

AGENDA FOR

OVERVIEW AND SCRUTINY COMMITTEE

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To: All Members of Overview and Scrutiny Committee

Councillors: R Bernstein (Chair), C Birchmore,
N Boroda, L Dean, U Farooq, G McGill, K Peel, M Powell,
L Smith, D.Vernon and C Walsh

Dear Member/Colleague

Overview and Scrutiny Committee

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

Date:	Tuesday, 8 February 2022
Place:	Council Chamber, Bury Town Hall
Time:	6.30 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES

2 DECLARATIONS OF INTEREST

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

3 MINUTES (*Pages 5 - 12*)

The minutes from the meeting held on 11th January 2022 are attached for approval.

4 MATTERS ARISING

5 PUBLIC QUESTION TIME

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

6 MEMBER QUESTION TIME

A period of up to 15 minutes will be allocated for questions and supplementary questions from members of the Council who are not members of the committee. This period may be varied at the discretion of the chair.

7 THE COUNCIL'S FINANCIAL POSITION AS AT 31 DECEMBER 2021 (*Pages 13 - 42*)

A report from the Leader of the Council, Councillor E O'Brien is attached.

8 HOUSING REVENUE REPORT (*Pages 43 - 64*)

A report from the Leader of the Council, Councillor E O'Brien is attached.

9 BUDGET REPORTS (*Pages 65 - 248*)

Budget reports from the Leader of the Council, Councillor E O'Brien 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

10 WORK PROGRAMME (*Pages 249 - 250*)

The work programme is attached for information only.

11 URGENT BUSINESS

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

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Minutes of:	OVERVIEW AND SCRUTINY COMMITTEE
Date of Meeting:	11 January 2022
Present:	Councillor R Bernstein (in the Chair) Councillors C Birchmore, N Boroda, G McGill, K Peel, L Smith and D Vernon
Also in attendance:	Councillor Gold, Cabinet Member for Communities, Councillors Rydeheard, N Jones and Harris Chief Superintendent, Chris Hill Lynne Ridsdale, Deputy Chief Executive Kate Waterhouse, Chief Information Officer
Public Attendance:	There were three members of the public present at the meeting.
Apologies for Absence:	Councillor L Dean, Councillor U Farooq, Councillor M Powell and Councillor C Walsh

OSC.1 APOLOGIES

Apologies for absence are listed above.

OSC.2 DECLARATIONS OF INTEREST

Councillor McGill declared an interest as his brother is a Detective Chief Inspector in Derbyshire police and is a treasurer of Topping Fold Tenants and Residents Association.

Councillor Vernon declared an interest as he is a retired Police Inspector.

Councillor Bernstein declared an interest due to his previous association with the Police and Crime Commissioners Office.

OSC.3 MINUTES

It was agreed:

1. The minutes of the meeting held on the 18th November 2021 be agreed as a correct record.

OSC.4 MATTERS ARISING

(A) It was reported that the supplementary question submitted at the last meeting by Councillor Rydeheard regarding the apprenticeship scheme has now been answered by Councillor Quinn via email on the 24th November 2021.

(B) Active travel options for Radcliffe is on the Overview and Scrutiny Committee Forward Planner to be brought to a future meeting

(C) Councillor Birchmore has received a response to her question regarding the locations of a bed every night and homeless units.

OSC.5 PUBLIC QUESTION TIME

The following questions from members of the public were received in advance of the meeting:

Question 1: I was a witness to gangs of youths on Monday 03rd January 22 around the Rock area again, and on the Tram Station platforms Wednesday 5/1/22 openly rolling and smoking with the obvious cannabis smell.

I've also taken my dog for a walk around Burrs Park in Elton towards dusk this last 10 days where NO2 cannisters have been left in the car parking areas, again witnessing scooter riders and car occupants smoking cannabis.

Can you assure us that Bury retains a balance of active police based on the number of residents within the borough to ensure crime remains from what the plan says is low? Andrew Luxton

Councillor Gold advised that following the appointment of Stephen Watson as the Chief Constable for Greater Manchester, GMP have been undertaking a review of neighbourhood policing as part of their new Police and Crime Plan. Locally this is being led by our new Superintendent, Chris Hill, who is working with the Council to understand local need. This has included public consultation events and engagement through our Community Hubs. We will continue to review feedback from residents alongside crime statistics to make sure we keep all of our neighbourhoods safe.

Chris Hill, Superintendent advised one of the many priorities is anti-social behaviour and a means of tackling this is named Operation Saturn. Work is undertaken with relevant partners including TfGM, Councillors and the local Community. This Operation will continue in the Borough of Bury. In relation to drugs incidents, there have been an increase in the number of seizures of drugs which is a result of serious organised crime officers undertaking warrants and stop and searches by officers. Resources are currently being checked to ensure resources are reflective of the income in demand for each area within Bury.

The second question was submitted by Mr Berry who did not attend the meeting. In his absence Councillor Bernstein, Chair read out the question on his behalf.

Question 2: In 2016 it was very easy to Google and find detailed crime statistics in the 3 Radcliffe Wards I found detection and prosecutions rates were very low.

I can no longer find these detailed crime statistics. Can Bury council commit to ensuring that detailed crime statistics are easily and readily available online?

One major concern of mine is that under reporting by victims, is a major issue. How do they think this could improve to get more people to report crimes?

In response Councillor Gold, Cabinet Member for Communities advised that following the implementation of a new Police computer system the data that was used to inform the national crime statistics is not felt to be sufficiently reliable for publishing. Crimes were still being investigated but how they were recorded meant that the data was unreliable. Crime recording is the Police's responsibility, and we know that they are working hard to address the issues with the system so that accurate data can once again be made available.

With regards to under-reporting. This is a key issue that we're looking to address through the new Community Safety Plan. During our recent consultation we heard from residents that they often weren't confident in reporting crimes. Therefore, in the new Plan we have developed a new priority 'creating and maintaining safe spaces' which specifically looks to address this issue with the following stated aims:

- 'Ensure that residents show a greater willingness to report crimes to Police and other services and think about how we celebrate our law-abiding Bury residents'
- 'Create a mechanism, through the community hubs, for residents to provide ongoing feedback and intelligence about Crime and Anti-Social Behaviour'

Chris Hill added that there is significant importance in local people providing information that informs where resources must be placed. Examples of this in practice is demonstrated by weekly meetings and placing resources in areas of immediate concern.

Councillor Bernstein, Chair of the Committee opened to questions from other members of the public who had not submitted their question in advance of the meeting.

Question 3: As a resident of Moorside Bury I regularly see lots of fly tipping, speeding and cannisters can be found. Can I ask what the Council is doing about these issues. Jill Budgen

In response Councillor Gold advised that street cleaning and fly tipping does not fall under his portfolio. He did advise fining of people fly tipping has been targeted and more people are caught. However, speeding does fall in his remit, and this is addressed within the Community Safety Plan. Councillor Gold advised Moorside Councillors can assist with the fly tipping matters in the area and the information of those Councillors can be found on the Council Website.

Chris Hill added that the Road Policing Officers are to be increased across Bury with a focus on hot spot areas to look at weight restrictions of vehicles, speeding and the use of uninsured vehicles.

OSC.6 MEMBER QUESTIONS

The following question from a member was received in advance of the meeting:

Question one: One of the biggest concerns in my ward is drug misuse, and residents often report sightings of silver laughing gas canisters or miniature plastic drug packets in their immediate vicinity.

On page 7 of the draft community safety plan, it reads 'There is some data to suggest that drug related offences are higher than other areas which requires further analysis'. When will this analysis be completed, and when can we expect the results to be circulated?

Councillor Rydeheard

Councillor Gold advised the experience residents in your ward raise is replicated in many areas across the borough and supported with the borough-level data, which is why 'Drug-related offending' is identified as a specific priority within the Community Safety Plan. The extract you reference on Page 7 refers to the fact that drug-related offending is higher in Bury than in other GM Local Authorities and an early priority for the delivery plan will be to analyse this data more thoroughly to understand the underlying causes and ways to address them.

A thematic group is being established to lead on this priority, jointly chaired by Public Health and Greater Manchester Police, to consider this question and decide how we're going to address it. The Community Safety Plan is a 3-year plan, but we will be happy to report back to Scrutiny on progress against the stated objectives as required.

Councillor Rydeheard asked a supplementary question:

The data will be analysed, and thematic group chaired by GMP and Public Health, will there be Local Authority representation and Community group representation on the group?

In response Councillor Gold advised this is detailed in the Community Safety Plan and the Council will have representation on this group. However, there is currently no Tenant and Resident Association's on this but will be considered going forward.

OSC.7 MEETING THEME - CRIME AND DISORDER

Councillor Bernstein formally welcomed Councillor Gold, Cabinet Member for Communities, Lynne Ridsdale, Deputy Chief Executive, Chris Hill Chief Superintendent and Kate Waterhouse, Chief Information Officer to the meeting.

Councillor Gold introduced the item, the Community Safety Partnership Annual Report and the Community Safety Plan.

Chris Hall, Chief Superintendent introduced his role and his priorities for Policing in the Borough of Bury. These priorities consisted of the right resources in the correct places and when a resident is the unfortunate victim of crime that they receive an excellent service from the Police. He showcased the 'plan on a page' document which is the Police roadmap to recovery across Greater Manchester.

Councillor Boroda questioned the Council's perspective on why Community Safety should be a priority for the Council. In response Councillor Gold advised the Council adds value through organisation of the groups, the intelligence from Councillors and the local community, Neighbourhood Teams, Sixtown Housing, and the Hubs.

Councillor Birchmore stated that following engagement with local residents it is believed there is a significant amount of under reporting of crime due to a lack of belief in law enforcement. As Radcliffe has no police station and only a limited police presence. Councillor Birchmore asked for reassurances that the problems in some parts of Radcliffe have been recognised and plans are being put in place to address the issues.

In response Councillor Gold, advised the list was not exhaustive and resident feedback from the consultation has been used to inform the priorities. Again, the under-reporting issue was reported in the consultation and has been used to inform the police of the hotspots.

Chris Hill, Superintendent advised each town in the Borough of Bury including the Inspector for Radcliffe, Inspector Wright, produces a report on the hot-spots, repeat locations and the local team for Radcliffe are well sighted on local issues. Councillor Birchmore added that a drop-in centre for Radcliffe instead of a Radcliffe Police Station has been well received by local residents.

Councillor Vernon questioned how the resent Ofsted report findings had impacted policing. In response Chief Superintendent Chris Hill advised he is sighted and aware of the findings in the report. Joint working takes place to discuss issues where there is a recognised risk to a child. All concerns are communicated to the Local Authority and this ensures there is no delay in reporting. Superintendent Chris Hill provided a detailed update report on the improvements made so far and planned for going forward.

Questions took place regarding the statement within the Community Safety Plan of 'Bury being safer' and how this is measured. It was concluded that an update will come to a future meeting in the new municipal year to provide comparative data which demonstrates if this is the case.

The Committee discussed the incident which happened in Bury recently and what is taking place to reduce the likelihood of such an incident occurring again. In response Chief Superintendent Chris Hill advised work is required to improve reporting from the Taxi Driver Community and build confidence with individuals to report any antisocial behaviour.

Chris Hill Chief Superintendent advised the Committee that the Chief Constable asked all Chief Superintendent's to visit each area and find a venue to speak to all local Councillors. The Committee were advised that this will be arranged soon along with a visit to each local authority to include mass police presence.

Further themes of discussion were around the following topics:

- Drug dealing
- Speeding

- Lack of reporting; this is due to many issues, but Councillors and the local community are asked to report any issues so that they can provide targeted interventions.
- Domestic Violence and incidents
- Response times of Greater Manchester Police; this response time has now reduced to an average speed of 16 second for 999 calls and the average response to 111 calls is 2 minutes.
- Officers out in local areas; the numbers of officers is to be increased and local work is taking place to target areas of high demand.

It was agreed:

1. For the Cabinet Member for Communities to speak to officers about creating a Council system for monitoring the reporting of finding drug paraphernalia.
2. That the Cabinet Member for Communities provides performance data which supports the monitoring of the Community Safety Plan at a future update to the Overview and Scrutiny Committee in September 2022.
3. That the March 2022 meeting should focus on response, recovery and resiliency in relation to the Pandemic
4. To thank Chief Superintendent Chris Hill, Councillor Gold, Cabinet Member for Communities, Lynne Ridsdale, Deputy Chief Executive and Kate Waterhouse, Chief Information Officer for their update and time.

OSC.8 NEIGHBOURHOOD PITCH

Councillor Gold Cabinet Member for Communities introduced the item 'Neighbourhood Pitch'. Following the establishment of the Neighbourhood Hubs, the work is now place based which has been well received. Each locality has been able to make their own decisions on how the pitch was delivered to their area to improve resident engagement.

There was £340,000 worth of grants applied for the time regarding the recovery theme and the 'Lets Do It' Strategy. It was stated that that the increased amount of £5000 compared to £2000 previously generated more interest and made the Pitch more competitive.

Prior to the submission of applications, the hub managers engaged with community groups in need of support and the Voluntary Community and Faith Alliance held a 'meet the funder' event to support prospective applicants. When grants were received, they were validated to ensure qualifying criteria was met then a voting exercise on One Community took place.

Questions were invited from members of the Committee.

Councillor Smith questioned what can be done to build businesses up and support their longevity.

In response Lynne Ridsdale, Deputy Chief Executive, advised funds for each area has been set equally which is not replicable of the demand. This has been done intentionally to work and build up groups in areas where there is currently a limited amount.

Cllr McGill reported that prior to the pandemic the Pitch events opened opportunities for collaboration. He asked if there was feedback from organisations that attended the last Pitch on this.

Kate Waterhouse, Chief Information Officer advised the Committee that the Community Hubs have looked at the feedback received. Following the last event there has been evidence of collaboration in new bids including some joint bids from organisations that have decided to work together.

Discussions on the end of project evaluation took place. In response Lynne Ridsdale, Deputy Chief Executive advised that recent focus has been on getting the money out to the eligible groups. Following this the focus will be agreeing the outcome measures of success with the bidders and then reflecting on each of the projects to see the effect this has since been made.

Discussions took place regarding the auditing of the scheme. It was confirmed that reviews take place by the Strategic Partnership Team on receipt of application including eligibility and proposed spend. Checks will be random spot checks of around 10% of the total projects to ensure compliance.

Jacqui Dennis, Monitoring Officer advised the terms of the grant funding will be in their application and the terms and conditions of their contract. These conditions will allow the Council to claw back funding if the agreement is deviated from.

It was agreed:

1. Cabinet Member for Communities to share information on the Health Improvement Fund outside the meeting;
2. that the Cabinet Member for Communities provides an update on outcomes from bidders of the 'Pitch' event at a future Overview and Scrutiny Committee;
3. Councillor Gold, Lynne Ridsdale and Kate Waterhouse be thanked for their attendance and update.

OSC.9 URGENT BUSINESS

There was no urgent business.

COUNCILLOR R BERNSTEIN
Chair

(Note: The meeting started at 6.30 pm and ended at 9.30 pm)

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Classification: Open	Decision Type: Non-Key
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Report to:	Overview and Scrutiny Committee – 8 February 2020 Cabinet- 16 February 2022	Date: 16 February 2022
Subject:	The Council's Financial Position as at 31 st 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 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.

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 have ongoing 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 the pandemic. 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 made up 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 31 st 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 31 st 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 31 st 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 30 th 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 30 th 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 funding from 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 to over £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 enable evaluation of impact of central services.
 - Support and drive schools in Bury to meet a higher level of need in a more cost-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 from appropriate 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 the transformation 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 (for police 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 net surplus, whereas the council have a 99% share of the Business Rates deficit and 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 is expected 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 the impact of COVID related deficits over three financial years, thus reducing the impact on the revenue budget. The Council's 2021/22 budget and future years budget 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
<i>Distributed:</i>			
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 31 st 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.

Report Author and Contact Details:

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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

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	Revised Budget	Re-aligning	Proposed Budget Adjustments	Revised Budget at Month 9	Forecast Outturn	Forecast	Proposed rephasing	Expenditure to December 2021
Capital Scheme	2021/22 (After adjustments)	Month 9	Month 9	2021/22	2021/22	(under) / overspend	into future years	(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 acquisition)	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 Regeneration	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 Regeneration	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 Rege	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 Pupils	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 People	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 - Investment Estate	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 Repairs	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 Facilities	0.048	0.025		0.072	0.010	-0.062	0.062	0.000
Hoyles park Pavilion Demolition and Clearance	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 - Communities and Wellbeing	4.760	-0.900	0.352	4.212	1.404	-2.809	2.808	0.489
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 Wellbeing	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
Glyosphate 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		
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	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



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 2.13 Approve an increase Sheltered Management and Amenity Charges by 4.1% as set out in paragraph 3.5 Note that sheltered support and heating charges remain unchanged
- Note that Furnished Tenancy charges will remain unchanged
- Approve the Management Fee to 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 Council's 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
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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

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

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

	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

APPENDIX 2

Current charges 2021/22 and proposed charges 2022/23

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
	£	£	£	£	£	£	£	£	£
Beech Close	12.00	8.33		20.33	12.49	8.33	4.1%	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

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

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

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact	Min. Provision
				£m	£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 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 targeted 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



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 elsewhere on 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:

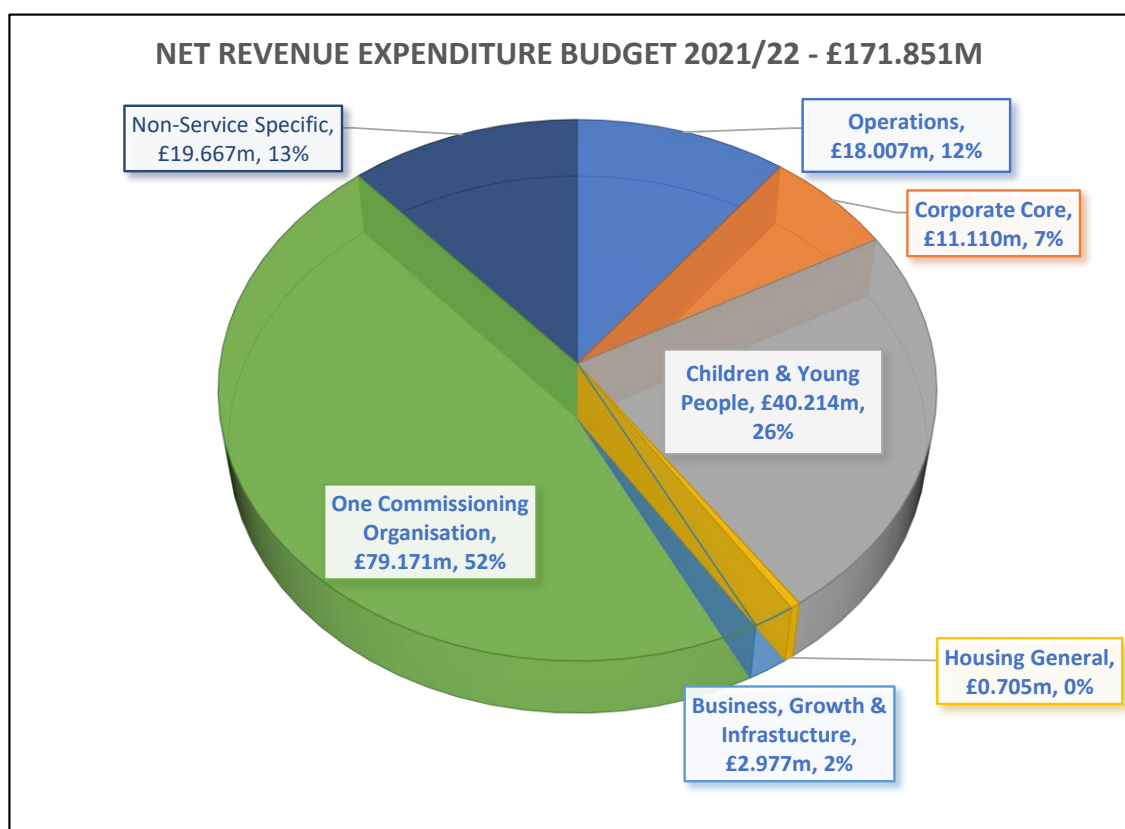
- i. A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes.
- ii. Harnessing the enterprise of local people and businesses to drive economic growth, and ensuring every resident has the opportunity to connect to the opportunity of this 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 any trends 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 increase as 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 broader reforms 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. The impact 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 and other 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 Rates 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 2022/23 BUDGET

- 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 ambitions and 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 a whole.
 - 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, to ensure 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 to increase 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 an increase 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 Council's 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 Council's 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 2022/23 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 to budget 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's reserves.
- 7.2 The basis on which the budget has been prepared, as in previous years, relies on the forecast 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 which cause 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 or destruction 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 purposes which will reduce the need for general reserves.
- 7.5 Based on the budget proposals set out in this report and taking account of the current forecast out turn position, the Council will see a reduction in its general reserves from a 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 Section 151 statutory officer is required to 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 the short 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 to regeneration/growth initiatives and commercialisation/transformation of Council services. 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 basis through 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 of Public 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 an assessment 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 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, 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 impact on existing budgets and budget setting in subsequent years.

Consultation

Some of the proposed savings will be subject to separate decision making processes (either by 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 consultation 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 in relation to the subject matter of that consultation.

Employee and Trade Union Consultation

The report recognises that notwithstanding efforts to reduce impacts on staff resulting from the 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 spend is 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 proposals 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 of charges.

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:

Sam Evans

Executive Director of Finance (S151 Officer)

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

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

Appendix 2 – Spending Allocations

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
<i>Demand</i>		
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 (overachievement)	-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			EIA Required	Consultation Required
		2021/22	2022/23	Previously Agreed budget savings		
		£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		

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 will 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

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.	28 th February 2022
Business Partners to update services with the new allocations for staff.	Before 1 st April 2022 (CT approval all budgets to be sent out with Budget Holder statements).

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. Whilst 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

Page 12	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	1 st 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: <ul style="list-style-type: none"> - 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.

Page 146	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 E: Key Risks and Mitigations

Risks	Mitigations
Employee relations disruption	<ul style="list-style-type: none"> consultation
Capacity to deliver	<ul style="list-style-type: none"> 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

Page 124 Review of processes/systems for personal budgets with a task and finish group including health and education	Mar 22
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Section D

Consultation Required?	No
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	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
<p>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</p> <p>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.</p> <p>To review universal and targeted provision for children with disability to ensure that needs can be met without always specialist involvement.</p> <p>To ensure that staff and families have a full awareness and understanding of the new Short Breaks Offer so that needs are met appropriately.</p>
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
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	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)

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
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	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
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	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?			
<p>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.</p> <p>The proposal should deliver the full saving in 2022/23 and subsequent financial years .</p>			
Signed Executive Director		Cabinet Member Signature	
Signed Finance		Name and Date	

Reference	CYP005
Executive Director	Isobel Booter
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
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	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 with 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
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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

Consultation Required?	
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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 1 st 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?			
<p>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.</p> <p>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.</p> <p>The combination of the premises savings and income will achieve a £20k budget reduction in 22/23.</p>			
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.

Page 418
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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Monthly monitoring to ensure remain on track. - Historical data shows the reductions should be achievable
Loss of skills	<ul style="list-style-type: none"> - 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
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	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?			
<p>£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.</p>			
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

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
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	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 COVID 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.

<p>Page 154</p> <p>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.</p>

	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.

Page 155 Action on 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.
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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
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	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 from authorities that have supplied liners and removed them
Residents adopting a different approach re: purchasing liners	Awareness re:

Page 160	<ul style="list-style-type: none"> - where affordable liners can be purchased from. - The type of liners that can be used
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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
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	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?			
<p>Changing 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.</p> <p>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.</p>			
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
<p>All property utility bills would be centralised under the Corporate Landlord function</p> <p>AMR water meters to be fitted</p> <p>Reduction in consumption through monitoring of utility bills</p> <p>Improved energy efficiency</p> <p>Reduction in Council's Carbon emissions</p>
Service Delivery
<p>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.</p>
Organisation (Including Other Directorates/Services)
<p>Impact on Finance Team- reduce headcount required – TBC as part of Finance restructure (subject to formal job consultation process).</p> <p>Will need to upgrade the Council's EMS Finance package</p> <p>Centralise bill payments under new Corporate Landlord function.</p> <p>Individual Depts no longer responsible for payment of utility invoices</p>
Workforce – Number of posts likely to be affected.
<p>Finance Team- reduce headcount required – TBC as part of Finance restructure (subject to formal job consultation process).</p>
Communities and Service Users
<p>No impact on communities and service users in first phase – back-office efficiency and improvement.</p>
Other Partner Organisations
<p>Opportunity in 2023/24 for STH and Persona to collaborate.</p> <p>Future opportunities for other third-party organisations e.g. schools and academy trusts</p>

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
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	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 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

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:

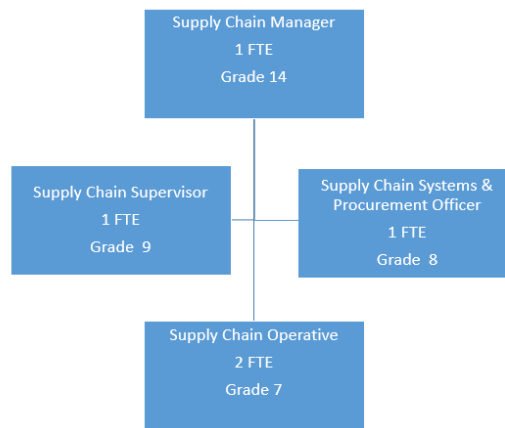
Item	Cost £
Cleaning and domestic supplies	46,800
Energy	57,400
Rates	49,800
Repairs and maintenance	21,300
Water	31,000
Supplies and Services	40,300
Total	206,300

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.

Page 2.7 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

Page 66 Part 1: Facilities 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
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Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital			
<p>Capital investment may be required if move to a new unit at Bradley Fold – see note from Property Services above</p> <p>Capital investment will be required to fit out the new joint store. Some of the fittings and equipment from Bridge Street can be moved</p>			
Finance Comments – Will the proposal deliver the savings and within the agreed timescales?			
<p>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.</p> <p>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.</p> <p>Restructuring the management of the services will release further savings, with timings determined by HR processes around consultation and notice periods.</p>			
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

<p>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.</p> <p>➤ <u>Restructure</u> – 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.</p> <p>➤ <u>Wellness Delivery Expenditure Budget Reductions</u> – A review across all Wellness Budgets has commenced and the following will be allocated as savings :</p> <p style="margin-left: 40px;">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.</p> <p style="margin-left: 40px;">b. Reduction in vending budgets following a change to external provider £20k</p> <p style="margin-left: 40px;">c. Parks budget efficiency saving £20k</p> <p>➤ <u>Income and Growth</u> – 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</p> <p>➤ <u>Review of Programmes</u> – 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.</p>
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	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)
<p>Positive Reduced expenditure deficit and increased growth and income for Leisure Services</p> <p>Negative Links to workforce wellbeing and the ability for the workforce to change the way they deliver the service within a short timescale.</p>
Workforce – Number of posts likely to be affected.
<p>Positive Reduced staffing costs for the Council. (Subject to channel shift model being fully implemented).</p> <p>Negative Channel Shift - Potentially c2 FTE posts directly affected.</p>
Communities and Service Users
<p>Positive Where possible the channel shift will support an improved transactional customer experience.</p> <p>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.</p>
Other Partner Organisations
<ul style="list-style-type: none"> ➤ 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
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	Start Date	End Date
Staff		
Trade Unions		
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?			
<p>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.</p> <p>Savings within these services need to be set in the context of the income for Leisure lagging behind a temporarily reduced income target.</p>			
Signed Executive Director		Cabinet Member Signature	
Signed Finance		Name and Date	

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	£46.96
Comingled	£14.96	-£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 (comingled) 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
<p>A borough wide communications campaign will be needed to target behaviour change. This will include:</p> <ul style="list-style-type: none"> • 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)

<p>Page 183</p> <p>Port from Corporate Core- Comms Team and Community Hubs. Comms to Carers via OCO.</p>
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
<p>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.</p> <p>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.</p>

Section C

Key Risks and Mitigations

Risks	Mitigations
<p>Recent comms from GMCA indicates there are likely to be significant pressure on the GM waste disposal levy costs due to:</p> <ul style="list-style-type: none"> Impacts of the National Waste and resources Strategy The merger of SUEZ and Veolia <p>This would result in an increase in waste disposal costs for Bury.</p>	<p>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.</p>
<p>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.</p>	<p>Discussions to take place with finance to confirm the savings can be attributed to operations.</p>
<p>Capacity to mobilise a presence in communities for door knocking, carers, Hubs and Food banks.</p>	<p>Super boost funding secured, integrate into people's roles, embedding into climate change activity, Council Change Agents.</p>
<p>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!</p>	<p>Levy projections as accurate as possible based on previous experience</p>

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

Page 184 Partnership 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
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	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
<p>Funding has already been secured as follows to support this:</p> <ul style="list-style-type: none"> • 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 <p>A small budget may be required for communications material.</p>

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.

Page 18 of 18
Service Delivery
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 12 existing drivers • 1 existing supervisor who also drives • Workshop provision if less buses are required to be maintained
Communities and Service Users
<p>A reduction overall budget circa 15% resulting in</p> <p>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</p>

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.

Page 188	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
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	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

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Retention of 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
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	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	Item No.
Open	



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	2022/23	Increase/(Decrease)
	£m	£m	£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 Free 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, especially in relation to funding in future years.

The format of the Capital Strategy reflects the Prudential and Treasury Management Codes 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 links directly to the medium-term financial strategy, the treasury management strategy, the school'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 likely to 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. In developing 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 mostly specific to projects and cannot be used for other purposes. Examples of these would include the allocations for schools, highway maintenance or disabled facilities grants from 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 the full 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, to finance 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 arrangements 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 through borrowing, and the borrowing costs have been reflected in the Council's Medium Term Financial 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 Gateway Groups 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 surplus assets. 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
<p>The Council's capital resources are not managed effectively.</p> <p>The Council's capital resources are not targeted to priorities and outcomes and the benefit of the investment across the Borough is not maximised.</p>	<p>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.</p>

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

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 cemeteries	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
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Report to:	Overview and Scrutiny - 8 February 2022 Cabinet – 16 th 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.

Report Author and Contact Details:

Name: Sam Evans

Position: Executive Director Finance

Department: Corporate Core (Finance)

E-mail:

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

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

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

Open

Decision Type

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 procedures 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 responsibility 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 Council's 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 Council's 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 appropriate 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. Rate	Principal		Avg. Rate
		£m	£m		£m	£m	
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		2021/22		2022/23		2023/24		2024/25	
	Actual	£m	Estimate	£m	Estimate	£m	Estimate	£m	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.

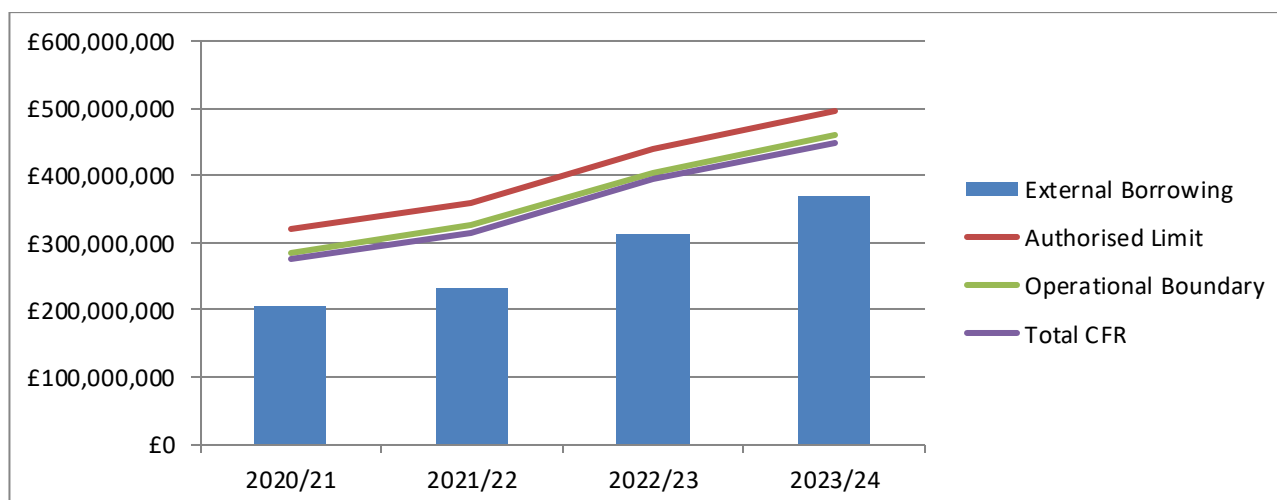
Operational boundary	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £'000
Borrowing	294.400	366.000	403.300	418.900
Other long-term liabilities	5.000	5.000	5.000	5.000
Commercial activities / non - financial investments	10.000	10.000	10.000	10.000
Total	309.400	381.000	418.300	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 interest 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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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 the 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 Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit criteria** 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 its 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 Value - (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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Draft Agenda Plan 2021/22 - Overview and Scrutiny

Date of Meeting	Deadline for reports to DS	Agenda Publication Date	Deadline for submission of advance questions from Members	Items for the Meeting	Officers/Cabinet Member
20.07.2021	08.07.2021	12.07.2021	19.07.2021 (10am)	Climate Change Action Plan Decarbonisation Fund Clean Air Plan	Donna Ball Cllr Quinn
14.09.2021	03.09.2021	06.09.2021	13.09.2021 (10am)	Town Centre Regeneration (focus on one particular town centre) Item to potentially include: - Site Visits - Links to skills for employment and neighbourhood working model.	Paul Lakin Lynne Ridsdale Cllrs O'Brien/Rafiq/Gold?
18.11.2021	08.11.2021	10.11.2021	17.11.2021 (10am)	homelessness, rough sleeper initiatives, Afghan project, Tenancy Ready and eviction rates Peer Review Howard Bernstein Matters arising – sub group	Cllr Cummins J.Summerscales P Cole G. Little
11.01.2022	30.12.2021	03.01.2022	10.01.2022 (10am)	Crime and Disorder CSP	Lynne Ridsdale Cllr Gold Chris Hall
08.02.2022 (BUDGET)	28.01.2021	31.01.2021	07.02.2022 (10am)	Budgetary Items: <ul style="list-style-type: none">• BUDGET MONITORING QUARTER 3 2021/22• THE COUNCIL'S BUDGET 2022/23	Sam Evans Cllr O'Brien

				AND THE MEDIUM TERM FINANCIAL STRATEGY <ul style="list-style-type: none"> • DEDICATED SCHOOLS GRANT AND SETTING THE SCHOOLS BUDGET 2022-23 • CAPITAL BUDGET 2022/23 • HOUSING REVENUE ACCOUNT • THE FLEXIBLE USE OF CAPITAL RECEIPTS 	
23.03.2022	11.03.2022	15.03.2022	22.03.2022 (10am	Corporate Plan (Annual Outcomes) Anti-Poverty Strategy To focus on the three R's response, recovery and resiliency.	Lynne Ridsdale Cllr Rafiq Lynne Ridsdale Lynne Ridsdale

Note: Quarterly Corporate Performance and Financial Monitoring reports to be scheduled in line with Cabinet Reporting timescales being mindful of not overloading agendas.

As part of the future updates a report on what the active travel choices are for Radcliffe to be brought forward.

- Active Travel Choices in Radcliffe to be brought with future regeneration updates.
- Community Safety Plan to be brought back in September 2022 (6 months after sign off at March Council)