year.

2. That the GMCA support the call for more support from Central Government to enable Greater Manchester to reach its ambition and specifically for a change in the criteria to enable all GM Local Authorities to access the Affordable Homes Grant.

3. That the ambitions set out in the GM Mayor's manifesto to achieve delivery of 30,000 net zero carbon social rented homes by 2038 be endorsed.

4. That the adoption of the whole system challenge approach to delivery of these ambitions set out in the paper and the commencement of the work outlined be agreed.

5. That it be noted that significant support will be required from Government to achieve substantial and sustained progress toward our ambitions.

GMCA 240/21 GREATER MANCHESTER GO NEUTRAL SMART ENERGY FRAMEWORK

Councillor Neil Emmott, Portfolio Lead for Green City Region, introduced a report which updated members on the establishment of the Go Neutral Smart Energy call-off framework to support the city region's public bodies in optimising renewable energy generation and storage on their estates and assets. The Go Neutral Framework aimed to accelerate the delivery of up to 300MW of renewable energy generation across the conurbation over the next 3 years through the creation of portfolios of smart energy opportunities.

The acceleration of the move to net zero carbon would place a strain on the electricity grid and the Go Neutral Framework was designed to reduce the strain. It would support the creation of local jobs and would mark a key milestone in decarbonising Greater Manchester.

RESOLVED /-

1. That the establishment of a Smart Energy call-off framework be approved.

2. That a call-off framework fee structure be approved.

3. That it be noted that if viable projects were achieved, GMCA partners may require additional support to access funds to further develop and deliver the projects.

4. That it be noted that the environmental outcome was to substantially reduce the carbon emissions of Greater Manchester's public estate, through new and additional renewable energy generation and storage capacity.

GMCA 241/21 GREATER MANCHESTER ECONOMIC DASHBOARD AND ECONOMY PORTFOLIO UPDATE

GM Mayor, Andy Burnham, updated Members on the latest version of the Greater Manchester Economic Resilience Dashboard and an overview of activity related to the Greater Manchester Local Industrial Strategy and Economy portfolio.

Members heard about the effects of the Government's latest COVID-19 guidance on businesses and the economy. The suggestion to minimise socialising without the Government providing additional financial support was having an adverse impact for many businesses across the city region as the Christmas and New Year period was a crucial time of year that made up for the quieter winter months. There had been reports that over 80% of businesses were experiencing significant cancellations as a result of the Government's advice and concerns around the new COVID-19 variant. Members called on the Government to provide additional financial support to businesses and employees who relied on in-person trade and whose incomes would suffer as a result of the new variant and the guidance around it.

RESOLVED /-

1. That the GMCA request the Chancellor to provide support and assistance for all the business sectors and individuals who will be affected by the introduction of the new guidance in response to the next phase of the pandemic and that action is taken immediately.

2. That the latest update of the Greater Manchester Economic Resilience Dashboard and response be noted, including delivery of the Local Industrial Strategy and Greater Manchester Economic Vision.

GMCA 242/21 LOCAL GROWTH DEAL PROGRAMME UPDATE

GM Mayor, Andy Burnham, introduced a report which updated members on the progress made on the Local Growth Deal Programmes (tranches 1, 2, and 3) and sought expenditure approvals for the Oldham Town Centre Regeneration scheme. The report also provided an update on the health check of the Stockport Mixed Use scheme and sought expenditure approval of the Mayors Challenge Fund contribution to this scheme.

RESOLVED /-

1. That the progress made in relation to the Growth Deal Transport schemes as set out in section 3 and 4 of the report be noted.

2. That the progress made in relation to the Non-Transport Skills Capital and Economic Development and Regeneration (ED&R) programmes as set out in section 6 of the report, be noted.

3. In relation to the Stockport Mixed Use scheme:

    - that it be noted that the Full Business Case health check has recently been undertaken

- that it be noted that GM Chief Executives have (in line with agreed governance) agreed the allocation of Growth Deal programme contingency allowance to the scheme
- that the remaining contribution of £8.845 million from the Mayors Challenge Fund (MCF) to provide the full, overall, contribution to the scheme from the MCF of £11.263 million be approved
- that Final Full Approval to the scheme be granted to enable a contract for the main construction works to be awarded and for the scheme to progress.

4. That the expenditure approval of Growth Deal funding for the remaining two packages of the Oldham Town Centre Regeneration works as set out in Section 5 of the report be agreed, subject to confirmation of the funding and approval by the Chief Executive Officer, GMCA & TfGM.

GMCA 243/21 GREATER MANCHESTER INVESTMENT FRAMEWORK, CONDITIONAL PROJECT APPROVAL

Eamonn Boylan, Chief Executive GMCA & TfGM, introduced a report which sought approval for an investment into My First Five Years Ltd and approval for follow-on investments into Immersify Education Limited and Tootoot Limited. Members were informed that the investments would be made from recycled funds.

RESOLVED /-

1. That an investment into My First Five Years Ltd of up to £750k be approved.

2. That a follow-on investment into Immersify Education Ltd of up to £200k be approved.

3. That a follow-on investment into Tootoot Limited of up to £100k be approved.

4. That authority be delegated to the GMCA Treasurer and GMCA Monitoring Officer to review the due diligence information in respect of the above Fund, and, subject to their satisfactory review and agreement of the due diligence information and the

overall detailed commercial terms of investment, to sign off any outstanding conditions, issue final approvals, and complete any necessary related documentation in respect of the investment noted above.

GMCA 244/21 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED /-

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

GMCA 245/21 GM INVESTMENT FRAMEWORK, CONDITIONAL PROJECT APPROVAL

Clerk's Note: This item was considered in support of the report considered in Part A of agenda (Minute GMCA 243/21 above refers).

RESOLVED /-

That the report be noted.

Signed by the Chair:

MINUTES OF THE MEETING OF THE
GREATER MANCHESTER COMBINED AUTHORITY
HELD ON 28 JANUARY 2022 AT LEIGH SPORTS VILLAGE, WIGAN

PRESENT:

Greater Manchester Mayor	Andy Burnham (In the Chair)
Bolton	Councillor Hilary Fairclough
Bury	Councillor Eamonn O'Brien
Manchester	Councillor Bev Craig
Oldham	Councillor Arooj Shah
Rochdale	Councillor Neil Emmott
Salford	Councillor Paul Dennett
Stockport	Councillor Elise Wilson
Tameside	Councillor Brenda Warrington
Trafford	Councillor Andrew Western
Wigan	Councillor Nazia Rehman

OFFICERS IN ATTENDANCE:

Chief Executive Officer, GMCA & TfGM	Eamonn Boylan
GMCA Monitoring Officer	Liz Treacy
GMCA Treasurer	Steve Wilson
GMFRS	Dave Russel
GMP	Wasim Chaudhury
Bolton	Bernie Brown
Bury	Paul Lakin
Manchester	Carol Culley
Oldham	Harry Catherall
Rochdale	Steve Rumbelow
Salford	Debbie Brown
Stockport	Caroline Simpson
Tameside	Steven Pleasant
Trafford	Sara Saleh
Wigan	Alison McKenzie-Folan

Office of the GM Mayor	Kevin Lee
GMCA	Julie Connor
GMCA	Nicola Ward
GMCA	James Killan
TfGM	Steve Warrener

GMCA 246/21 APOLOGIES

RESOLVED/-

That apologies be received and noted from Deputy Mayor Bev Hughes, Councillor Martyn Cox (Hilary Fairclough attending), Councillor David Molyneux (Councillor Nadia Rehman attending), Joanne Roney (Carol Culley attending), Tom Stannard (Debbie Brown attending), and Tony Oakman (Bernie Brown attending).

GMCA 247/21 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

The GM Mayor, Andy Burnham reflected on recent events held across Greater Manchester to mark Holocaust Memorial Day, particularly a service held at the GMCA Office led by Rabi Walker, where it had been a privilege to hear the experience of a Manchester-based holocaust survivor.

An update was provided on the Clean Air Zone for Greater Manchester, the CA were reminded that the legal direction was given to Local Authorities in March 2020 to implement a clean air zone in order to address long-term annual standards for harmful nitrogen dioxide air pollution. During 2021 TfGM gathered evidence to express to Government concerns that the current scheme may not be successful in achieving compliance by 2024, but in fact would cause real hardship to many businesses in Greater Manchester as a result of recent changes to the supply chain and cost inflation. This information prompted the Greater Manchester Air Quality Administration Committee to request the Government to suspend the funding for phase two and fundamentally review the situation. Following this, the GM Mayor had met with the Secretary of State this week, at which he was asked to consider all options in particular to lift the Government’s legal direction on all ten Greater Manchester Local Authorities to provide more time to achieve compliance.

RESOLVED /-

1. That Members of the GMCA welcomed the opportunity to take part in events to mark Holocaust Memorial Day on 27 January 2022 and that it be a further reminder that there will never be room for racism, hate or discrimination in Greater Manchester.

2. That it be noted that the GM Mayor met with the Secretary of State on the 26 January 2022 as only he can enable a review, variation or withdrawal of the Clean Air Scheme. The Secretary of State had been requested to consider all options, in particular to lift the Government's legal direction on all ten Greater Manchester Local Authorities to provide more time for compliance to be achieved.

3. That it be noted that Members of the GMCA were committed to improving air quality and the health of residents but also recognised that major changes were needed to the current scheme. The request made to the Secretary of State followed previous articulations regarding the fear that the current scheme may not be successful in achieving compliance by 2024 but would cause real hardship to many businesses in Greater Manchester as a result of recent changes to the supply chain and cost of inflation.

4. That it be noted that there would be further engagement regarding the proposed Clean Air Zone in 7-10 days' time and an update provided at the next meeting of the GMCA.

GMCA 248/21 DECLARATIONS OF INTEREST

RESOLVED /-

There were no declarations of interest received in relation to any item on the agenda.

GMCA 249/21 MINUTES OF THE GMCA MEETING HELD ON 17 DECEMBER 2021

RESOLVED /-

That the minutes of the GMCA meeting held on 17 December 2021 be approved.

GMCA 250/21 MINUTES OF THE GMCA RESOURCES COMMITTEE HELD ON 17 DECEMBER 2021

RESOLVED /-

That the minutes of the GMCA Resources Committee meeting held on 17 December 2021 be noted.

GMCA 251/21 MINUTES OF THE GMCA STANDARDS COMMITTEE HELD ON 17 DECEMBER 2021

RESOLVED /-

That the minutes of the GMCA Standards Committee meeting held on 17 December 2021 be noted.

GMCA 252/21 MINUTES OF THE GMCA AUDIT COMMITTEE HELD ON 21 JANUARY 2022

RESOLVED /-

That the minutes of the GMCA Audit Committee meeting held on 21 January 2022 be noted.

GMCA 253/21 MINUTES OF THE GMCA OVERVIEW & SCRUTINY COMMITTEES – JANUARY 2022

RESOLVED /-

That the minutes of the GMCA Housing, Planning & Environment Overview & Scrutiny Committee meeting held on the 11 January 2022, and the minutes of the GMCA Economy, Business Growth & Skills Overview & Scrutiny Committee meeting held on the 14 January 2022 be noted.

GMCA 254/21 MAYORAL GENERAL BUDGET & PRECEPT PROPOSALS

The GM Mayor, Andy Burnham, introduced a report which set out the proposal for the Mayoral General Budget and precept for 2022-23 for consideration by the members of the GMCA. The proposed precept increase would equate to £7 per year for a Band D property for the Mayoral General Budget and £5 per year for the Fire Service element, resulting in an increase of less than £10 a year for the majority of Greater Manchester residents.

The Greater Manchester Fire and Rescue Service (GMFRS) had been through a transition period following the Programme for Change and had made improvements in recent years. It had responded well to significant incidents and the proposals sought to maintain a minimum level of cover that the GMCA found acceptable, whereby 50 pumps should remain in operation across the city region, with five firefighters per pump at a single-pump fire station and four firefighters per pump at a double-pump fire station.

An additional potential funding pressure had been identified in relation to marauding terrorist attack (MTA) training. Many firefighters had not been trained to respond to MTAs when they began their careers. A proposal to train all firefighters had been agreed in principle with the Fire Brigade Union but was still subject to ballot, which was expected to conclude in February 2022. It had been proposed that firefighters who underwent the training would receive additional pay to reflect the responsibility of undertaking the training and being available to respond to an MTA.

The increase to the Mayoral General Budget element of the proposal had been minimised as much as possible as the cost of living pressures on residents across Greater Manchester were recognised. However, the proposed increase would ensure that schemes like Our Pass and A Bed Every Night would be sustained and could continue to provide support to vulnerable residents in the city region. The increase would also contribute to Greater Manchester's bus franchising scheme, which would enable the transformation of the bus system across the conurbation. National funding for bus services through the Bus Back Better strategy and Bus Service Improvement Plan had recently been scaled back and plans within Greater Manchester had been adapted to ensure that the bus franchising scheme could proceed.

Members generally agreed with the proposals and reiterated the need to provide a minimum level of cover at fire stations, as well as the need to reward firefighters appropriately if they undertook the MTA training. GMFRS was praised, particularly in relation to its work on the High Rise and Building Safety Taskforce, which had addressed fire safety in high rise buildings across the city region following the tragic Grenfell tower fire in 2017.

It was noted that Government had committed to an extension of the 100% business rate retention pilot within Greater Manchester for one year and Members called on Government to extend the scheme for a longer period so that Local Authorities could engage in medium to long-term financial planning. It was also reiterated that a local government fair funding review was still urgently needed.

In summary, although it was clear that the proposed precept increases were essential to ensure the delivery of local services, Members were clear that this approach resulted in regressive forms of taxation that could be avoided if Government were to properly finance their ambition to level up all areas of the UK.

RESOLVED /-

1. That the GM Mayor's proposal to increase the Mayoral General Precept to £102.95 (Band D) comprising of £71.20 for functions previous covered by the Fire and Rescue Authority precept and £31.75 for other Mayoral General functions be considered.

2. That it be noted that the proposal for the Mayoral General Precept for 2022/23 is part of a multi-year strategy for setting the Mayoral precept baseline which will be adjusted in future years as further Mayoral functions are covered by the funding raised.

3. That the following be noted:

    i. the overall budget proposed for the Fire and Rescue Service,

ii. the use of the reserves to support the revenue and capital budgets, and the assessment by the Treasurer that the reserves as at March 2021 are adequate,
iii. the proposed Fire Service capital programme and proposals for funding,
iv. the medium-term financial position for the Fire and Rescue Service covered by the Mayoral precept.

4. That the detailed budget proposals for other Mayoral functions be noted.

5. That the use of reserves as set out in Paragraph 3.3 of the report be noted.

6. That Members of the GMCE be asked to consider whether they would wish to submit any written comments to the Mayor in line with the legal process and timetable described in this report.

7. That it be noted that at its meeting on 11 February 2022 there will be an updated budget submitted, consistent with the precept proposals, to reflect final tax base and collection fund calculations and the final Revenue Support Grant settlement.

GMCA 255/21 GREATER MANCHESTER POLICE & CRIME PLAN

The GM Mayor, Andy Burnham, updated Members on the refresh of the pPolice and Crime Plan, Standing Together for Greater Manchester (2022-2025). The report set out the approach that had been taken to refresh the plan and included the key issues that had arisen from consultation and engagement with community safety partnerships, Greater Manchester Police (GMP), wider partners, and the public.

The refreshed Plan had retained the three key pillars from the previous plan: keeping people safe, reducing harm and offending, and strengthening communities and places. These pillars had resonated with the public and would remain the top priorities for GMP. Two additional themes had been added, which sought to address and strengthen the response to the report of Her Majesty's Inspectorate, particularly around support for victims and tackling inequalities. Community safety partnerships would be supported at Local Authority level so that locally led initiatives could be created and maintained.

GMP would be recruiting 325 additional police officers, which represented a total increase of 1000 officers since 2017. It was noted that this represented half of the officers lost between 2010 and 2017 but was nevertheless good progress.

An update was provided on the #IsThisOK campaign video that had been released in December 2021, which focused upon the daily abuse, harassment, and discrimination that women and girls experienced. The video had received over 5 million views which reflected the importance of the campaign. Women and girls' safety would remain a priority within Greater Manchester and the refreshed Plan would help to support ongoing work around gender-based violence.

Assistant Chief Constable, Wasim Chaudhury, emphasised the progress that GMP had made in the previous year. There had been improvements in crime recording, crime investigation, and contact management. District Commanders had taken the opportunity to connect with local communities and there had been increased accountability within the force as a result. GMP had improved the 101 service and would continue to develop its contact services for the public's benefit. Work had been underway at a regional and national level to address serious organised crime, including county line drugs offences and terrorism. Neighbourhood policing had been prioritised, with a focus on making public spaces and transport networks safer for all. GMP was keen to engage with the GMCA and the public on an ongoing basis, with regular police accountability meetings due to take place throughout the year.

Members welcomed the Plan and praised its focus on victims and accountability. GMP's Operation AVRO had already been impactful, and it would continue to be rolled out throughout the conurbation. The 101 service was highlighted as a particular area for improvement and Members welcomed the plans to further improve the service.

The GM Police and Crime Panel at their meeting on the 30 January would be asked to approve the proposed precept increase of £10 a year per Band D property. This proposal reflected confidence in the senior leadership of GMP to deliver the objectives set out in the Plan, with GMP strongly held to account on the delivery of the commitments, including significant improvement to the 101 service.

In summary, the GM Mayor reflected that there had been clear progress within GMP over the past few months, with further considerable steps to be taken throughout 2022 to ensure that the Police Force was positioned to meet the needs of local residents.

RESOLVED /-

1. That the draft Standing Together plan be noted.

2. That it be noted that the GM Police & Crime Panel would be given the opportunity to review and sign off the Plan at their meeting on the 31 January 2022.

GMCA 256/21 GREATER MANCHESTER RETROFIT ACTION PLAN

Councillor Neil Emmott, Portfolio Lead for Green City Region, introduced a report which sought approval of the Greater Manchester Retrofit Action Plan, which had been produced by the Mayoral Retrofit Task Force.

The report highlighted that Greater Manchester would need to significantly prioritise the decarbonisation of heat if it were to achieve its carbon neutrality target of 2038. There would be a need to move towards zero-emissions heating solutions in place of fossil fuels, however zero-emissions solutions required homes to be well-insulated to operate effectively. Many homes were not sufficiently insulated to make the most of new heating technologies, although could be retrofitted to make the necessary improvements. Financial support was required to enable people to achieve this, especially the most vulnerable, noting the concerning data that showed that 15% of Greater Manchester residents were currently living in fuel poverty.

The Greater Manchester Retrofit Task Force had been established to examine retrofitting and it had identified three main challenges: insufficiently skilled operatives, a lack of innovative funding models and solutions to support residents willing to retrofit, and a lack of local information for residents about retrofit. The Retrofit Action Plan identified actions that could be taken with partners over the next three years to accelerate the renovation of properties. The culmination of the Plan would be the deployment of an integrated delivery proposition that evidenced that there would be a requirement of £3-5b investment to enable 20% of homes in Greater Manchester to become carbon neutral.

Members highlighted the global energy crisis and noted that retrofit would be a key mechanism for addressing energy supply and demand in the future, enabling the delivery of low carbon affordable homes and further supporting Greater Manchester in its ambition to be a leading green city region.

RESOLVED /-

1. That the Greater Manchester Retrofit Action Plan and its contents be noted.

2. That the Greater Manchester Retrofit Action Plan be approved for design & publication (attached at Annex 1 to the report).

GMCA 257/21 GREATER MANCHESTER INTERNATIONAL STRATEGY 2022 TO 2025

Councillor Elise Wilson, Portfolio Lead for Economy, took members through a report which provided an overview of the draft Greater Manchester International Strategy and the process that had been taken to refresh the Strategy. The report also contained details about the approach taken for the development of the Delivery Plan.

The International Strategy had been launched in 2017 and had been refreshed for one year in 2020 to account for uncertainties that had arisen from the pandemic. The new refreshed strategy would last for three years from 2022 to 2025 and had been based upon an extensive update of the evidence base, international priorities, and impacts on various sectors in the city region. The process had involved significant consultation with a wide group of stakeholders. The strategy would build upon the Greater Manchester Strategy and reflected the vision of becoming a leading city region in the UK and globally, with particular influence in the green and digital sectors. Internationalisation could further support the Local Industrial Strategy and the Greater Manchester Economic Vision through increased trade, investment, and research and development. Greater Manchester had a transformational role in supporting Government to deliver on its global Britain priorities. The new Strategy had adopted the same strategic framework as the 2020 Refreshed Strategy and it would strengthen the work that was already underway across partner organisations in the city region to improve its international links.

Members reflected on the role of city regional diplomacy and the importance of global collaboration, as well as international trade. Greater Manchester's role in giving back to international communities was also highlighted, with particular reference to the waste management support that had been given to Sylhet in Bangladesh following an earlier delegation to the area.

RESOLVED /-

1. That the new Greater Manchester International Strategy be approved.

2. That the approach to developing the Greater Manchester International Strategy Delivery Plan be noted.

GMCA 258/21 GREATER MANCHESTER INFORMATION STRATEGY AND GMA EXECUTIVE LEADERSHIP

Alison McKenzie-Folan, Chief Executive of Wigan Council, introduced a report containing the Greater Manchester Information Strategy for comment and approval, and to agree a Combined Authority Member and Chief Executive to lead and oversee its implementation.

28 January 2022 was Data Protection Day and the importance of promoting privacy and data protection was emphasised. The strategy had been developed by the Greater Manchester Information Board which had many partners across the city region. It had taken a whole system approach to data and would enable collaborative working whilst protecting the rights of data subjects. During the Covid-19 pandemic, effective data sharing had played a key part in helping the city region to tackle the challenges that it had faced. The Strategy focused on public trust and helping residents to find accurate and reliable information when they needed it. It also addressed the use of algorithms, which had faced criticism in the GCSE and A Level awarding processes during the pandemic. The strategy would further assist organisations to work better collectively and develop consistency across shared priorities, continuing to enable Greater Manchester's strong track record of work in this area

RESOLVED /-

1. That the Greater Manchester Information Strategy be approved.

2. That it be agreed that GMCA Member (Cllr Martyn Cox) and Chief Executive (Alison McKenzie-Folan) would lead and oversee implementation of the Greater Manchester Information Strategy.

GMCA 259/21 CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT DRAFT PROGRAMME CASE

Eamonn Boylan, Chief Executive Officer, GMCA & TfGM, introduced a report which updated Members on the process to secure a City Region Sustainable Transport Settlement (CRSTS) for Greater Manchester, and requested delegation of the consideration, approval and submission to Government of the draft CRSTS Programme Case to the Chief Executive Officer, GMCA and TfGM in consultation with the GM Mayor.

Greater Manchester had been given £1.07bn from Government for Greater Manchester's sustainable transport settlement. However, it had since been instructed to reprioritise the funding under the assumption that it would receive no further capital funding within the Bus Service Improvement Plan process. A process of reprogramming had been conducted which had taken Local Authorities priorities into account and the constrictions of other funding opportunities.

RESOLVED /-

1. That it be noted that the GMCA, as requested by Government on 20 July 2021, had prepared and submitted to the Government's City Region Sustainable Transport Fund in early September, as part of the process to secure up to £1.19 billion of capital funding for the period 2022/23 to 2026/27.

2. That it be noted that on 22 November 2021, the Secretary of State wrote to the Greater Manchester Mayor to say that GMCA had been awarded an indicative

allocation of £1.07 billion of capital funding conditional on the submission of a programme business case by the end of January 2022.

3. That the key planning assumptions that the draft Programme Case was based upon as set out in section 3 of the report be noted.

4. That the approval of the draft Programme Case be delegated to the Chief Executive Officer, GMCA and TfGM, in consultation with the GM Mayor and for submission to Government.

5. That it be noted that, following further review by Government and the announcement of the final award from Government, the final Programme Case would come to GMCA for approval.

GMCA 260/21 BID TO THE ZERO EMISSION BUS REGIONAL AREAS (ZEBRA) FUND

Eamonn Boylan, Chief Executive, GMCA & TfGM, introduced a report which sought approval for the submission of the GMCA ZEBRA fund bid. A proposal had been developed with Stockport and Stagecoach Group Plc (Stagecoach) to bid for funding that would provide zero emission buses. The funding would help to meet the city region’s ambition to decarbonise and improve public transport. It would also contribute to Stockport’s ambitions within the Mayoral Development Corporation.

Members emphasised the significance of the funding and the improvements that it would make to the bus fleet and bus depot in Stockport.

RESOLVED /-

1. That approval be delegated to the Chief Executive Officer, GMCA & TfGM, in consultation with the GM Mayor and the Chief Executive of Stockport MBC, to approve the GMCA ZEBRA fund bid that had been produced in combination with Stockport MBC and Stagecoach Group Plc (Stagecoach). The bid seeks DfT funds of £36.9m alongside Stagecoach investment of approx. £37.2m and a GMCA

contribution of £12.5m to support the introduction of 170 Zero Emission Buses in the south of Greater Manchester by 2024.

2. That the conditions and details for this submission as set out in section 1 of the report be noted.

3. That the GMCA final contribution of £12.5m be provisionally approved, that will be financed by prudential borrowings, noting that the borrowings will be repaid to GMCA over the lifetime of the assets through a subsidy control clawback mechanism; and that it be further noted that in the event that the submission is successful, final approval will be sought once costs have been confirmed.

4. That it be noted that any assets created through this fund would be available for the future franchised Greater Manchester bus network.

GMCA 261/21 GREATER MANCHESTER ECONOMIC DASHBOARD AND ECONOMY PORTFOLIO UPDATE

Councillor Elise Wilson, Portfolio Lead for Economy and Business, updated Members on the latest version of the Greater Manchester Economic Resilience Dashboard and an overview of activity related to the Greater Manchester Local Industrial Strategy and Economy portfolio.

Consumer Price Inflation had reached its highest rate in ten years, at 4.8% in December 2021 and was expected to rise to 6% by Spring 2022. The Resolution Foundation’s latest labour market outlook had indicated that the cost of living crisis would significantly affect households due to the increase in National Insurance contributions, the freeze on the income tax threshold and rising energy prices. The UK Consumer Confidence Index had decreased in December 2021 which reflected concerns about the cost of living.

The Greater Manchester Good Employment Charter had welcomed new members since the last meeting of the GMCA. There were also now 422 accredited real living wage employers which represented a significant step towards Greater Manchester becoming a real living wage city region.

Members reflected on the importance of Local Authorities becoming Good Employment Charter members so that they could lead by example as one of the biggest employers in each Local Authority. It was recognised that by becoming a real living wage city region with high levels of Good Employment Charter membership, Greater Manchester would demonstrate its position as a good place to live and work.

RESOLVED /-

1. That the latest update of the Greater Manchester Economic Resilience Dashboard and response be noted, including delivery of the Local Industrial Strategy and Greater Manchester Economic Vision.

2. That the Leader of Bury Council, Eamonn O’Brien, expressed his gratitude for the recent Good Employment Charter accreditation and urged other Greater Manchester Authorities to lead by example and make the pledge.

Signed by the Chair:

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 18

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