AGENDA FOR

CABINET

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To: All Members of Cabinet

Councillors : E O'Brien (Leader and Cabinet Member, Strategic Growth) (Chair), N Boroda (Cabinet Member for Health and Adult Care), C Cummins (Cabinet Member, Housing Services), R Gold (Cabinet Member, Finance and Communities), C Morris (Cabinet Member, Culture, Economy & Skills), A Quinn (Cabinet Member, Environment, Climate Change and Operations), T Rafiq (Cabinet Member, Corporate Affairs and HR) and L Smith (Deputy Leader and Cabinet Member, Children and Young People)

Dear Member/Colleague

Cabinet

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

Date:	Wednesday, 14 February 2024
Place:	Bury Town Hall
Time:	6.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

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

3 PUBLIC QUESTION TIME

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

Notice of any question must be given to Democratic Services by midday on Monday, 12 February 2024. Approximately 30 minutes will be set aside for Public Question Time, if required.

4 MEMBER QUESTION TIME

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

Notice of any Member question must be given to the Monitoring Officer by midday Friday 9 February 2024.

5 MINUTES *(Pages 5 - 10)*

Minutes from the meeting held on 10 January 2024 are attached.

6 HOUSING REVENUE ACCOUNT BUDGET REPORT *(Pages 11 - 28)*

Report of the Cabinet Member for Finance and Communities is attached.

7 THE COUNCIL'S REVENUE BUDGET AND THE MEDIUM TERM FINANCIAL STRATEGY *(Pages 29 - 140)*

Report and appendices of the Cabinet Member for Finance and Communities are attached.

8 QUARTER THREE CORPORATE PLAN PERFORMANCE REPORT 2023/24 *(Pages 141 - 158)*

Report of the Cabinet Member for Corporate Affairs and HR is attached.

9 REPORT BY THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN (21 011 785 / 23 005 479 / 22 011 825) *(Pages 159 - 172)*

Report of the Cabinet Member for Children and Young People is attached.

10 REPORT BY THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN (23 006 024) *(Pages 173 - 204)*

Report of the Cabinet Member for Children and Young People is attached.

11 **SIMISTER ISLAND DEVELOPMENT CONSENT ORDER** *(Pages 205 - 220)*

Report of the Leader and Cabinet Member for Strategic Growth is attached.

12 **BURY COUNCIL FINANCE - FUTURE LEADERSHIP ARRANGEMENTS** *(Pages 221 - 228)*

Report of the Cabinet Members for Finance and Communities is attached.

13 **APPOINTMENTS UPDATE** *(Pages 229 - 230)*

Report of the Cabinet Member for Corporate Affairs and HR is attached.

14 **MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES / GREATER MANCHESTER COMBINED AUTHORITY** *(Pages 231 - 244)*

To consider the minutes of the Greater Manchester Combined Authority meeting held on 15 December 2023.

15 **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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Agenda Item 5

Minutes of: **CABINET**

Date of Meeting: 10 January 2024

Present: Councillor E O'Brien (in the Chair)
Councillors R Gold, C Morris, A Quinn, T Rafiq and L Smith

Also in attendance: Councillors R Bernstein and M Smith

Public Attendance: Cath Farrell, Interim Chief Executive of Six Town Housing was present at the meeting.

Apologies for Absence: Councillor N Boroda and Councillor C Cummins

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CA.108 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Nathan Boroda and Clare Cummins.

CA.109 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA.110 PUBLIC QUESTION TIME

There were no public questions.

CA.111 MEMBER QUESTION TIME

There were no Member questions.

CA.112 MINUTES

It was agreed:

That the minutes of the meeting held on 13 December 2023 be approved as a correct record.

CA.113 ADOPTION OF PUBLIC PROTECTION ENFORCEMENT POLICY

Councillor Alan Quinn, Cabinet Member for Environment, Climate Change and Operations, presented the report which outlined the updates needed to the enforcement policy within the Public Protection Service. Members discussed the level of discretion officers had in decision making under this policy, and noted that that Member involvement was welcomed but that the Cabinet Member strongly trusted officer recommendations in these matters.

Decision:
Cabinet approved the adoption of the revised enforcement policy which will ensure fair and transparent use of enforcement action and activities through existing delegated powers arrangements to officers in their statutory and non-statutory enforcement activities.

Reasons for the decision:
The revised enforcement policy is an essential requirement to ensure that the Council adopts a consistent and fair approach to enforcement and the current enforcement policy no longer reflects recent changes to enforcement strategies and regulatory enforcement options available to the Council.

The revised enforcement policy will ensure that the Council's regulatory services operate under a Policy which has been reviewed in line with good governance.

The revised enforcement policy will provide a number of regulatory services across the Council with a clear policy to ensure that enforcement, when absolutely required, is conducted in a consistent, proportionate, transparent and targeted fashion.

Other options considered and rejected:
Not updating the policy could be considered an option, however for the purposes of good governance, best practice and to reflect the changes in legislation, regulation and enforcement options available to Council enforcement officers to ensure the policy reflects current operational practices and enforcement options.

CA.114 CHILDREN'S SERVICES DIRECTORATE - SENIOR MANAGEMENT STRUCTURE

Councillor Lucy Smith, Cabinet Member for Children and Young People, presented the report which sought Cabinet approval to progress to formal consultation with affected staff on the restructure of the Children & Young People's Directorate Management structure. Members welcomed this report and it was noted that the intention was for the creation of the Director of Social Care & Early Help post to be expedited to Council for approval.

Decision:
Cabinet:

1. Agreed in principle the commencement of consultation with affected staff in January 2024 on the proposed structural changes to the Children & Young People's Directorate, as set out within the body of the report;
2. As part of these proposals, Council be recommended that the vacant post of Director of Social Care Practice (Chief Officer Band E, £93,102-£101,596) be redesignated as Director of Social Care & Early Help, evaluated as (Chief Officer Band F, £103,767-£112,636) to reflect the post's expanded portfolio; and
3. Delegated authority to the Executive Director of Children and Young People and the Cabinet Members for Children's Services and HR and Corporate Affairs, in consultation with the Director of People and Inclusion, Monitoring Officer and S151 Officer to consider responses received from the consultation and produce a final version of the structure.

Reasons for the decision:
The proposal will support effective service delivery of Children's Services, via stronger integration of key services, bringing all early help and support services under the leadership of the proposed director of social work and early help, and aligning children vulnerable in education services under the responsibility of the virtual school.

The proposed planning reflects the requirements of recent statutory guidance, the Revised Working Together Guidance 2023, and the Childrens Social Care National Framework 2023. The former is clear that within early help the role of education and childcare settings is strengthened and made explicit and within safeguarding it clarifies a broader range of practitioners who can be the lead practitioner for children receiving child in need support (s17 CA) such as early help practitioners.

Other options considered and rejected:
The rationale for the proposal is driven by our aspiration that all children and young people in Bury reach their potential, are happy, healthy, and safe and are therefore able to make the best use of their skills to lead independent and successful lives.

The Department is committed to delivering service improvement across the whole gamut of its responsibilities encompassing, Education, SEND, Early Help and Social Care. Current departmental structures could be maintained, although a recent recruitment exercise for the post of Director of Social Care Practice was unsuccessful, and market testing broadly supports the combined Social Care and Early Help role as being a better positioned proposition.

CA.115 STRATEGIC HOUSING REVIEW - MANAGEMENT OF HOUSING STOCK

Councillor Eamonn O'Brien presented the report on behalf of the Cabinet Member for Housing Services, which provided Members with an overview of the activity that has taken place since November with regards to the transfer of the management and maintenance of Council housing to direct control by the local authority. He thanked Councillor Cummins and the team of officers across Six Town Housing, the STH Board, as well as Cath Farrell in particular, for the hard work and decision making throughout this process.

In response to Members' questions it was noted that the new Director of Housing post would be interim for the time being but the intention for this was to be a permanent position. With regards to keeping the Six Town Housing name, this was to retain the properties owned by the company and the brand would be phased out appropriately in order to manage associated costs. Members welcomed the role of Scrutiny moving forwards, ensuring greater Member involvement and oversight of matters.

Decision:
Cabinet:

1. Noted the work undertaken since the last update to Cabinet in November 2023;
2. Noted the outcomes of the staff consultation which took place between 13th November and 13th December 2023;
3. Agreed that, whilst in practical terms services will become integrated from 15th January as previously agreed, the legal transfer of housing management functions and TUPE of Six Town Housing staff will take effect from 1st February 2024 following TUPE consultation feedback from staff;
4. Noted the post transfer governance arrangements for housing management post 1st February 2024;
5. Agreed that, in the first instance, line management of all current Six Town Housing functions and staff will report to the new Director of Housing Operations post in the Council's Corporate Core under the leadership of the Executive Director (Strategy and Transformation). The five pillar delivery model

described to Cabinet in November remains the overall aspiration for Housing Services, however, the revised proposal will ensure a 'safe landing' for housing functions and staff and a phased approach for transition to any future model; and

6. Agreed that the company Six Town Housing will be retained with revised governance arrangements.

Reasons for the decision:
The recommendations made reflect both staff feedback through the TUPE consultation process and the continued progress of both the Six Town Housing Improvement Programme and joint work in preparation for transfer.

Other options considered and rejected:
Failure to make the changes set out would not show due regard for staff feedback through the consultation process and potentially would present risks to the effective delivery of housing functions post transfer.

CA.116 PROPOSAL TO UTILISE A DYNAMIC PURCHASING SYSTEM FOR DISABLED ADAPTATIONS

Councillor Eamonn O'Brien presented the report on behalf of the Cabinet Member for Housing Services, which outlined the proposal to utilise a Dynamic Purchasing System (DPS) delivered by Independence Community Interest Company (INCIC) for disabled adaptations. This was an important service and the DPS would help prevent bottlenecks and delays, securing specialist workers where appropriate and providing a better service to residents.

Decision:
Cabinet:

1. Agreed to make a direct award to Independence CIC Dynamic Purchasing System to deliver disabled adaptation works for all tenures; and
2. Agreed to enter into an Access Agreement for four-years with the option of additional two-year extension option at the sole discretion of Bury Council to access and use the Dynamic Purchasing System provided by Independence CIC.

Reasons for the decision:
The DPS will allow for wider procurement and flexibility in the market. Other benefits include:

- Greater economies of scale giving better prices.
- Increased opportunities for local SMEs to allow for greater opportunity to compete and expand into the public sector.
- Compliance with Public Contracts Regulations 2015 (PCR 2015) and has been advertised in the Official Journal of European Union (OJEU) as well as the UK government Contracts Finder website.
- Compliant for all contracting authorities to use, negating the need for a new competitive procurement exercise.
- An 'open market' solution designed to provide buyers with access to an unlimited group of pre-qualified providers.

- Continued refreshment of the supplier base - Unlike a traditional framework, Contractors /Suppliers (Providers) can apply to join at any time. Suppliers can apply to single or multiple lots within a DPS. The rules relating to the usage and creation of a DPS come from The Public Contracts Regulations 2015 (PCR2015).

The software system used to access the DPS will enable streamlined monitoring for the progression of works, enable better complaint handling, ensure priority cases can be prioritised. It is compatible with Microsoft 365 and is GDPR compliant.

Other options considered and rejected:

1. No change to business as usual:

- The local authority has a statutory duty to deliver the DFG function as detailed in the Housing Grants, Construction and Regeneration Act 1996, Equality Act 2010 and Care Act 2014. The consequences of not providing DFG's effectively will be increased complaints of maladministration, monetary fines, and reputational risks.
- Failure to comply with statutory timescales (12 months from application to payment of grant) may result in Judicial Review.
- The process in which records are processed makes GDPR requirements a challenge, as finding information to individual clients are not stored in one location. For example, emails from Home Improvement Officers could be inadvertently left in email inboxes rather than saved to client records. This makes complaint handling difficult.
- Seeking three quotations, for each individual piece of work is both resource intensive and causes delays for the customers.
- Therefore, doing nothing is not a viable option as the current system does not meet the demands of the borough, is time intensive and does not provide assurances to complete works in a timely manner.

2. Procure a framework agreement:

- The cost to procure a new DFG framework for the council would be excessive and would potentially increase existing risks to the council.
- Accessing an existing framework (e.g., Manchester Framework) is limited to the availability of existing Contractors/Suppliers (Providers) as well as the products available from when originally tendered. It does not allow for the admission of new Providers when the market or customers demanded as such. Overall frameworks deliver savings in terms of time and money.
- There are recognised benefits in the use of frameworks, however there are important limitations in terms of choice and compliance for DFGs as well as increased risk to be considered.

CA.117 MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES / GREATER MANCHESTER COMBINED AUTHORITY

It was agreed:

That the minutes of the Greater Manchester Combined Authority meeting held on 24 November 2023 be noted.

CA.118 URGENT BUSINESS

a APPOINTMENTS UPDATE

Councillor Eamonn O'Brien, Leader and Cabinet Member for Strategic Growth, presented the report which set out changes to appointments since the Council meeting in May 2023 regarding Councillor Boroda's appointment as Cabinet Member and associated Committee and Outside Body positions.

Decision:
Cabinet noted the appointments and amendments to appointments made since the Annual Meeting of Council as set out in the report.

Reasons for the decision:
N/A

Other options considered and rejected:
N/A

COUNCILLOR E O'BRIEN
Chair

(Note: The meeting started at 6.00 pm and ended at 6.33 pm)

Agenda Item 6

Bury Council

Classification:	Decision Type:
Open	Key

		Date:
Report to:	Overview & Scrutiny Committee Cabinet Council	6 February 2024 14 February 2024 21 February 2024
Subject:	Annual HRA Budget 2024/25 & Rent Setting	
Report of	Cabinet Member for Finance and Communities	

1. Summary

This report sets out the budget for the Housing Revenue Account (HRA) for 2024/25 and forms part of the Council's budget setting process for 2024/25.

It proposes the rent level and proposed increase for Council Housing, Dwelling and Garage rents, Sheltered Support, Management, Service and Heating charges and Furnished Tenancy charges.

The HRA will transfer back to the Council management with effect from 1st February 2024. The report sets out the budget assumptions and has been prepared based on the management costs being the same as the fee paid to Six Town Housing.

2. Recommendation(s)

Overview and Scrutiny Committee is asked to note the report and consider whether they wish to make any recommendations to Cabinet on the content of this report.

Cabinet is asked approve the following and commend to the Council:

- Approve the 2024/25 budget for the Housing Revenue Account
- Agree rents to be increased for 2024/25 by 7.7% which is the Government's maximum allowable increase being September CPI (Consumer Price Index) 6.7% plus 1% with effect from 1st April 2024.
- Shared ownership rents to be increased by 7.7% in line with the provision which is set out within shared ownership agreements with effect from 1st April 2024.
- Approve an increase in Garage rents by CPI as at September 2023 CPI 6.7%.
- Approve an increase in Sheltered Management and Support Charges by CPI 6.7%.
- Approve an increase in Service and Amenity Charges by CPI 6.7%.
- Approve an increase in Support and Heating charges by CPI 6.7%.
- Approve an increase in Furnished Tenancy charges by CPI 6.7%.

Note that where a social rent property is re-let to a new or transferring tenant the rent level will be increased to the target rent for that property.

In accordance with the Rent Standard, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent (including

service charges where applicable) for a similar property at the time of letting or the formula rent for the property, whichever is the greater.

3.1 Reasons for recommendation(s)

3.2 The Housing Revenue Account (HRA) is the 'landlord account' recording the revenue expenditure and income relating to the authority's own housing stock. The HRA is a ring-fenced account which means the authority does not have any 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.

3.3 The government introduced a self-financing funding system in 2012 whereby the HRA now retains its rental income locally and uses this to provide for management, maintenance, and major works to the housing stock and to service the debt finance upon which the HRA is based.

3.4 In April 2022, following Cabinet approval, Springs became a Self-Financing Tenant Management Organisation, the first in the Northwest. Owing to loss of stock through the Right to Buy sales (1), Springs TMO are currently managing 285 properties. Springs Tenant Management Organisation was formed to manage council homes on a self-financing arrangement. This means that the TMO retains the rents collected from the homes and uses this to pay for the management and maintenance of their properties under local arrangements. The value of the rents collected and passed over to Springs TMO is shown as a management fee cost to the HRA (neutral effect on the HRA).

3.5 With effect from 1st February 2024, the management of the housing stock, previously carried out on behalf of the council by the ALMO, Six Town Housing (STH), was brought back into council management with all staff being transferred to the council under TUPE regulations. The assumption for the 2024/25 budget is that other than inflationary increases, the cost of managing the HRA in-house will be the same as the Management Fee previously payable to STH.

3.6 The current level of activity on Right to Buy (RTB) the HRA for 2024/25 estimates have been revised to 34 (originally 70) right to buy (RTB) sales in 2023/24 and 40 (originally 60) in 2024/25. The number of sales during 2023/24 for the first three quarters of the year was 25. There are a further 6 properties expected to complete by 31 March 2024 and 6 more that may complete so the estimate of properties to complete is 9 bringing the total in 2023/24 to 34. The continuing higher interest rates for mortgages are likely to be a factor which is slowing the sales of properties. Lower levels of sales via RTB will mean that the level of rental income will be maintained for longer – over time this is a better prospect. The reduced number of sales will, however, provide a lower level of capital receipts which can be used to fund the capital program on a one-off basis, or reduce debt.

3.7 The HRA is expected to have an average stock of 81 affordable rent dwellings plus 5 shared ownership dwellings in 2024/25.

3.8 This report is written based on the Council's existing housing stock. Due to the HRA being a ring-fenced account, any surplus or deficit on the HRA is carried forward into the next financial year and is known as the working balance. Section 8 of this report assesses the minimum level of balances to be held.

3.9 Whilst this report relates to approving the annual budget for the HRA, a 30-year Housing Revenue Account Business Plan is being prepared to ensure a robust and balanced plan which addresses income, expenditure, and capital investment in the housing stock. The HRA Business Plan will be produced for adoption by the Council in Q1 of the 2024/25 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 met together with investment in future ambitions whilst ensuring that the HRA remains in credit, and hopefully above its desired minimum working balance and can service its loans over the life of the business plan.

4.0 Rent Levels 2024/25

4.1 The Government's National Social Rent Policy, which came into effect from 1st April 2020, set out that social and affordable rents may increase annually by up to a maximum of CPI plus 1%, until 1 April 2024. The Government and Regulator of Social Housing (RSH) have confirmed that this formula will be used for the 2024/25 financial year and that CPI is to be based on September 2023 (not the lower rate in October that some commentators suggested). The Council, as a Registered Provider of Social Housing, is regulated and must adhere to the Rent Standard, which includes the same stipulation on social rent increases. It should be noted also that Shared Ownership rents are not covered by the Rent Standard and as such the rent increase that should be applied should be that set out in the terms of the lease agreement with the shared owners.

4.2 The basis for annual rent increases is the September Consumer Price Inflation (CPI) which in 2023 was 6.7% meaning the maximum rent increase projected for April 2024 should be 7.7%. It was also announced that benefits to claimants would rise by the amount of inflation in April 2023 and that the Local Housing Allowance (LHA) will be allowed to rise in 2024/25 for the first time since April 2020. The LHA rate has no bearing on Council rents; however, this policy recognises that resources are becoming more stretched in social housing and landlords need to be able to increase their rents accordingly.

4.3 The Government's agreement of the CPI +1% increase, which gives a rent increase of 0.7% above the 7% cap that was set for 2023/24, demonstrates that whilst this will have an impact on the Government's benefit bill, Registered Providers have very little room, if any to accommodate rent cuts compared to CPI +1% again in 2024/25.

4.4 At the time of writing, the Government have confirmed:

- the formula (or target) for social rents to rise by CPI + 1% for 2024/25 with CPI to be based upon the September 2023 CPI figure of 6.7%.
- social rents can be re-let on change of tenancy at the new formula rent (or target rent).
- affordable rents to be tested against the constraint of 80% of market rent on re-let.
- rents for new development to be set at formula rent or up to 80% of market rent.
- The current Rent Regime for rent increases ends on 31 March 2024 and the basis for which rents may rise in future will be subject to consultation during 2024-25. 2024-25 marks the last year that a maximum increase of CPI + 1% can be guaranteed.

4.5 The 2024/25 financial year is what is known as a "53 week rent year" this means that there will be 53 Mondays in the financial year rather than 52. Monday is the day rent falls due each week. Tenants will be charged the same rent for the 53rd rent week based on the normal 52-week rent. This is in line with RSH's Rent Standard. This phenomenon arises very 5 or 6 years and it is only coincidence that 2024 is a leap year.

4.6 For tenants in social housing (social and affordable), the Council allows two "rent free weeks" per annum. These are not free in reality; it just means that the total annual rent is collected over a lesser number of weeks per annum, so the 50-week rent is higher than the 52-week equivalent. In 2024/25, rents will continue to be collected over 50 weeks based on the 52-week rent multiplied by 53 and then divided over 50 weeks.

4.7 The table below sets out the 2023/24 average rent per tenure and property type based on

stock on 1 April 2023, together with the indicative 2024/25 rent based on the increases proposed. This includes the Springs TMO stock. Please note that sales of stock via Right to Buy and rents moving to formula rent on re-let during the year can change the averages slightly in year.

Maximum Increase Rate Allowed 2024/25 – Recommended

Tenure Type	No/ of Units @ 21/12/23	Average 50 wk. rent 2023/24	Increase rate allowed	Average 50 wk. rent with 7.7% added	Average 50 wk. rent (53 weeks collected over 50) 2024/25
Social	7,639	£86.95	7.7%	£93.64	£95.44
Affordable (inc service charges)	81	£184.99	7.7%	£199.23	£203.06
Shared Ownership	45	£49.05	7.7%	£52.83	£53.85

4.8 The table above shows increases on a 50-week comparable basis of the proposed rent increase of 7.7% applied to the rents of all current HRA Social Rent Formula dwellings, together with the rate that will be charged over 50 weeks to take account of the extra rent week in 2024/25.

4.9 It should be noted that the formula rents for social rented properties will all automatically be increased by 7.7% for 2024/25. This will maintain the gap between formula rent and actual rent for any properties where there has not been a change in tenancy during the time period since the gap was established. The Council currently has a policy to re-let properties at formula rent as they become vacant. Affordable rent properties must be re-let at no more than 80% of the market rent including service charges at the date of re-let. Without this policy, the loss in rent will be permanent and cumulative over time. It remains to be seen whether the Government will introduce a phased route to convergence to the formula rent in future years to compensate for this reduction in income.

5.0 Other charges

5.1 There are currently 251 HRA owned garages (of which 124 are currently let).

6.1 Garages are charged at the rate of £8.57per week (50 weeks). The last increase was in April 2023. It is proposed that the charge is increased by 6.7% from April in line with September CPI; this results in a weekly increase of £0.57 giving a rate of £9.14 per week (over 50 weeks for a 52 week year) which equates to £9.32/week over 50 weeks for the 53 week year.

6.0. Sheltered and Other Tenancy Charges Sheltered Management and Support Charges

6.2 The management and provision of Sheltered support services are provided by Adult Care Services for which they receive payment from the Housing Revenue Account. The service has been reviewed and the decision to stop the Support element with effect from December 2023 was taken. This will reduce the cost of the service and deliver a saving.

A service provided by Six Town Housing will continue to operate within sheltered housing and no changes are planned to the sheltered housing management charges.

6.3 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 2024/25 by 6.7% and the current and proposed charges are detailed below.

	Current Charge (50 weeks) £	**Proposed Charge 2024/25 (50 weeks in a 53 week year) £**
Sheltered schemes (other than Extra Care)	13.75	14.95
Extra Care schemes (Falcon House/Griffin House)	26.40	28.71

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

6.5 Following the review of the service, the Support Service has been stopped with effect from December 2023 and therefore the weekly charge of £8.33 / unit has been removed.

6.6 The Extra Care Sheltered Scheme, covering the Falcon House and Griffin House schemes, has different support charges which reflect different levels of support offered dependent on the assessed needs of the individual tenants; this support is provided by the Health & Adult Care service within the Council, and they will be reviewing the charges for 2024/25.

Service and Amenity Charge

6.6. The Service and Amenity Charges were increased by 10.1% for 2023/24. It is proposed that the current charges are increased by 6.7% in line with CPI from the first rent week in April 2024. The true costs of delivering services should be passed onto tenants, therefore service charges should be increased to ensure services break even.

6.7. The current and proposed charges per unit per week (over 50 weeks) are shown in the table below:

	Current Charge (50 Weeks) £	**Proposed Charge 2024/25 (50 weeks in a 53 week year) £**
Clarks hill	21.34	23.21
Elms Close	2.50	2.72
Falcon House	12.46	13.55
Griffin House	12.09	13.15
Harwood House	25.20	27.41
Moorfield	27.70	30.12
Mosses House	21.98	23.91
Stanhope Court	11.15	12.13
Taylor House	24.72	26.88

Top O'th Fields 1	23.84	25.93
Waverley Place	26.20	28.49
Wellington House	35.44	38.54

6.8. 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

6.9. Appendix 2 details the total Sheltered Management, Support and Amenity Charges for each scheme; this shows weekly increases, excluding the effect of removing the £8.33 Support charge, ranging between £0.92 and £4.02. Including the impact of the removal of the Support Service, the overall reductions (excluding Falcon & Griffin) range from £4.31 to £7.41.

Support Heating Charges

6.10. 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.

6.11. At the Council meeting in February 2023, charges were not increased so remained at the 2022/23 levels for 2023/24. 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. Due to the urgency of the work, heat metering systems have not been installed yet therefore a weekly heating charge will still be required.

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

	Current Charge (50 Weeks) £	**Proposed Charge (50 weeks in a 53 week year) £**	**Proposed Increase %**
Taylor House	13.00	14.14	6.7%
Clarks Hill	9.18	9.98	6.7%
Harwood House	10.70	11.64	6.7%

Heating Charges are not eligible for Housing Benefit however many Sheltered Tenants will be eligible for Winter Fuel Payments; for winter 2023/24, the rates for these were £500 per household for those born on or before 25 September 1957, rising to £600 per household for those born before 25 September 1943 to help pay heating bills (payments may be different depending on the household circumstances).

Furnished Tenancies Charges

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

6.13. We currently have 231 live furnished tenancies. Of the live tenancies we have 152 x 1 bed, 63 x 2 bed, and 16 x 3 bed properties. We have a limited number of 235 furnished tenancies so there is currently capacity for a further 4.

6.14. There will be a review of 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.

6.15. 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.

6.16. 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.

6.17. The current and proposed charges per unit per week are:

	Current Charge (50 Weeks) £	**Proposed Charge £ (50 weeks in a 53 week year)**	**Proposed Increase %**
1 Bed Property	16.02	17.42	6.7
2 Bed Property	18.86	20.51	6.7
3 Bed Property	21.71	23.61	6.7

Fernhill Caravan Site Pitch Fees

6.18. The Fernhill Caravan Site has been managed by Six Town Housing since 2014/15 for which they receive a separately determined Management Fee. This management service will be provided by the Council with effect from February 2024. 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.

6.19. 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 are not any non-collection weeks. There has been no increase in the charge since April 22 as the site was closed for a major renovation. The site re-opened to residents on 2nd September 2023 with the following charges.

	Current Charge (To be reviewed in April 2024) £
Double Plot – pitch fee	88.39
Double Plot – water charge	10.15

6.20. The site was empty between July 2022 and September 2023 due to redevelopment. Residents moved back in on 02 September 2023. They returned to site on the same terms of rent but in the new Agreement this allows for revision in April 2024.

7.1 Housing Revenue Account Performance Voids

7.2 The rent lost on empty properties is projected to be 0.87% over the course of 2023/24, this is slightly lower than the budgeted level of 1% meaning a saving of approx. £29,000.

7.3 During the financial year 2023/24, it was noted that properties were still being returned in a state worse than they had been pre-Covid, and in need of more than wear and tear repairs. STH adopted the sector-wide Housing Ombudsman best practice during periods of void to bring the homes back to the acceptable standards including installation of hard wire electrical points, carbon monoxide detectors, fire detectors etc. The level of void loss for 2024/25 has been assumed at 1%; recent performance will need to be maintained if this target is to be met. If the target is not achieved, then there would be a reduction in rental income to the HRA.

7.4 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 2024/25 or targeted during the coming financial year for service developments.

Rent Arrears

7.5 The opening arrears and current levels for 2023/24 are shown in the following table.

The figures reflect the fact that there have been no write-offs during 2023/24; however, this position could change before the end of March 2023. All write offs are in accordance with the Corporate Debt Write Off Policy as approved by the then Executive.

Provision Position – As of December 2023			
	Opening Balance 2023/24	**Current Balance December 2023**	**Increase/ (Reduction)**
	£m	**£m**	**£m**
Current Arrears	1.355	1,568	0.213
Former Tenant Arrears	0.556	0.702	0.144
Write Offs (Nov 2022)	0.000	0.000	0.000
Total	**1.911**	**2.270**	**0.357**

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

7.7 The Bad Debt Provision for rent arrears, which is held on the Authority's Balance Sheet, stood at £1.911m at the beginning of this financial year. The requirement for the year is calculated with reference to the type of arrears and the amount outstanding on each individual case.

7.8 The original budget for 2023/24 allowed for additional contributions to the provision totaling £651,000 (2% of gross rent); Reviewing the arrears position at this time, it is now estimated that the additional provision required in 2023/24 may be £476,708 (approx. 1.4% of gross rent), 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 £2,269,808 at the end of 2023/24 against arrears of £2,461,626.

7.9 The 2024/25 estimates allow for additional contributions to the provision, totaling £525,000

which is 1.4% of the gross rent. It should be noted that a bad debt provision is simply the assumption that a proportion of the rent may not eventually be collected. The debt will remain collectable and not written off until every avenue to collect has been exhausted. However, as far as the balance in the HRA reserve is concerned the amount forecast as a provision is assumed to be the loss a loss of revenue. This is a prudent approach and is required by CIPFA.

As the arrears position has not been as severely impacted upon as has been estimated then a lower contribution has been proposed which will release additional resources in the HRA; however, 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.

Rechargeable Repairs

7.10 The amount due from tenants for rechargeable repairs currently stands at £241,474 of which £210,483 is debt over 1 year old. Of the debt over 1 year old £180,587 appears to be static debt i.e., there have been no payments received at all. No accounts have been written to date in the current year, however £96,838 of accounts have been identified as potential write-offs.

7.1. The Bad Debt Provision for rechargeable repairs, which is held on the Authority's Balance Sheet, currently stands at £139k. Considering the expected write offs, at the end of 2023/24 the provision will stand at £42k and cover around 17.5% 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 which is likely given the large reduction forecast.

7.11 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.

8.0. 2024/25 Housing Revenue Account (HRA), HRA Capital Resources and the HRA Working Balance

2024/25 Housing Revenue Account

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

8.2 Significant impacts on the HRA for the coming year will continue initially to include higher levels of inflation than in past years. However, the Government estimates that by the end of 2024, inflation will be down to 2.8% and down to the target of 2% by the end of 2025. Interest rates on new loans remain above those rates seen before the cost-of-living crisis and treasury advisers expect these to stay higher for longer to control inflation. Interest rates affect the HRA if there is a requirement to borrow for investment, development or refinancing of existing loans.

8.3. From a regulatory perspective, the Regulator of Social Housing now has powers to regulate Councils under the Consumer Standard. Councils are required to have staff with relevant housing qualifications, have a mechanism by which tenants can report issues with their homes, and this needs to be monitored and reported upon. Councils are also going to be measured on how they perform in terms of responding to tenant communication in a timely manner and to resolve the issues. On 9th January 2024, DLUHC launched a consultation which looks at proposals for the implementation of Awaab's Law, as introduced by the Social

Housing (Regulation) Act 2023 (Clause 42 'Social housing leases: remedying hazards'). It proposes new legal requirements for social landlords to investigate hazards within 14 days, start fixing within a further seven days, and make emergency repairs within 24 hours. Those landlords who fail can be taken to court where they may be ordered to pay compensation for tenants.

https://www.gov.uk/government/consultations/awaabs-law-consultation-on-timescales-for-repairs-in-the-social-rented-sector/awaabs-law-consultation-on-timescales-for-repairs-in-the-social-rented-sector

These regulatory requirements may require investment in systems and/or resources in order to ensure that the Council meets its obligations and avoids penalties.

8.4. 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

8.5. Self-financing within the HRA means that major works to the housing stock are now funded primarily from rental income, capital grants, capital receipts and/or borrowing. The identification and timing of future major works are key factors in the development of the 30 Year HRA Business Plan.

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

8.7. There is an ongoing piece of work being undertaken to fully understand the stock condition and advise a 5-year Capital Programme profiled on stock condition which is affordable within existing resources to cover:

- Compliance
- Elemental Repairs
- Planned and Programmed Work
- Refurbishment / renewal of existing stock
- Environmental Improvements
- New Homes

8.8. In the past, the Council has tended to set a Capital Programme based on a level of spending at around £14m per annum. This has been assumed to be affordable by being funded by the HRA revenue reserves in terms of about 50% being covered by the Major Repairs Reserve (a cash figure representative of depreciation that is taken from the HRA income each year and used to fund capital) and the balance taken from the HRA revenue account as a contribution to capital. This contribution could equally have been funded by borrowing and maintained the HRA revenue reserve. The Council could have also used capital receipts generated from RTB receipts, but in recent years these have been utilised elsewhere in the Council.

8.9. Opening balances of capital reserves at 1 April 2024 for use to fund the HRA capital programme were:

Non 1-4-1 RTB Capital Receipts	£2.009m
RTB receipts for replacement homes (1-4-1)	£1.636m

Note that the receipts for replacement homes can only be spent on developing or acquiring new housing stock in the HRA and must be returned to the Government if not used within 5 years. These receipts were generated in 2022-23 for the first time. Non 1-4-1 RTB receipts may be used for any capital purpose and are used to fund the capital programme ahead of using HRA revenue contributions or borrowing.

8.10. The HRA business plan assumes that beyond 2024/25, the 30-year profile for the requirement for investment in the Council's existing stock is based on estimates provided by the asset management team at STH. This is based on results being reported from a proportion of the surveys being undertaken. The data needs refreshing once the full survey is completed and has been reviewed. The profiled works in the plan includes annual inflation to give forecasts over 30 years of the level of investment needed.

8.11. On this basis the investment programme for 2024/25 is assumed to be £23,082m, (the HRA estimates also allow for slippage of schemes (and resources) from 2023/24 to 2024/25):

The Major Works resources will provide for specific capital schemes and general capital expenditure such as essential renewals (arising when properties become vacant) and structural works.

In addition, there is a proposal to purchase a block of 40 units at the former Magistrates Court for an expected purchase price of £5,000,000. Full financial appraisals will be worked up and presented for approval in the new year. This purchase is expected to be partially funded by Homes England grant of 40% of the cost.

The HRA Working Balance

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

8.13. 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, recognising that 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.

8.14. The level of recommended minimum balances for the HRA on 31st March 2023, was £1.5m. Housing Authorities use several benchmarks to determine the correct level. For Bury's HRA the calculations would be:

	£m
£200 per property (Housing Finance Act 1989 based on 7,732 properties)	1.546
5% of dwelling rental income	1.859
5% of gross expenditure (excl. transfers to MRR)	1.138
Average of the 3 options	1.514

8.15. As the results of the three options are wide ranging, it would be prudent to keep the minimum working balance under review each year. For 2024/25, it is recommended that the council increases the minimum working balance to £1.591m being just above the average of the options and 6% above the £1.5m assumed for 2023/24

8.15. The working balance brought forward at 01 April 2023 was £9.176m. The forecast opening balance as at 01 April 2024 is £10.393m and the movement during the 24/25 financial year is expected to be (£4.277m) resulting in a closing balance at 31 March 2025 of £6.116m. This is still comfortably above the minimum working balance as calculated above.

Housing Management Fee

8.16 The current Management Agreement between Six Town Housing and the Council will end in February 2024 and there will therefore be no management fee payable 24/25 and future years. All STH employees will transfer to Bury Council, and the council will incur the costs directly and charge them into the HRA.

Links with the Corporate Priorities:

Provision of social housing is a core function and a key corporate priority to support the provision of affordable housing for residents in the Borough.

Equality Impact and Considerations:

A full Equality Impact assessment is underway, and it will be considered before applying any increased charges to Tenants

Environmental Impact and Considerations:

The Council is working towards becoming a carbon neutral organisation by 2038. Six Town

Housing are working on a number of decarbonisation programmes across the housing estate to reduce the carbon footprint. This is an ongoing project.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The capped rents do not recover the costs if they rise at a higher level of inflation which will put pressure on the Housing Revenue Account. Increased risk of non-payment of rents, escalating bad debts.	The budgets will be monitored closely throughout the year, action may be required to reduce costs and limit expenditure. Close monitoring of outstanding debt, ensure tenancy and welfare support offered to Tenants at the appropriate time.

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 included within the report.

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

Term	Meaning
HRA	Housing Revenue Account
STH	Six Town Housing

TMO	Tenants Management Organisation
RTB	Right to buy

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Appendix 1

	Housing Revenue Account	
	2023/24 **£m**	**2024/25 £m**
INCOME		
Dwelling rents	-32.251	-36.812
Non-dwelling rents	-0.224	-0.204
Heating charges	-0.041	
Other charges for services and facilities	-1.063	-1.242
Contributions towards expenditure	-0.040	-0.040
Total Income	-33.619	-38.298
EXPENDITURE		
Repairs and Maintenance	6.865	7.325
General Management	6.947	8.882
Special Services	1.496	1.622
Rents, rates, taxes, and other charges	0.038	0.038
Increase in provision for bad debts	0.651	0.525
Cost of Capital Charge	4.713	4.466
Depreciation of fixed assets - council dwellings	8.500	7.300
Depreciation of fixed assets - other assets	0.030	0.030
Debt Management Expenses	0.045	0.045
Contribution to/(from) Business Plan Headroom Reserve	(2.700)	
Total Expenditure	26.585	30.173
Net cost of services	-7.034	-8.124
Amortised premia / discounts	0.000	0.000
Interest receivable - on balances	-0.018	0.000
Interest receivable - on loans (mortgages)	0.000	0.000
Net operating expenditure	-7.052	-8.124
Appropriations		
Appropriation relevant to depreciation and MRA	0.000	
Repayment of Arranged Loans	0.000	0.000
Revenue contributions to capital	7.052	0.204
		12.631
(Surplus) / Deficit	0.000	4.711
Working balance brought forward		10.393
RTB receipts for repl homes – Interest		0.120
Operating Account Interest		0.465
Working balance carried forward		6.116

APPENDIX 2

Sheltered Support and Amenity Charges
Current charges 2023/24 and proposed charges 2024/25

Scheme	Management Charge 2023/24 £	Support Charge 2023/24 £	Amenity Charge 2023/24 £	Total Charges 2023/24 £	Proposed Management Charge 2024/25 £	Proposed Support Charge 2024/25 £	Proposed Amenity Charge 2024/25 £	Total Proposed Charges 2024/25 £
Increase (%)	**10.10%**	**0%**	**10.10%**		**6.7%**	**Removed Dec 2023**	**6.7%**	
Beech Close	13.75	8.33		22.08	14.67			14.67
Chelsea Avenue	13.75	8.33		22.08	14.67			14.67
Clarks Hill	13.75	8.33	21.34	43.42	14.67		23.21	37.88
Elms Close	13.75	8.33	2.5	24.58	14.67		2.72	17.39
Falcon House	26.4		12.46	77.72	28.17		13.55	41.72
Griffin Close	13.75	8.33		22.08	14.67			14.67
Griffin House	26.4		12.09	38.49	28.17		13.15	41.32
Hampson Fold	13.75	8.33		22.08	14.67			14.67
Harwood House	13.75	8.33	25.2	47.28	14.67		27.41	42.08
Limegrove	13.75	8.33		22.08	14.67			14.67
Maple Grove	13.75	8.33		22.08	14.67			14.67
Moorfield	13.75	8.33	27.7	49.78	14.67		30.12	44.79
Mosses House	13.75	8.33	21.98	44.06	14.67		23.90	38.57
Stanhope Court	13.75	8.33	11.15	33.23	14.67		12.13	26.80
Taylor House	13.75	8.33	24.72	46.8	14.67		26.88	41.55
Top o'the Fields 1	13.75	8.33	23.84	45.92	14.67		25.93	40.60
Top o'the Fields 2 (Welcomb Walk)	13.75	8.33		22.08	14.67			14.67
Waverley Place	13.75	8.33	26.2	48.28	14.67		28.49	43.16
Wellington House	13.75	8.33	35.44	57.52	14.67		38.54	53.21

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. £4,375 in lost rental income in a full year. A loss of 40 properties in the year would cost around £175k	M 50%	Budget 2024/25 assumes 40 sales. Provisions are made for 40 and due to the housing market conditions i.e., interest rates on mortgages and the cost of living, 23/24 has seen a downturn in applications for RtB and the budget for 24/25 has been reduced to reflect this.	0.175	0.175
Higher level of void (empty) properties - increase loss of rental income	A 1.0% increase in void loss costs the HRA c£300k in a full year.	M 50%	Budget 2024/25 assumes 1% void rental loss. The expectation with the slowdown of the housing market is void rates will remain steady. The current rate of void at the time of writing is 1.07% (Dec 2022)	0.300	0.300
Increase in arrears level	Rental income is accounted for in the HRA on a rents receivable basis rather than the actual rents received. An increase in arrears could impact on the level of contribution required to the bad debt provision.	H 80%	Budget 2024/2025 This allows for contributions of £525k to the Bad Debt Provision. This is based on 1.4% of the gross rent. This level reflects the current economic climate.	0.525	0.525
				1.000	1.000

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Agenda Item 7

Classification:	Decision Type:
Open	Non-Key

Report to:	Overview & Scrutiny Committee Cabinet Council	**Date:** 6 February 2024 14 February 2024 21 February 2024
Subject:	The Council's Budget 2024/25 and the Medium-Term Financial Strategy 2024/25 - 2026/27	
Report of	Cabinet Member for Finance and Communities	

Summary

1. This report sets out the key elements of the 2024/25 budget proposals and the framework for the longer-term Medium Term Financial Strategy (MTFS) 2024/2027. It makes available the latest financial information that will underpin the 2024/25 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 2024/25 Council Tax at Full Council on the 21 February 2024.

2. This report reflects the Government's Annual Settlement for Local Government as delivered in December 2023. It has also been produced at a time of continued unsettlement within financial forecasting due to international and national pressures. The financial tables within the report focus on a three-year period.

3. The Housing Revenue Account is a separate report on this agenda, this report is part of the suite of financial reports including:

- Council Tax Setting
- Capital strategy 2024/25 to 2026/27
- Treasury Management Strategy 2024/25
- The Dedicated Schools Grant and the schools' budget 2024/25

Role of Overview and Scrutiny Committee in budget process

4. 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.

5. 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.

6. The Committee will also need to maintain a 'big picture' three-year view of the financial pressures affecting the Council and understand how these might impact on existing budgets and budget setting in subsequent years. These issues are set out in the Financial Context and Background section below.

Recommendations:

Overview and Scrutiny Committee is asked to:

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

The Cabinet is asked to approve the recommendations and commends to Council the following:

1. Approve the Medium-Term Financial Strategy for 2024/ 2025, 2026 / 2027 and the assumptions regarding resources and spending requirements.

2. Approve the Council Tax base for Bury Council for 2024/ 25 of 57,409 Band D equivalent dwellings, this is the basis on which the Council Tax funding has been calculated.

3. Approve the net revenue budget of £209.608m for 2024/2025.

4. Approve the Council tax requirement of £110.198m and the increase in Council Tax in 2024 – 25 of 2.99% in terms of General Council Tax and a further 2% for the Adult Social Care precept for 2024/2025.

5. Approve the budget assumptions £37.111m in 2024/25.

6. Approve the use of £15.131m of reserves from the budget smoothing reserve and £4.629m from the collection fund smoothing reserves.

7. Note the forecast position on reserves (paragraph 22.2).

8. Note the Chief Executive as Director of BMBC Townside Fields Limited will draw down annual dividends from the Company and annual dividends will be reflected in the MTFS.

9. Approve the recommendations set out in the Treasury Management Strategy (Appendix 2).

- to approve the Treasury Management Strategy including the associated Prudential Indicators and Annual Investment Strategy.
- to approve the Treasury Management Policy Statement.
- to approve the Minimum Revenue Provision (MRP) Policy Statement.

10. Approve the Capital Strategy and the Programme for 2024/25 - 2026/27 (Appendix 3).

11. Approve the Dedicated Schools Grant budget for 2024/2025 at £228.326m and approve the allocations between the four funding blocks as set out in appendix 4 to this report.
    - The Schools and Academies 2024/25 funding unit values as recommended by Schools Forum and detailed at Annex 1 to appendix 4.
    - Approve the 2024/25 hourly rates for all early year's providers as follows:
    - £5.28 per hour, for 3- and 4-year-olds.
    - £7.52 per hour, for 2-year-olds; and.

£10.00 per hour, for under 2s

Note the position on the Dedicated Schools Grant deficit and Project Safety Valve.

12. Cabinet to agree to the following amendments to the treatment of military compensation as set out in Appendix 7

- Excludes military compensation for Discretionary Council Tax Support calculations - These are short to mid-term additional credits made to those in receipt of Council Tax Support as a top up towards their Council Tax.

- Excludes military compensation for Discretionary Housing Payments calculations - These are short to mid-term additional payments made to those in receipt of Housing Benefit or Universal Credit as a top up towards their rent.

1. Background

1.1 The purpose of the report is to provide Members with proposals for the 2024/25 Budget which then forms part of the Medium Financial Plan for the financial years 2024/25 – 2026/27.

1.2 The Plan has been developed following the announcement by the Government of the Provisional Local Government Financial Settlement (18 December 2023). A number of assumptions and estimations have been used to support the plan and are discussed in more detail later in the report.

1.3 This report and its appendices present the Council's proposed approach to setting a balanced budget for 2024/25 and the accompanying Medium-Term Financial Strategy 2024/25 - 2026/27.

1.4 The national financial context against which this budget has been set remains challenging and uncertain. Despite recent reductions in the rate of inflation, the Council is still addressing the impact of 11% inflation which has introduced circa £11m of cost pressures since 2022.

1.5 The increase in cost pressure has been exacerbated by ongoing increases in demand across all statutory services including social care for adult and children; special educational needs and support services; social housing and homelessness duties. This year, these pressures have collectively presented a 17% demand increase on the council's budget, against an income increase of just 7%. Of this 7% increase, 57% is attributable to Council Tax.

1.6 For Bury, these pressures come on top of systemic under funding. The Institute of Fiscal Studies published data in 2023 which highlighted Bury Council's position as in the bottom 20% worst-funded councils, ranking 122 out of 150 upper-tier English local authorities in terms of money to spend per resident. As outlined within this report, Bury Council's annual real term core spending power has been reduced by 29% since 2010/11.

1.7 Whilst there has been a recent increase in one off grants and fixed term funding from central government, core funding has gone down by 55% since 2010/11. Bury Council is not alone in facing this challenge, The Local Government Association has issued a response to the 2024/25 Provisional Local Government Finance Settlement stating that based on their analysis of the sector, Councils in England continue to face a funding gap of £4 billion across this year and next.

1.8 The scale of the financial challenge facing Bury Council has been highlighted in our LET'S Fix It Together Campaign which explains the scale of funding gap faced by Bury Council, together with the wider structural financial challenges faced across the sector including:

1.9 The lack of a long term, sustainable funding policy for local government due to delays in progressing the fair funding review, first announced in 2016.
Short term funding settlements for local government which prevent the development of longer-term saving strategies.
Cost of living pressures which have limited growth forecasts and have impacted on the Council's ability to generate additional income.

1.10 As a result of this situation the Council declared itself to be in a state of financial distress last summer and established a voluntary Finance Improvement Panel, with support from CIPFA and the LGA, to review all its financial systems and processes. As outlined within this report the work included a review of the policy on reserves; production of the recently approved Treasury Management strategy; the beginning of a zero-based budget exercise across every department and a review of the staffing structures across the finance service. The work completed to date has been endorsed by the Local Government Association in their recent Corporate Peer Challenge, the findings from which are due for publication shortly.

1.11 Informed by the advice of the Finance Improvement Panel the Council has reassessed the balance of earmarked and ringfenced reserves to support a balanced budget for the next three years. This work ensures the immediate viability of the Council but is not, of course, a long-term solution. Reserves can only be spent once and therefore work is now underway to identify recurring financial savings at the equivalent value across the areas set out below:

1.12 Workforce capacity, to identify efficiencies in staffing structures and job design Reform, by applying the public service reform principles enshrined in LET'S do it! To children's and adult's social care in particular, as well as housing services including those formerly provided by Six Town Housing Strategic financing through the strategic application of grants and ongoing efficiencies in the Treasury Management functions.

2. Proposals

2.1 Based upon the Provisional Local Government Finance Settlement the following efficiencies are required over the next three years.

Year	**£m**
2024/25	£15.1m
2025/26	£10.6m
2026/27	£4.3m

3. Local Government Finance Settlement

3.1 The following paragraphs provide Members with headline items as announced in the December 2023 provisional settlement. Members should note that the settlement only covers the 2024/25 funding allocations. Therefore, there is uncertainty that makes anything beyond a one-year settlement difficult to assess with clarity.

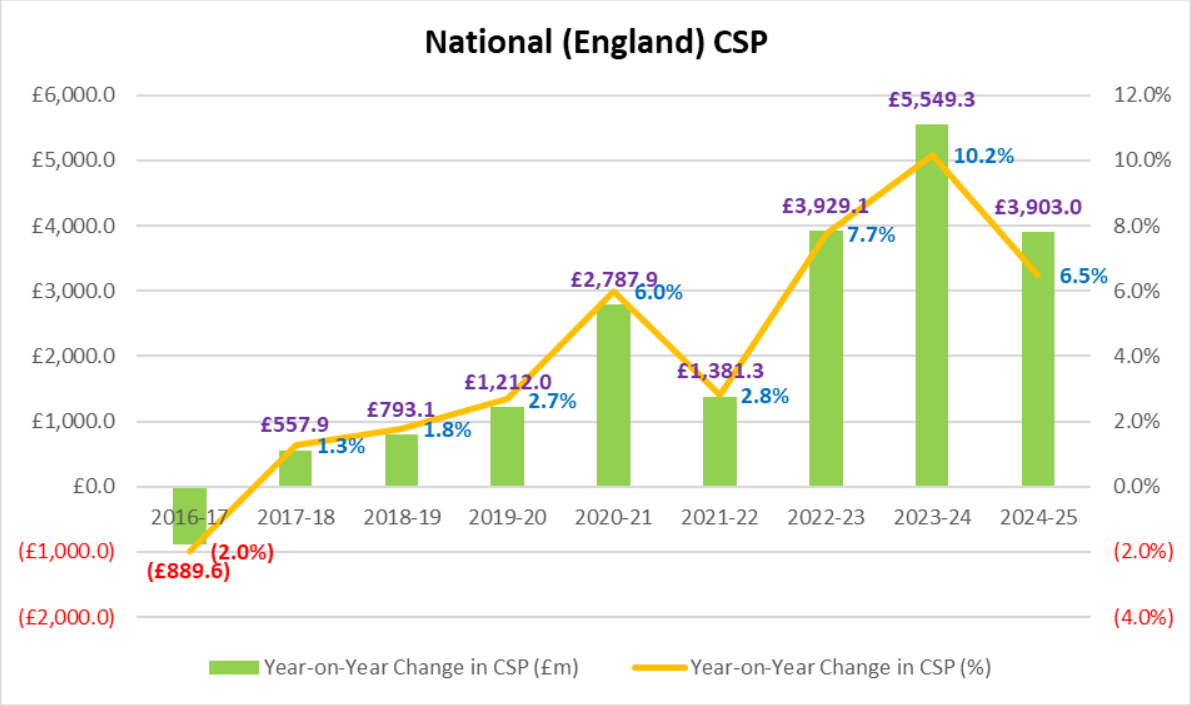
3.2 The key headlines are as follows:

- Core Spending power increased by 6.73% Cash Terms
- 3% limit for Council Tax
- 2% limit for Adult Social Care precept
- Delay in Adult Social Care reforms
- £1bn in additional social care grants
- Existing Social Care grants baselined
- Reduction in Services grant
- A further year of New Homes Bonus
- Compensation for the business rates multiplier
- Fair Funding Review and Business rate reset postponed in this spending review period

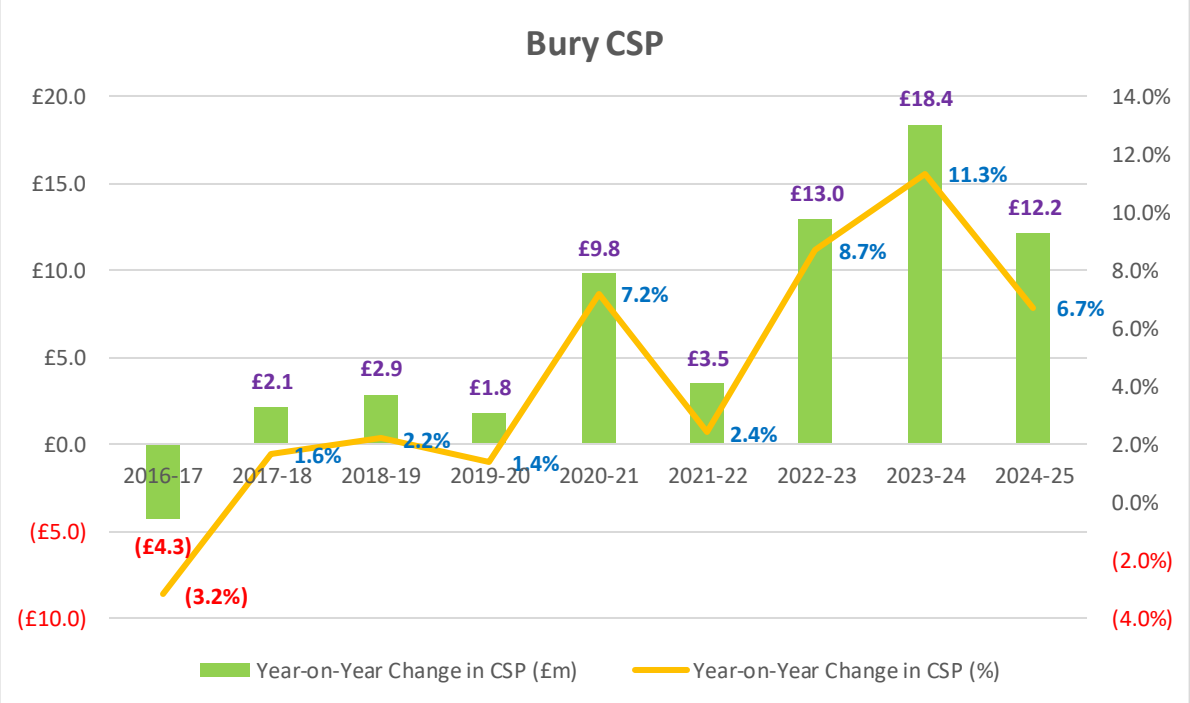
3.3 Core Spending Power

3.3.1 The provisional 2024/25 Local Government Finance Settlement announced an overall Core Spending Power (CSP) increase of 6.5%, for Bury the CSP increases by 6.7%.

National CSP



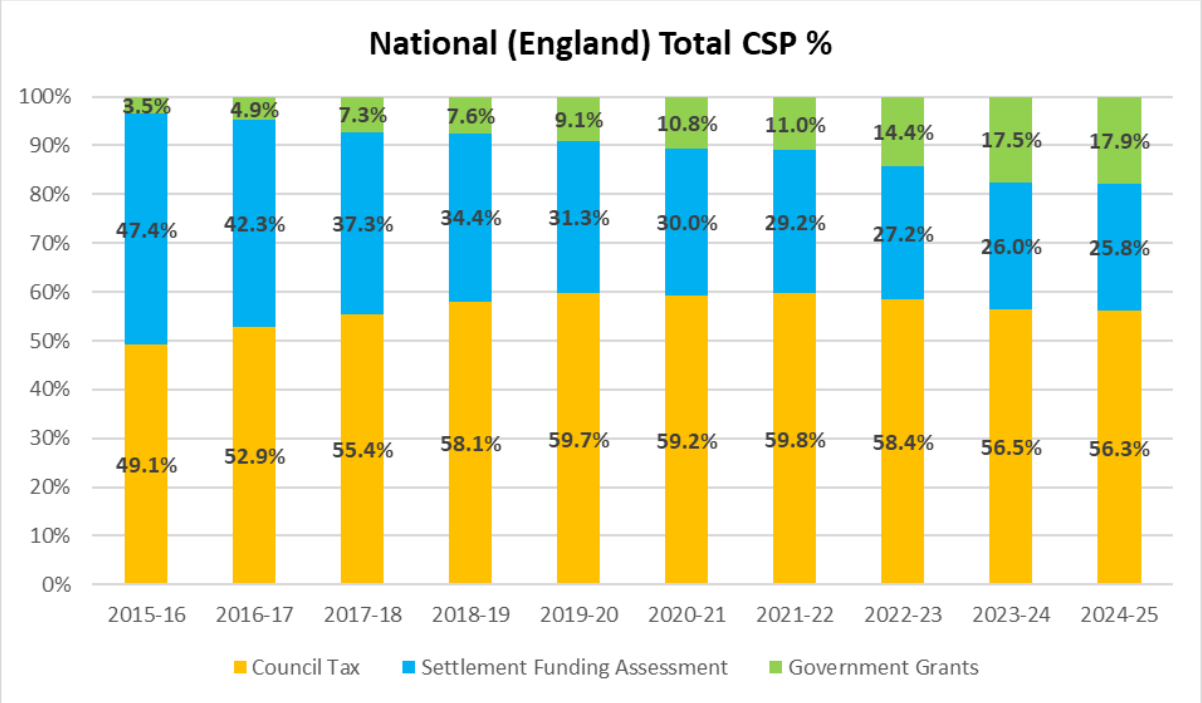
Bury CSP

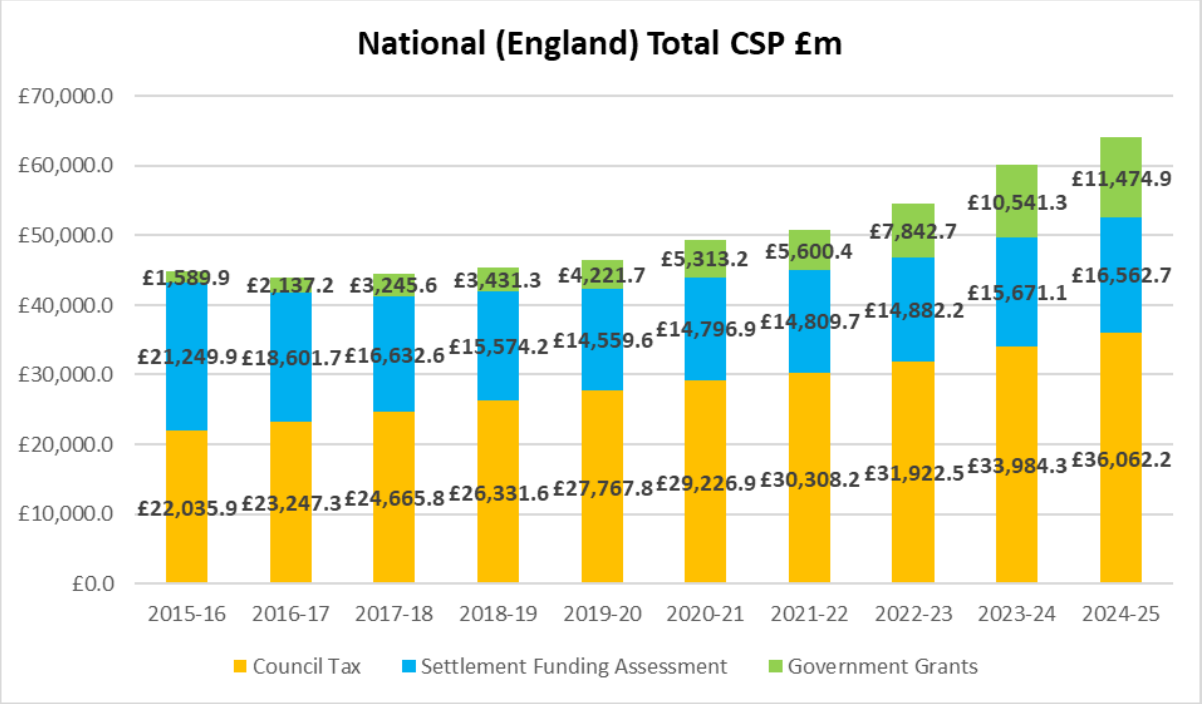


3.3.2 However, this does assume that authorities increase their Council Tax Band D by the maximum allowed and that tax bases will continue to grow based on a 5-

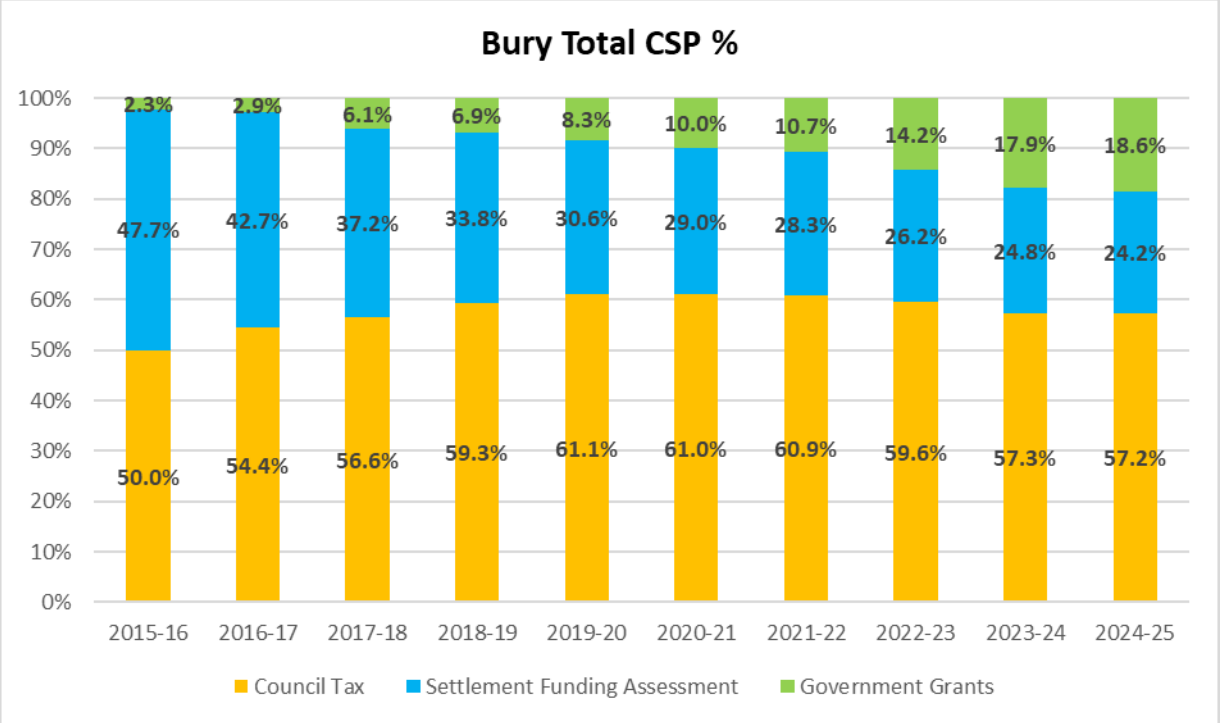
year average. For 2024/25, 56.3% (£36.1bn) of the overall CSP is attributable to Council Tax, for Bury, 57.2% (£110.4m) is attributable to Council Tax, therefore council tax remains increasingly important within the local government financial settlement.

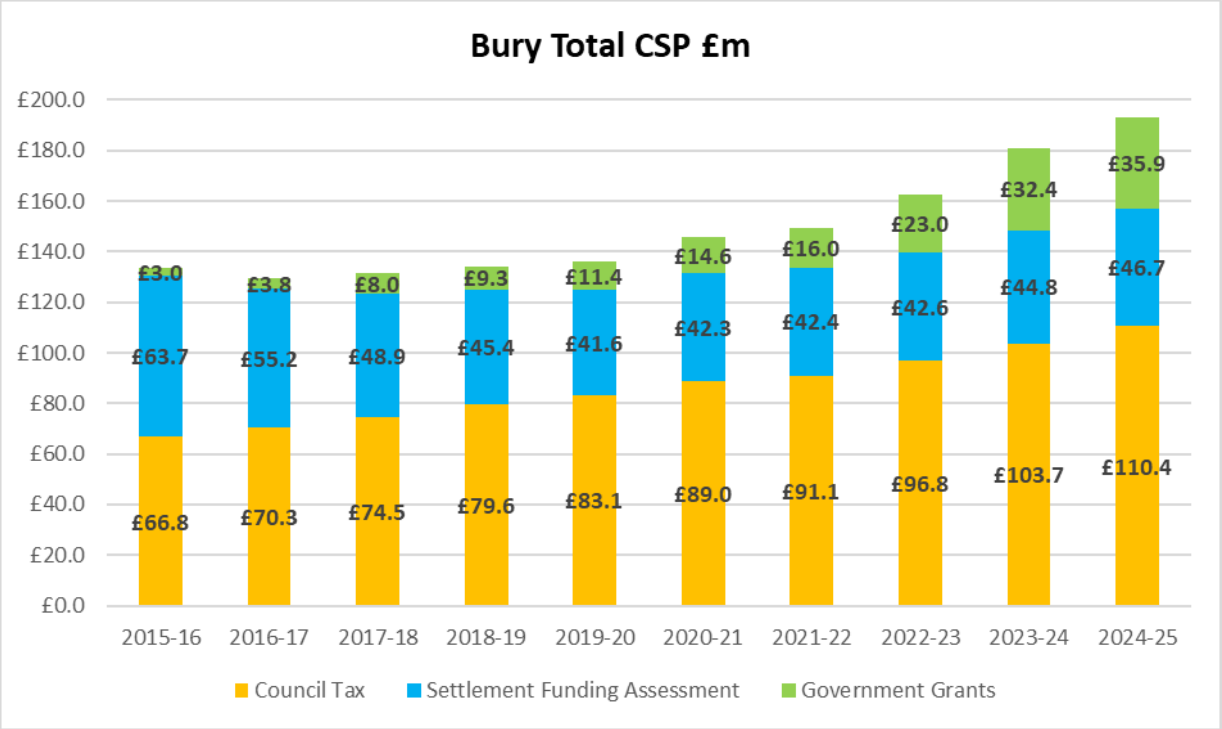
National CSP





Bury CSP





3.4 Council Tax and Adult Social Care Precept

3.4.1 The council tax referendum thresholds have been set as follows:

- Local Authorities: for 2024/25, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2024/25 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2023/ 24.

- Police and Crime Commissioners: for 2024/25, the PCC component relevant basic amount of council tax of the Greater Manchester Combined Authority is excessive if the authority's PCC component relevant basic amount of council tax for 2024/25 is more than £13 greater than its PCC component relevant basic amount of council tax for 2023/24.
  Note: At the time of writing this report the GM Police precept for 2023/24 has not been approved.

- Fire Authorities: for 2024/25, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2024/25 is 3%, or more than 3%, greater than its relevant basic amount of council tax for 2023/24.
  Note: GM has yet to agree any increase in the Fire precept.

3.4.2 As in previous years ministers have not set a maximum precept increase for any of the mayoral combined authorities and has also decided to defer setting any referendum principles for town and parish councils.

3.4.3 This 2024/25 budget includes a 4.99% increase in the relevant basic amount of Council Tax, that is below the council tax referendum threshold of 5% set out above.

Council Tax	2024/25	2025/26	2026/27
	£	£	£
Council Tax Base (Prior-Year)	56,708.39	57,408.70	57,839.27
Council Tax Base (In-Year)	**57,408.70**	**57,839.27**	**58,273.06**
Council Tax Base Increase No	*700.31*	*430.57*	*433.79*
Council Tax Base Increase %	*1.23%*	*0.75%*	*0.75%*
Council Tax Rate (Prior-Year) £	£1,828.31	£1,919.55	£2,015.33
Council Tax Base (Prior-Year) £	£103,680,517	£110,198,870	£116,565,216
Council Tax Base Increase (Current-Year) £	£1,280,384	£826,501	£874,230
Council Tax Income	**£104,960,900**	**£111,025,371**	**£117,439,446**
Council Tax Rate (General Amount) %	2.99%	2.99%	2.99%
Council Tax Rate (General Amount) £	£54.67	£57.39	£60.26
Council Tax (Relevant Basic Amount) (Proposed)	**£3,138,534**	**£3,319,396**	**£3,511,535**
Council Tax Rate (Adult Social Care) %	2.00%	2.00%	2.00%
Council Tax Rate (Adult Social Care) £	£36.57	£38.39	£40.31
Council Tax Rate (Adult Social Care) (Proposed)	**£2,099,436**	**£2,220,450**	**£2,348,987**
Council Tax Rate (In-Year)	£1,919.55	£2,015.33	£2,115.90
Council Tax Income	**£110,198,870**	**£116,565,216**	**£123,299,968**

NOTE:			
Council Tax	£103,680,517	£110,198,870	£116,565,216
Council Tax Base (Taxbase Increase)	£1,280,384	£826,501	£874,230
Council Tax Rate (General Amount)	£3,138,534	£3,319,396	£3,511,535
Council Tax Rate (Adult Social Care)	£2,099,436	£2,220,450	£2,348,987
Council Tax Income	**£110,198,870**	**£116,565,216**	**£123,299,968**

4 Council Tax Base

4.1 The Council Tax base is the equated number of properties within the Bury Borough that will provide Council Tax revenue to the Council. The forecast includes the latest available tax base. The tax base is forecast to increase by 1.23% in 2024/25 and 0.75% increase for future years.

4.1.1 In 2024/25 a tax base of 57,408 is estimated (56,708 2023/24) which generates additional Council Tax income of c.£1.28m. The tax base includes the impact of the Local Council Tax Support scheme which is funded by the Council.

4.1.2 The increase in tax base emphasises the importance of housebuilding within the Borough as the additional council tax generated is essential if the Council is to become self-sufficient in the longer term. It is anticipated that the tax base will remain steady in the next few years.

5. Council Tax

5.1 The Local Government Provisional Financial Settlement did continue the Government's assumption that local government will apply a basic Council Tax increase of 2.99%. The Government also assumes that local government will apply an additional 2% Adult Social Care Council Tax precept. A 1% increase in Council Tax in Bury would currently generate c.£1m of permanent funding.

5.2 Any decision not to increase the Council Tax by the full amount would result in the Council foregoing permanent funding which the Government assumes is available to the Authority when making grant allocations.

5.3 The plan currently assumes Council Tax rises but Members in their deliberations will need to consider the Government's stance on Council tax rises and the impact this will have on future funding levels for the Council. Together with the ever-increasing pressures in Social Care (full details are contained within the Risk section at para 6) particularly with reference to the current position within the Children's services budget.

5.4. Since April 2013 Local Authorities in England have been given delegated powers under Section 11B of The Local Government Finance Act 1992 (as amended) by The Local Government Finance Act 2012, to increase Council Tax charges for by adding up to 300% to the amount charged on some long-term empty properties. This is known as the 'Long Term Empty Premium. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 revised the regulations effective from the 1 April 2019.

5.5 The Levelling-up and Regeneration Bill now allows councils to reduce the period of time from which premiums apply and allow councils to charge a premium of up to 100% on furnished/unoccupied properties, known commonly as "2nd homes" with a proposed amendment to section 11C of The Local Government Finance Act 1992. A billing authority's first determination under these regulations must be made at least one year before the financial year to which the change relates. Therefore, to implement changes effective from 1 April 2025 a determination must be made this year. The changes are illustrated in the table below.

Current approach		
Property unoccupied however furnished (2nd homes)	**Premium payable**	**Overall charge**
From the date the property becomes unoccupied/furnished	0%	100%

Proposed approach effective from 1 April 2024		
Property unoccupied however furnished (2nd homes)	**Premium payable**	**Overall charge**
From the date the property becomes unoccupied/furnished	100%	200%

6 Changes to Government Funding in Base budget

6.1 For 2022-23 to 2024/25 a Services Grant designed to support all services delivered by councils, distributed using local authority shares of 2013-14 Settlement Funding Assessment, adjusted for local authority restructuring where necessary. For 2022-23, the Services Grant was £822m. For 2023/24, the Services Grant distribution profile was retained with grant funding reduced to £483m. For 2024/25, this fund was worth £77m, again maintaining the same distribution profile.

6.2 For Bury the 2024/25 Services Grant has been reduced by £1.227m, from £1.456m in 2023/24 to £0.229m in 2024/25.

6.3 On the 24 January 2024 as part of the final settlement the Government announced additional funding of £600m of which £500m will be new funding for councils with adults and children's social care responsibility. Once the funding for Bury has been confirmed this will be used to offset some of the Children's pressures including Home to School Transport.

7 New Homes Bonus

7.1 For 2016-17 to 2024/25, the New Homes Bonus position is as follows:

- The Spending Review 2015 set out the overall envelope for New Homes Bonus (NHB) payments over the period to 2019-20 as being £1,485m for 2016-17, reducing to £900m by 2019-20. £18m was made available to maintain the NHB baseline for payments in 2019-20.
- The Spending Round 2019 maintained the overall funding at £900m in 2020-21. £7m was made available to maintain the NHB baseline for payments in 2020-21.

- Following the Spending Review 2021, 2022-23 NHB payments were made with a total funding of £556m. In 2023/24 NHB payments were made with total funding of £291m. For 2024/25, payments will be made for a total funding of £291m.

For Bury the 2024/25 New Homes Bonus has decreased by £0.033m, from £0.053m in 2023/24 to £20k in 2024/25.0.00

8 Social Care Funding

8.1 The provisional 2024/25 Local Government Finance Settlement announced an extra £1bn. The table below illustrates the mixture of new funding and existing funding that is attributable to social care.

CSP: Social Care Funding	England			Bury		
Year	2023/24 £m	2024/25 £m	Year Change £m	2023/24 £m	2024/25 £m	Year Change £m
Improved Better Care Fund	£2,139.8	£2,139.8	£0.0	£7.6	£7.6	£0.0
Social Care Grant	£3,852.0	£4,544.0	(£692.0)	£12.6	£14.9	(£2.3)
ASC Market Sustainability and Improvement Fund	£927.0	£1,050.0	(£123.0)	£3.2	£3.6	(£0.4)
ASC Discharge Fund	£300.0	£500.0	(£200.0)	£1.1	£1.8	(£0.7)
CSP: Social Care Funding	**£7,218.8**	**£8,233.8**	**(£1,015.0)**	**£24.5**	**£27.9**	**(£3.4)**
Year Change in CSP: Social Care Funding (%)			14.1%			13.8%

8.2 For Bury the increase in social care funding for 2024/25 equates to £3.4m, from £24.5m in 2023/24 to £27.9m in 2024/25. The growth in funding within this area has been built into the MTFS however it has been assumed the basis of allocation remains the same.

9 Government Funding Grants

9.1 This 2024/25 budget includes a total of £28.1m of government funding grants as shown in the table below:

Funding Grants	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Improved Better Care Fund	£7,628,448	£7,628,448	£7,628,448	£0
Social Care Grant	£12,634,488	£14,893,708	£16,492,214	£0
ASC Market Sustainability and Improvement Fund	£3,154,546	£3,573,110	£3,573,110	£0
ASC Discharge Fund	£1,069,497	£1,782,494	£1,782,562	£0
Social Care Grants (Adult & Social Care Grants Rolled-In)	£0	£0	£0	£31,176,000
New Homes Bonus	£52,500	£20,300	£0	£0
Services Grant	£1,456,356	£229,158	£229,158	£0
Funding Guarantee	£0	£0	£0	£0
Funding Grants	**£25,995,834**	**£28,127,218**	**£29,705,492**	**£31,176,000**
Year % Change		**8.20%**	**5.61%**	**4.95%**

10 Business Rates

10.1 On the 26 October the Non-Domestic Rating Act 2023 received Royal Assent, in which ahead of billing for the 2024/25 financial year, the government commenced provisions to ensure that annual increases in the small business multiplier and the national non-domestic multiplier are automatically linked to the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). The government will be able to provide by regulations that either multiplier is indexed by a figure less than CPI, and to determine by regulations which ratepayers are entitled to the small business multiplier in England.

10.2 On the 22 November the Chancellor presented the Autumn Statement to Parliament, in which it announced the government will continue to make sure that support is offered to the small businesses, high street shops and independent cafes and pubs that need it most. The small business multiplier will be frozen for another year, while the 75% Retail, Hospitality & Leisure (RHL) relief will be extended for 2024/25. The standard multiplier will be uprated in line with September's CPI. These changes will take effect from 1 April 2024 in England. English Local Authorities will be fully compensated, paid via S31 grants, for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.

10.3 Bury Council is a member of the Greater Manchester 100% business rates via an arrangement originally established as a pilot in 2017. The Government have confirmed in the provisional 2024/25 Local Government Finance Settlement that this will continue in 2024/25. The 100% increased Business Rates Retention Arrangements means that the Council can keep 99% of the business rates it generates with 1% being paid to GMCA Fire.

10.4 However, this does not provide additional funds, unless there is growth above the baseline, as part of the arrangement the Council no longer receives Public Health Grant. To protect Council's a no detriment policy was introduced by the Government to ensure that no council was worse off under the arrangement.

10.5 Members will recall that it has been Government intention to carry out a Fair Funding Review of Relative Needs and Resources and a Business Rate Reset of accumulated business rates growth. The 2023/24 Local Government Policy Statement published on 12 December 2022, confirmed:

'*These will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament.'*

The 2024/25 Local Government Policy Statement published on 5 December 2023, confirmed:

'The government remains committed to improving the local government finance landscape in the next Parliament.'

And stated, that:

'At the 2023 to 2024 Settlement, we heard calls from the sector for stability. Now is not the time for fundamental reform, for instance implementing the Review of Relative Needs and Resources or a reset of accumulated business rates growth. This continues to be the government's position.'

10.6 The current business rates system allows councils to retain a proportion of the growth in the local business rates tax base, however this is typically lost during a reset. This is extremely complicated as it would be examining and assessing the underlying needs of councils together with understanding growth in the business rate system. Therefore, the delayed reset makes forecasting business rate income uncertain in the future and has a high risk of reduced funding in the future. The changes following these reviews could have a significant and detrimental impact upon the future finances of the Council.

10.7 The 2024/25 budget includes a total of £71.282m from Business Rates, as shown in the table below:

Business Rates	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Business Rates: Local Share	£44,413,539	£45,949,864	£50,498,799	£50,996,237
Business Rates: Top Up	£5,613,691	£5,716,027	£5,838,099	£5,959,373
Business Rates: Section 31 Grants	£16,960,559	£19,854,875	£15,890,488	£16,534,854
Business Rates: Cost of Collection	£233,741	£233,878	£233,878	£233,878
Business Rates: GMCA no detriment contribution	(£459,316)	(£472,946)	(£396,845)	(£285,034)
Business Rates Income	**£66,762,214**	**£71,281,698**	**£72,064,419**	**£73,439,309**
Year % Change		**6.77%**	**1.10%**	**1.91%**

11. Budget and Medium-Term Plan

11.1 The Budget gap has reduced by £2.112m since that reported to Cabinet in December 2023, from £17.243m to £15.131m. The forecast gap takes account of approved savings of £5.368m. Work is underway to identify additional savings to deal with the further gap and, pending this, the gap will be funded through the use of reserves.

11.2 The Medium Tern Financial Plan for future years now reports a budget gap for 2025/26 of £10.627m and 2026/27 of £4.327m bringing a cumulative three-year budget gap of £30.085m. The 2024/25 financial year is the last year in the spending review period and the reason for the settlement being one year only, as we await a new Parliament.

11.3 This Medium-Term Financial Plan has been produced to ensure effective financial planning continues to contribute to corporate priorities in line with the Let's Do It Strategy. The ongoing transformation of our services, with an emphasis on protecting our front-line services is key to the delivery of a robust financial

strategy that continues to provide and improves value for money for our residents.

11.4 The development of the MTFP has not been done in isolation as the capital strategy and Treasury Management activity are integral to the setting of a sustainable budget for the Council. Full details of these strategies are included within the appendix, but a summary is included later in this report.

11.5 Included within the budget is £0.100m for Community Grants and £0.050m for elected members discretionary budgets. The Community grants will be split into £20,000 per neighbourhood. Distribution will be determined by panels of elected members, supported by the VCFA and neighbourhood teams. Specific guidance on how to apply will be drawn up over the coming few months. Elected Member's Discretionary Budgets have been built into the budget on a permeant basis.

11.6 The following paragraphs provide members with details of the key assumptions contained within this plan:

Key Assumptions	
Pay	Members will be aware at the time of writing this report no decision has been agreed between Employer and the Unions on the 2024/25 pay award. The MTFS has been updated for 2024/25 to provide for a 6% pay award assumption for 2024/25 and a 6% in 2025/26 then reducing to 3% in 2026/27.
Energy	The energy market over the past 18 months has been extremely volatile, beyond anything which the MTFS had previously accounted for. Prices are expected to reduce from April and therefore no increase has been included in the 2024/25 budget for Energy. An increase has been included for 2025/26 and 2026/27 of £0.206m and £0.202m respectively.
Government Funding	The settlement announced one year funding for 2024/25, no detailed allocations were provided for 2025/26 and 2026/27 there is no indication of funding as this will be dealt with in the next settlement period.
Council Tax	The MTFS assumes a Council Tax increase of the maximum 2.99% for each year of the MTFS.
Social Care Precept	The MTFS assumes a Social Care Precept of 2% for each year of the MTFS.
Real Living Wage	2024.25 10% Increase and 5% for future years.

11.7 An analysis of the £37.111m budget assumptions included within the Medium-Term Financial Plan is in the table below.

Budget Assumptions Increases / (decreases)	**FEB 2024**		
	2024/25 (£000s)	**2025/26 (£000s)**	**2026/27 (£000s)**

Budget Assumptions:			
Pay Award	£5,807	£6,156	£3,262
Pay Base Movements	£1,713	£53	£35
Agency Staff	£1,400	£0	£0
Contractual Inflation	£6,558	£5,173	£5,160
Real Living Wage	£6,656	£3,733	£3,921
General Inflation	£428	£174	£191
Demand/Volume/Activity Base Movements	£13,502	£707	£1,080
Precepts & Levies	£751	£1,095	£1,086
Grants, Contributions & Income Recovery	(£1,249)	(£715)	(£786)
Sales, Fees & Charges Levels	(£315)	£0	£0
Recharges HRA, School, Capital & Internal	(£1,037)	(£1,810)	(£114)
Service Reserve Movements	(£146)	(£250)	£0
Treasury & Capital	£569	£2,664	£679
Provisions & Contingency	£1,854	£1,852	£301
Other	£620	£2,000	£0
Total Budget Assumptions	**£37,111**	**£20,832**	**£14,815**

11.8 Aligned to the above assumptions the following table shows a high-level view of the Medium-Term Forecast for 2024/25 – 2026/27.

Medium Term Financial Plan 2024/25 – 2026/27

MTFP Summary	FEB 2024		
	2024/25 (£000s)	2025/26 (£000s)	2026/27 (£000s)
Net Budget b/fwd	**£195,076**	**£209,608**	**£218,336**
Budget Assumptions	£37,111	£20,832	£14,815
Approved Budget Proposals (Feb 2023)	(£5,368)	(£3,377)	(£908)
New Policy Proposal (Feb 2024)	(£2,080)	£1,900	£0
Use of Reserves	(£15,131)	(£10,627)	(£4,327)
NET BUDGET	**£209,608**	**£218,336**	**£227,916**
Funding:			
Council Tax	(£110,198)	(£116,565)	(£123,300)
Business Rates	(£71,282)	(£72,066)	(£73,440)
Government Funding Grants	(£28,128)	(£29,705)	(£31,176)
ASSUMED FUNDING	**(£209,608)**	**(£218,336)**	**(£227,916)**
CUMULATIVE BUDGET GAP (INCL PROPOSALS)	**(£15,131)**	**(£25,758)**	**(£4,327)**
ANNUAL INCREMENTAL BUDGET GAP (INCL PROPOSALS)	**(£15,131)**	**(£10,627)**	**(£4,327)**

11.9 The additional funding announced in the Local Government Financial Settlement and the increase in Council Tax and Business Rates has helped to bridge part of the gap in our budget however there remains a budget gap for 2024/25 of £15.131m and a cumulative budget gap over the three years of £30.085m.

11.10 Savings proposal of £5.368m has been included within the budget for 2024/25. These savings were approved by members as part of setting the 2023/24 budget in February 2023. The Director of Finance chairs the Executive Delivery Board to agree a strategy to deliver savings to close the gap and to oversee the delivery of the budgeted savings.

MTFP Budget Proposals Summary		FEB 2024		
		2024/25 (£000s)	2025/26 (£000s)	2026/27 (£000s)
HAC	Review of Working Age Adults' Costs Against a Robust National Toolkit	(£700)	£0	£0
HAC	Development of Wider Learning Disabilities Strategy for Age 14-25 Cohort	(£180)	(£180)	(£220)
HAC	Residents Transitioning to Alternative Packages	(£375)	£0	£0
HAC	Enforce S22 of Care Act	(£336)	£0	£0
HAC	Reduce Public Health Staffing	(£33)	£0	£0
Total HAC Approved Budget Proposals Feb 2023		**(£1,624)**	**(£180)**	**(£220)**
CYP	Children's Short Breaks	(£100)	£0	£0
CYP	Step Down of Very High-Cost Placements Across Children's	(£1,200)	£0	£0
CYP	Progressing the Edge of Care Service Review	(£506)	(£694)	£0
CYP	Implementation of the Hertfordshire Family Safeguarding Model	£0	(£587)	(£588)
CYP	Accelerating Work on Children's Fostering Capacity Invest to Save	(£121)	(£483)	£0
CYP	Post 16 SEND Transport	(£45)	(£45)	£0
CYP	Reduction in Children's Budgetary Provision for Early Retirement Costs in Accordance with Demographic Changes	£0	£0	(£100)
Total CYP Approved Budget Proposals Feb 2023		**(£1,972)**	**(£1,809)**	**(£688)**
CCS	Remove Finance Innovation and Project Team	(£157)	(£156)	£0
CCS	Service Reviews within the Corporate Core	(£100)	(£388)	£0
Total CCS Approved Budget Proposals Feb 2023		**(£257)**	**(£544)**	**£0**
BGI	Capitalisation of Salaries through Capital Receipts	(£150)	£0	£0
BGI	Additional Savings from Health and Housing	(£225)	(£344)	£0
Total BGI Approved Budget Proposals Feb 2023		**(£375)**	**(£344)**	**£0**
OPS	Commercialisation Strategy for Bury Art Museum	(£250)	£0	£0
Total OPS Approved Budget Proposals Feb 2023		**(£250)**	**£0**	**£0**
NSS	Integration of Housing	(£500)	(£500)	£0
NSS	Additional '3 days unpaid leave' Income	(£90)	£0	£0
NSS	Additional '3 days unpaid leave' Income	(£300)	£0	£0
Total NSS Approved Budget Proposals Feb 2023		**(£890)**	**(£500)**	**£0**
TOTAL APPROVED BUDGET PROPOSALS FEB 2023		**(£5,368)**	**(£3,377)**	**(£908)**

11.11 The budget proposals include a new policy proposal which is to transfer a dividend from the BMBC Townside Fields Limited for £2.080m which is a one-off of £1.9m and a recurring of £0.180m which is income generated through rental.

11.12 As part of the budget reserves have been reviewed. The use of reserves has been modelled over a three-year period to assess the worst-case scenario should savings not materialise to close the £30.085 budget gap. There are sufficient reserves to manage the budget gap however a strategy to close the gap over the three-year period needs to be developed to ensure the financial sustainability of the Council.

12 Capital Strategy

12.1 When setting the Council's budget and Medium-Term Financial Plan the Treasury Management and Capital plans need to be considered as the impact of capital and investments decisions are integral part of the revenue budget. Full details of the Treasury Management Policy along with the Prudential indicators and capital strategy are included within the Appendix 3.

12.2 The impact of capital investment decisions are included within the current forecast. However wherever possible the use of internal funds (unspent balances, reserves, and provisions i.e., Cash) are utilised to minimise the impact upon revenue.

12.3 As long-term loans (PWLB) mature and require repayment, cash balances will ultimately reduce and at some point, in the future it may become necessary to replace old loans with new borrowing and consider debt re-financing.

12.4 The Council is also required to repay its debt each year via its minimum revenue provision which gradually reduces the need to borrow.

12.5 The Capital Programme which is reported within Appendix 3 is still fully funded even though resources are relatively scarce. This means that there is opportunity to use our prudential borrowing powers to invest in schemes that give a return on capital employed i.e., additional efficiencies may be generated as a result of the investment. However, the Council does not borrow for the purposes of financial return. Any borrowing will predominantly be for regeneration.

13 Risks and Pressures

The construction of a medium-term plan is based upon professional judgement and a number of assumptions. However, there are always a number of risks and pressures that cannot be quantified at the time of formulating the plan. The key risks are discussed below:

13.1 Childrens social care

13.2 Members will be aware of the financial position facing our children's services. The most significant financial pressure within the Department remains the costs relating to our Looked after Children and specifically the cost of their residential

placements with external providers. This is a national issue and one which many local authorities are trying to manage, with this being a key driver for the department's adverse variance throughout 2023/24. This continued demand for placements is further compounded by a rise in the requirement for more complex external residential provision alongside a lack of sufficiency across the care sector resulting in expensive placements being used for longer periods. As this issue is set to continue into the new financial year, budget growth of £4.552m (excluding inflation) has been added to the medium-term financial plan for 2024/25 for residential placements including those for children with additional needs.

13.3 Alongside the growth for residential placements, there has been an increase in demand for other social care provisions such as Independent Foster Agencies and in house fostering. Whilst the demand for children's services continues to grow, a budgetary increase (excluding inflation) across a number of social care services has been included within the MTFS at £1.091m for 2024/25.

13.4 Another key driver of cost within Childrens Social Care are legal charges. As the number of cases continue to increase, so does the need for legal support. To reflect this increase in demand, a budgetary provision of £0.350m for 2024/25 has been included with the forecasts.

141 School Transport (SEN)

14.1 Linked to a growth in numbers of children with an Education and Health Care Plan (EHCP) more children are accessing transport, and this has resulted in additional cost pressures. This increase has resulted in a requirement for additional budgetary provision to be provided as part of the estimates for 2024/25. This additional growth funding covers all areas within the transport service such as school and college transport, independent travel training and bus passes, and is held in the MTFS at a value of £1.905m (excluding inflation) for 2024/25.

14.2 Special Educational Needs (SEND) and other education provision

14.3 As highlighted within the Council's revenue monitoring position for 2023/24, there has been an increase in the number and cost in services provided for educational services including SEND provision such as Personal Budgets, Direct Payments, Educational Psychology, School Crossing Patrols and School Improvement. Whilst the department continues to look at different ways to deliver necessary services, it is appropriate that additional budgetary provision be made available within the MTFS estimates to provide for these services. For 2024/25, excluding inflation, £2.528m has been provided for 2024/25.

14.4 Health & Adult Care (HAC)

14.5 **Demographic Demand Pressure** -The number of older people (the group most likely to need social care) is rising faster than the population as a whole and an increase in demand for care from working age adults is putting significant strain on the HAC budget.

14.6 Demand **Pressure Eroding the Impact of Savings Delivery** - The HAC directorate has delivered c.£21m of savings over the period of 2021/22 -2023/24 with a further £4.135m of savings to be delivered in 2024/25. However, the impact of rising demand on social care services is having an offsetting effect on the hard work of successfully delivering the HAC savings programme to date.

14.7 **Cost Pressures Linked to Social Care Workforce Recruitment & Retention -** The Council and commissioned Social Care providers are struggling to maintain staffing levels, consequently, the solution to maintain safe staff levels is a reliance on expensive Agency staff provision.

14.9 **Real Living Wage (RLW) Cost pressure** - The Council is formally accredited by the Real Living Wage Foundation as a RLW employer, The total cost impact of the RLW on the 2024/25 Council budget is £6.654m of which £5.504m relates to Adult Social Care budgets. If the RLW inflationary uplift continues the same trajectory, then the annual cost impact will be of a similar value in 2025/26 and beyond.

14.10 **Cost Pressure of Care Packages transitions from Childrens Social Care to Health & Adult Care** - The care package costs of young people who are scheduled to transition Adult Care Services in the medium term can be significant in value. Without accurate transitions costing information and pre-emptive care package planning/design the HAC directorate budget is at risk of being under resourced

14.11 **Social Care Provider Failure** - In addition to Social Care providers meeting the cost pressures related to paying their staff the Real Living Wage, Social Care providers are exposed to a number of inflationary pressures such as utility and food costs. If provider failure happens in a service setting where supply is low in the first instance (e.g. Nursing Dementia), then the risk of having to decant residents into expensive out of borough provision is high for the Council.

14.12 **Future Funding of Social Care** -The Autumn statement on November 22, 2023, made no reference about investing in social care. The additional funding announced in recent years has helped but is not enough to resolve the structural funding crisis.

In the spirit of the Council's 'Lets Fix it Together' campaign (**Let's Fix It Together**) and to ensure Bury can meet the social care needs of its residents whilst balancing the HAC budget there's a necessity for:

- Adequate funding in line with inflation and the demand for services
- Multi-year funding to provide certainty to be able to plan budgets
- Comprehensive fiscal reform of Adult Social Care funding

15 BGI Directorate

15.1 The Council is currently a member of two joint ventures (JVs):

Bury Bruntwood Millgate LLP– a 50/50 JV formed to redevelop the Millgate Shopping Centre and the surrounding areas to provide a mix of retail, commercial and residential.
Prestwich Regeneration LLP – a 50/50 JV with Muse to regenerate the Town Centre of Prestwich to provide community space, a travel hub, retail and commercial and residential.

15.2 The Council also has two projects funded by Levelling Up Fund monies, Bury Market & Flexi Hall, and Radcliffe Regeneration. Each of these projects was awarded £20m in Levelling Up Funds which has been matched by Bury using a mix of new capital expenditure and receipts generated from the sale of Council owned land and buildings no longer in use.

15.3 The **Future Asset Plan** is an overarching report looking a number of ways to reduce revenue expenditure, generate additional capital and revenue receipts, improve the Council's housing stock & commercial estates, and generate real growth in Council Tax and Non-Domestic Rates over the next 10 years.

16 Operations Department

16.1 **Energy and fuel –** Operations have been significantly impacted due to rising energy costs and this remains a budget risk to the department. It is anticipated that the contract price reduction due in April 2024 will mean that the current budget will be sufficient, however, due to the size of the contract and the complexities within it, there remains a risk around this. The cost of fuel to operate our vehicles can also vary significantly and with a large number of vehicles in operations, this is a potential budget risk.

16.2 **Building Compliance and Maintenance –** Work is ongoing to assess all council buildings to ensure they are operating in a compliant manner and that required maintenance is carried out. The lack of investment in the council estate over the years and the age of Bury Council's Leisure Centres means this is a significant area of risk. It is likely works will need to be carried out to enable buildings to continue to operate safely and this work is currently not budgeted for.

16.3 **Climate Change Impacts** – The impacts of climate change continue to be felt with the extreme weather conditions, which impact on operational services in many ways and lead to increased costs. It is not possible to project the weather conditions that will be experienced, but uncreased storms, flooding and snow and ice continue to lead to increased costs for clean ups e.g. fallen trees and to recover impacted services such as waste collection.

17 Schools

17.1 In 2022/23 schools' balances decreased by £3.627m to £4.731m by the end of the financial year. It is expected that there will be a further decrease in balances at the end of 2023/24.

17.2 There have been a number of emerging cost pressures for schools, like local authorities, including rising energy bills and significant inflationary increases on

pay and non-pay costs, meaning that there is a significant gap between actual cost increases and the budget uplifts received. This has resulted in a significant rise in the number of schools looking to set a deficit budget for the new academic year. Any school that has a school budget set at a deficit, must provide an action plan of how any deficit budget is to be managed and brought back in line with its budget allocation.

17.3 A key risk for our primary sector is falling rolls in certain areas of the borough due to reducing birth rates. Pupil numbers is the key driver for school funding and as a result action will be required to mitigate the financial impact of reduced numbers. There is a piece of work ongoing to review school places across the borough.

18 Dedicated Schools Grant (DSG)

18.1 Bury Council entered into a Safety Valve agreement with the Department for Education (DfE) in 2021 with the original agreement aimed to eradicate the DSG deficit by the end of the 2024/25 financial year.

18.2 The Council has undertaken extensive work in repairing and rebuilding Special Educational Needs and Disabilities services within the borough over the last two years as part of the Safety Valve programme which has included rebuilding the Education Health and Care Plan (EHCP) team, reworking the EHCP process and launching a graduated approach. In addition, there has been extensive work to reduce the cost of provision in borough and there continues to be work on improving sufficiency in Bury.

18.3 The work undertaken to date has had an impact and has started to reduce the DSG deficit position, however this has been against a backdrop of unprecedented demand. This increase in demand has resulted in a necessary change in the deficit reduction profile with the Council working with the DfE to devise a revised DSG Management Plan which proposes to eradicate the deficit by the end of the 2028/29 financial year.

18.4 The DSG Management Plan was submitted to the DfE in October 2023. The DfE have submitted this plan for Ministerial consideration with a decision on the revised plan anticipated in the first quarter of 2024/25.

18.5 Further details on DSG funding can be found at Appendix 4.

19 Corporate Core Department

19.1 The pressure included for renewal of contracts is current at estimated prices, due to the nature of the renewal process, there is a risk that the final budget requirement could be higher.

19.2 The coronial budget is a service which is led by Rochdale MBC for the coronial district and Bury Council has little control of the risks and volatility inherent in the service such as public enquiries (as with the recent issues of mould in social housing)

20 Corporate Risks

20.1 Construction industry prices have risen significantly in recent months as demand for materials etc is exceeding available resources. This increased cost places additional risk on our proposed capital schemes particularly the large infrastructure projects that are currently in the pipeline. If prices continue to rise in the medium term, then a full review of the programme will be undertaken to ensure it remains affordable for the Council.

20.2 Interest rate risk can have a major impact upon the finance of the Council as even small increases in interest rates can impact significantly on borrowing costs. As cash becomes depleted whilst rates are high, we may look to use short-term borrowing as opposed to longer term borrowing. The borrowing position is included within Appendix 2 as it forms part of the Treasury Management policy.

20.3 Significant staff across the organisation are currently capitalised against major project work which is impacted by the size of the capital programme approved.

20.4 The budget includes a 6% increase for 2024/25 however this has not been agreed and could be more which would cause financial pressure on expenditure in 2024/25.

21 Academisation

21.1 There has been an increase in the number of schools converting to academies in 2022/23 with another 14 conversions anticipated in the 2024/25 financial year. There is a continued risk that there will be an associated reduction in the buyback of services across the Council. The Council is reviewing the impact of this reduction with proposals and mitigations to be developed throughout the new financial year.

22 Financial Sustainability

21.2 Members will recall that the Council is required to adopt the principles of the Financial Management Code (FM Code) developed by CIPFA. This follows a number of highly publicised financial failures within the sector and was designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.

22. Reserves

22.1 As part of setting the budget the S151 officer has taken account of strategic, operational, and financial risks facing the Council. Reserves and financial risks have been assessed as part of the budget setting process assessing risks facing the Council and the S151 officer has the general fund balance to be £10m to be adequate.

22.2 It is important that the Council has a clear policy on reserves which sets out the levels required and the purpose of holding general fund and earmarked Reserves

and the reserves policy is set out in Appendix 6. The reserves set out below have modelled the budgeted three-year deficit and as can be seen there are currently sufficient reserve to fund the deficit which is a worst-case scenario.

Balance of General Fund Reserves	Balance at 31 March 2024 £000s	Balance at 31 March 2025 £000s	Balance at 31 March 2026 £000s	Balance at 31 March 2027 £000s
Projected GF Reserves Balance	**(£100,511)**	**(£80,605)**	**(£54,597)**	**(£24,512)**
General Fund	**£10,000**	**£10,000**	**£10,000**	**£10,000**
COVID-19 Grants	**£1,955**	**£1,955**	**£1,955**	**£1,955**
Schools Reserves	**£5,169**	**£5,169**	**£5,169**	**£5,169**
Section 106 Commuted Sums	**£5,958**	**£5,958**	**£5,958**	**£5,958**
GF Reserves Balance excluding Statute & Ring-Fenced Reserves	**(£77,429)**	**(£57,523)**	**(£31,515)**	**(£1,430)**

Cumulative Use of Reserves included in Smoothing Reserve on Tracker	
2024/25 Budget Gap	£15,131
2025/26 Budget Gap	£25,758
2026/27 Budget Gap	£30,085
Cumulative Use of Reserves	**£70,974**

23. Section 151 Statement on Robustness of the Council's position

23.1 A key part of the financial position for a Local Authority is the adequacy of its financial reserves. The Local Government Act 2003 (Section 25) requires me to report on the robustness of the budget and the level of financial reserves.

23.2 As section 151 Officer I need to ensure that the Council maintains a sufficient level of balances and reserves. General Balances are held as a contingency against risks not provided for in the Council's financial plans and are available to provide that one-off funding for emergencies such as local disasters etc. The level of General Balances are an important indicator of a Council's financial position as insufficient levels will place the Council at significant financial risk. The level of balances at Bury are assessed annually and the general fund level is deemed to be sufficient.

23.3 Reserves are earmarked for a specific purpose and available only once however due to the significant pressures identified within the 2023/24 financial year and through the budget setting process for 2024/25 there is a requirement to use reserves to balance the budget. This will allow time for a medium-term financial plan to be developed which will set out how the Council will close the gap over the medium term.

23.4 Reserves are reported fully as part of the Council's Statement of Accounts and Members will be aware that the level of reserves retained by the Council fluctuates on a year-by-year basis reserves are used.

23.5 Members will have seen in recent years a number of high-profile financial failures within Local Government with some issuing Section 114 notices. As part of my consideration on the robustness of the Council's Budget, balances and reserves I need to consider if a Section 114 notice is required.

23.6 For the benefit of Members Section 114 (2) of the Local Government Finance Act 1988 requires the Chief Finance Officer of a relevant authority to make a report under this section if it appears to him that the authority, a committee of the authority, a person holding any office or employment under the authority or a joint committee on which the authority is represented:-

(a) has made or is about to make a decision which involves or would involve the authority incurring expenditure, which is unlawful,

(b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or

(c) is about to enter an item of account the entry of which is unlawful.

23.7 In summary – as Section 151 Officer I am required to report, following consultation with the Council's monitoring officer, to all the Council's members if I believe that expenditure is likely to exceed incoming resources (after accounting for use of reserves).

23.8 CIPFA guidance recommends that contact is made with Department for Levelling Up, Housing and Communities, lead members and statutory officers in advance of issuing a Section.114 report, to undertake some scenario testing and to ensure a robust action plan to address the issues raised.

23.9 The process for issuing a Section 114 report and the effect of it are set out in the 1988 Act. Subsection 3(A) requires the Chief Finance Officer to consult, so far as reasonably practicable, the Head of Paid Service (Chief Executive) and the Monitoring Officer. If there is disagreement or doubt, the Chief Finance Officer should ask for Opinion of Counsel to be obtained.

23.10 Section 115 requires Council to consider the report at a meeting where it shall decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it. The meeting must be held no later than 21 days beginning with the day the report was sent and this decision is reserved to full Council.

23.11 Section 116 requires the Council to notify its external auditors of the report and the time, date, and place of the Council meeting. The external auditors also need to be informed of the outcome of the meeting as soon as practicable.

23.12 The Consequences of issuing a Section 114 Notice.

23.13 No new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, although existing commitments and contracts will continue to be honoured.

23.14 Council officers must therefore carry out their duties in line with contractual obligations and to acceptable standards, while being aware of the financial situation. Any spending that is not essential or which can be postponed should not take place and essential spend will be monitored.

23.15 The only allowable expenditure permitted under an emergency protocol would include the following categories: ▪ existing staff payroll and pension costs ▪ expenditure on goods and services which have already been received ▪ expenditure required to deliver the Council's provision of statutory services at a minimum possible level ▪ urgent expenditure required to safeguard vulnerable citizens ▪ expenditure required through existing legal agreements and contracts ▪ expenditure funded through ring-fenced grants ▪ expenditure necessary to achieve value for money or mitigate additional in-year costs

23.16 The Council will have 21 days from the issue of a Section 114 notice to discuss the implications at a meeting of full Council.

If the Council still cannot put forward a balanced budget, then external auditors are appointed who work on producing a viable budget. They will also consult with central government at this point to see if any temporary additional support could be forthcoming.

23.17 In relation to the proposed Budget and MTFP I am able to provide Members with the reassurance that I am proposing a balanced budget with the use of £ 15.131m of reserves. There is a medium-term budget gap of £30.085m and a longer term sustainable financial plan is key to financial sustainability and the delivery of the Let's Do It Strategy. Our success on delivering efficiencies and providing value for money has been further affirmed by our External Auditors whom in previous years have issued an unqualified VFM conclusion stating, "the Council has made proper arrangements to deliver financial sustainability in the medium term". On this basis I am confident to confirm to Members that a Section 114 Notice is not required as the Council remains in a strong financial position.

24 Conclusions

24.1 This latest Settlement announced by the Government in December 2023 and the recent announcement regarding an increase in Social Care Grant has resulted in additional funding being granted to Local Government in 2024/25 and the continuation of a number of specific grants has been reaffirmed. However, it must be recognised that the increase in core spending power does not re-address the cuts that have been made over the past decade.

24.2 Again, it is difficult to say with any certainty what the future will bring for the finance of Local Government as there are still significant uncertainties that make

any accurate forecasting almost impossible especially after 204/25 which is the final year of the spending review.

Links with the Corporate Priorities:

1. 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.

2. 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 2023/24 which are described in the Corporate Plan.

Equality Impact and Considerations:

1. In considering the budget for 2024/25 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.

2. 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 local Inclusion Strategy and defined Equality Objectives. The Council's commitment to inclusion extends beyond the nine legally protected characteristics and encompasses carers, Looked After Children and care leavers, military veterans, and reservists and the socio-economically disadvantaged.

3. No new specific savings proposals are included in this budget report. Where proposals agreed last year require individual Equality Impact Assessments this will be progressed in-line with individual project timelines.

4. An overarching Equality Impact Assessments considering the budget as a whole, including the impact of the proposed raise in Council Tax, has been developed and is included within the appendices to this Budget Report.

5.

Environmental Impact and Considerations:

1. The Council is working towards becoming a carbon neutral organisation by 2038. A number of these budget proposals will reduce the organisations carbon footprint.

Assessment and Mitigation of Risk:

1. The risks identified within this report and set out within the relevant sections above.

Legal Implications:

1. The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992. S30 of the Act states that it is an obligation to set Council tax for categories of dwellings, s31A sets out that the Council has a statutory responsibility to set a balanced budget. The budget must be fixed by 11 March 2024.

2. 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 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.

3. The provisions of Section 25 of the 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.

4. Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor the financial position must be closely monitored and, 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.

5. 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):

- Consultation must be at a time when proposals are at a formative stage.
- The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
- Consulters must give sufficient time for responses to be made and considered.
- 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.

6. 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.

7. 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:

8. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010,

9. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it,

10. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

11. Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded.

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

13. 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).

14. 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 2023/24 published in December 2022, announced that Council tax could rise by 3% before the need to hold a referendum and Councils could apply a Adult Social care levy of up to 2%.

15. 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.

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

17. 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.

18. 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).

19. 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.

20. 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.

21. 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).

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

23.(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

24.(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.

25. 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:

2. The financial implications are included within the Report.

Appendices:

Appendix	Description
1	Council Tax 2023/24 and Statutory Calculations
2	Treasury Management Strategy 2024/25
3	Capital Strategy 2024/25 - 2026/26
4	Dedicated Schools Grant 2024/25
5	Equality Impact Assessment
6	Reserves Policy

Background paper

Cabinet report – MTFS October 2023

Report Author and Contact Details:

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

Term	Meaning
CIPFA	Chartered Institute of Public Finance and Accountancy
DfE	Department for Education
DLUHC	Department for Levelling Up, Housing and Communities
DSG	Dedicated Schools Grant
HRA	Housing Revenue Account
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

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Appendix 1

Formal Council Tax Resolution the Council is asked to resolve as follows:

It is noted that the Council calculated the 2023/24 estimated surplus/deficit on the Collection Fund as £4,542,556.

It is noted that the Council calculated the 2024/25 Council Tax Base for the whole Council area as 57,408.70 (Item T in the formula Section 31B of the Local Government Finance Act 1992, as amended (the 'Act').

It is recommended:

That the Council approve the Council Tax requirement for the Council's own purposes (excluding precepts) for 2024/25 as £110.198m;

That the Council agrees the calculation of the aggregate amounts for the year 2024/25 in accordance with sections 31 to 36 of the Act:

2024/25 Revenue Budget	
	£m
2023/24 Net Budget	£195.076
Budget Assumptions	£37.111
Budget Proposals	(£7.448)
Less Planned Use of Reserves	(15.131)
Net Budget	**£209,608**
Funded By:	
Government Grants	£28.128
Business Rates	£71.282
Council Tax	£110.198
Funding	**£209.608**

In relation to Council Tax, Council is asked to:

- Raise the Bury element of the Council tax by 4.99% of which 2.99% relates to the general precept and 2.00% relates to the adult social care levy.
- Approve the council tax requirement for the council's own purposes (excluding precepts) as £110.198m

That the following amounts be calculated by the council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

£557,332,271 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act; (This is the gross expenditure budget)

£447,133,401 being the aggregate of the amounts which the council estimates for the items set out in Section 31A 3 of the Act (The external income budgets including business rates and government grants)

£110,198,870 being the amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Ac). (Net Council Tax Requirement for the budget)

£1,919.55 being the amount at c) above, (above item R) divided by Item T calculated by the Council, in accordance with section 31B of the Act, as the relevant basic amount of its Council Tax for the year, and:

Bury Council

2024/25 Council Tax by Band – Bury Council Element							
A	B	C	D	E	F	G	H
£1,279.70	£1,492.98	£1,706.26	£1,919.55	£2,346.11	£2,772.68	£3,199.25	£3,839.10

Being the amounts given by multiplying the amount set out at d) above by the number which, in the proportion set out in Section 5 (1) of the Act is applicable for dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Note that the Police and Crime Commissioner component of the Greater Manchester Mayoral budget and the Mayoral general budget have issued precepts to the council in accordance with section 40 of the Local Government Finance Act That the following precepts be calculated for 2024/25 in accordance with Sections 31 to 36 of the Act;

Police and Crime Commissioner

2024/25 Council Tax by Band – Bury Council Element							
A	B	C	D	E	F	G	H
£170.86	£199.34	£227.82	£256.30	£313.25	£370.21	£427.16	£512.60

General Mayoral - Fire and Rescue Service

2024/25 Council Tax by Band – Bury Council Element							
A	B	C	D	E	F	G	H
£75.30	£87.85	£100.40	£112.95	£138.05	£163.15	£188.25	£225.90

That the council, in accordance with sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.

Aggregate of Council Tax Requirements

2024/25 Council Tax by Band – Aggregate for all precepting authorities							
A	B	C	D	E	F	G	H
£1,525.86	£1,780.17	£2,034.48	£2,288.80	£2,797.41	£3,306.04	£3,814.66	£4,577.60

To determine whether the council's relevant basic amount of council tax for 2024/25 is excessive in

accordance with the principles approved under the Localism Act 2011.

	2023/24	2024/25	%
Council Tax Base	56,708.39	57,408.70	4.99%
Council Tax Requirement	£103,680,517	£110,198,870	
Relevant Amount of Council Tax	£1,828.31	£1,919.55	

The total increase of **4.99%** is not excessive as it is **within** the **4.99%** referendum limit.

The Authority is therefore not subject to a referendum.

Other Funding

Government Grants:
Included within the budget are several government grants totaling £28.128m that are received for specific purposes. Any variations to the level of funding will be matched by an equivalent adjustment in the budget for the respective service.

Business Rates:
Business Rates totaling £71.282m to support the council's overall budget is itemised below. In the event the Business Rates funding is above or below this level, the variation will be managed by an adjustment to the Collection Fund Smoothing Reserve.

	2024/25 £m
Business Rates: Local Share	£45.950
Business Rates: Top Up	£5.716
Business Rates: Section 31 Grants	£19.855
Business Rates: Cost of Collection	£0.234
Business Rates: GMCA no detriment contribution	(£0.473)
Total	**£71.282**

2023/24 Collection Fund Surplus/Deficit

The overall 2023/24 estimated surplus/deficit on Collection Fund is a deficit of £4,543m, that consists of a £0.873m surplus for Council Tax and a £5.416m deficit for Business Rates.

Bury overall share of the deficit is £4.629m, that is split £0.732m surplus from Council Tax and £5.361m deficit from Business Rates, the £4.629m deficit will be funded from the Collection Fund Smoothing Reserve.

2023/24 Estimated Surplus/(Deficit) on Collection Fund	Council Tax £m	NNDR £m	TOTAL £m
2022/23 Surplus/(Deficit) Balance b/f	**£0.716**	**(£8.416)**	**(£7.700)**
2023/24			
Income	£126.845	£44.832	**£171.677**
Contributions towards Previous Year's Deficit:			
Bury MBC	£0.000	£2.902	**£2.902**
Police and Crime Commissioner	£0.000		**£0.000**
General Mayoral - Fire and Rescue Service	£0.000	£0.029	**£0.029**
Total Income	**£126.845**	**£47.763**	**£174.608**
Precepts and Demands on Collection Fund:			
Bury MBC	(£103.680)	(£44.412)	**(£148.092)**
Police and Crime Commissioner	(£13.797)		**(£13.797)**
General Mayoral - Fire and Rescue Service	(£6.122)	(£0.449)	**(£6.570)**
Disregards: Renewable Energy		(£0.001)	**(£0.001)**
Cost of Collection		(£0.234)	**(£0.234)**
Transitional Protection Payments		£3.009	**£3.009**
Impairment of Debts/Appeals:			
Write-offs of Uncollectable Amounts	(£0.011)	(£1.537)	**(£1.548)**
(Increase)/Decrease in the Allowance for Impairment of Arrears	(£0.597)	£0.431	**(£0.166)**
(Increase)/Decrease in the Allowance for Impairment of Appeals		(£1.569)	**(£1.569)**
Contributions towards Previous Year's Surplus:			
Bury MBC	(£2.085)	£0.000	**(£2.085)**
Police and Crime Commissioner	(£0.273)		**(£0.273)**
General Mayoral - Fire and Rescue Service	(£0.123)	£0.000	**(£0.123)**
Total Expenditure	**(£126.688)**	**(£44.763)**	**(£171.451)**
2023/24 In-Year Estimated Surplus/(Deficit)	**£0.157**	**£3.000**	**£3.157**
Estimated Surplus/(Deficit) as at 31.03.2024	**£0.873**	**(£5.416)**	**(£4.543)**

Share of the 2023/24 Estimated Surplus/(Deficit)	Council Tax £m	NNDR £m	TOTAL £m
Bury MBC	£0.732	(£5.361)	**(£4.629)**
Police and Crime Commissioner	£0.097		**£0.097**
General Mayoral - Fire and Rescue Service	£0.043	(£0.054)	**(£0.011)**
Estimated Surplus/(Deficit) as at 31.03.2024	**£0.873**	**(£5.416)**	**(£4.543)**

2024/25 Council Tac Base Calculation

Calculation of Council Tax Base 2024/25 (Based on all properties)										
Bands	**A Reduced**	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**TOTAL**
Total Number of Dwellings on the Valuation List		30,577.00	18,650.00	17,483.00	9,331.00	5,638.00	1,900.00	1,315.00	182.00	**85,076.00**
Total Number of Exempt and Disabled Relief Dwellings on the Valuation List	76.00	(948.00)	(317.00)	(362.00)	(175.00)	(112.00)	(22.00)	(30.00)	(18.00)	**(1,908.00)**
Less: Estimated Discounts, Exemptions and Disabled Relief	(5.75)	(3,663.25)	(1,646.25)	(1,216.75)	(521.00)	(247.00)	(78.75)	(49.00)	2.50	**(7,425.25)**
Total Equivalent Number of Dwellings after Discounts, Exemptions and Disabled Relief	**70.25**	**25,965.75**	**16,686.75**	**15,904.25**	**8,635.00**	**5,279.00**	**1,799.25**	**1,236.00**	**166.50**	**75,742.75**
Ratio to Band D (Factor Stipulated in Regulations)	**5/9**	**6/9**	**7/9**	**8/9**	**9/9**	**11/9**	**13/9**	**15/9**	**18/9**	
Band D Equivalent	**39.03**	**17,310.50**	**12,978.58**	**14,137.11**	**8,635.00**	**6,452.11**	**2,598.92**	**2,060.00**	**333.00**	**64,544.25**
Reduction in Taxbase as a Result of Local Council Tax Support Scheme (LCTSS)	(17.00)	(5,501.66)	(1,433.37)	(656.97)	(200.46)	(89.01)	(22.33)	(8.40)	(0.80)	**(7,930.00)**
Band D Equivalent of Contributions in Lieu (Class O Exempt Dwellings)					1.80					**1.80**
Other Adjustments: Band D Equivalent Forecast New Dwellings & Base Movements					987.82					**987.82**

Band D Equivalent after LCTSS and Other Adjustments	**29.58**	**13,642.73**	**11,863.74**	**13,553.14**	**9,424.16**	**6,343.32**	**2,566.66**	**2,046.00**	**331.40**	**59,800.73**
Multiplied by Estimated Collection Rate										**96.00%**
2024/25 BAND D EQUIVALENT COUNCIL TAX BASE										**57,408.70**

Note: 'A Reduced Band' are Band A properties that have disabled adaptations.

Bury Council

Classification: Open	Decision Type: Key

Report to:	Overview & Scrutiny - 6 February 2024 Cabinet – 14 February 2024 Council – 21 February 2024
Subject:	Treasury Management Strategy 2024/25
Report of	Cabinet Member for Finance and Communities

Summary

The report provides details of the Treasury Management Strategy incorporating The Treasury Management Policy Statement 2024/25, The Annual Investment Strategy 2024/25, The Prudential Indicators 2024/25 to 2026/27, The Minimum Revenue Provision (MRP) Policy Statement.

Recommendation(s)

1. The Cabinet is requested to endorse the recommendations outlined below, for approval by Council.

   The Council is requested to agree the following: -

   - To approve the Treasury Management Strategy including the associated Prudential Indicators and Annual Investment Strategy.
   - To approve the Treasury Management Policy Statement.
   - To approve the Minimum Revenue Provision (MRP) Policy Statement.

Reasons for recommendation(s)

As a requirement of Local Government Act 2003, the DLUHC investment guidance (2018), the DLUHC MRP guidance 2018, the CIPFA Treasury Management Code and the CIPFA Prudential Code.

Alternative options considered and rejected

Not applicable.

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1. Background

1.1 The Council is required to operate a balanced budget i.e. cash raised during the year will meet cash expenditure. In pursuit of this objective, amongst other things, the Council operates a treasury management function which incorporates the management of the Council's cash flows, lending and borrowing activities and the control management and mitigation of the risks associated with these activities.

1.2 Borrowing facilitates the funding of the Council's capital programme. The Council's 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. If the right circumstances prevail, debt previously drawn may be restructured to meet Council risk or cost objectives.

1.3 The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity and 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 maintain the balance between the interest costs of debt and the investment income arising from cash deposits to manage 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.

1.4 Although policy spending 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.

1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, 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."

1.6 Revised reporting has been required since 2018/19 due to revisions of the Ministry for Housing Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC)) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a requirement for all local authorities to have a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011 especially using the 'General Powers of Competence' provision. The capital strategy is being reported separately, though some key prudential indicators will be retained within this document.

2. Reporting Requirements

2.1 CIPFA revised the Prudential and Treasury Management Codes in December 2021, these updates were implemented by the Council in 2022/23. The Prudential Codes requires all local authorities to prepare an additional report, a capital strategy report note Appendix 3, 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; and
- the implications for future financial sustainability.

2.2 The aim is to ensure that all elected Members fully understand the long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

2.3 The expected income, costs and contributions, debt and associated interest costs and the MRP policy are included in the Treasury Management Strategy. The Capital Strategy and Treasury Management Strategy have been reviewed to ensure compliance with the updated requirements across the two strategies.

2.4 Non-treasury investments are reported through the Capital Strategy. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the service and policy investments usually driven by expenditure on an asset. The capital strategy outlines:

- the corporate governance arrangements for these types of activities;
- any service objectives relating to the investments;
- the expected income, costs and resulting contribution;
- the debt related to the activity and the associated interest costs;
- the payback period (Minimum Revenue Provision (MRP) policy);
- for non-loan type investments, the cost against the current market value; and
- the risks associated with each activity.

2.5 Should a physical asset be bought for investment purposes, 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 If any non-treasury investment sustains a loss this will be reported through the final accounts, outturn and audit process, including the strategy and revenue implications.

2.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this strategy document.

3. Treasury Management Reporting

3.1 The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice (Treasury Code) to set prudential and treasury indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Council must also have regard to the DLUHC statutory guidance, Capital finance: guidance on minimum revenue provision.

3.2 In pursuit of the above, the Council must produce as a minimum three treasury reports each year:

a) Treasury Strategy, a requirement fulfilled by the production of this strategy document which includes:
- capital plans (including prudential indicators);
- minimum revenue provision (MRP) policy;
- the treasury management strategy (including treasury indicators); and
- an investment strategy.

b) A mid-year report which updates members on treasury progress, the capital position, the prudential indicators (and any amendments) and whether any strategies or policies require revision; and

c) An annual treasury outturn report (a backward-looking review).

3.3 Full Council approves the Treasury Management Strategy as part of the annual budget setting process. This appendix sets out the Treasury Management Strategy for 2024/25.

3.4 The scrutiny of the treasury management function within the Council is undertaken by Cabinet, which carries out quarterly reviews.

3.5 The Council is also required to comply, and its Investment Strategy is compliant with, the DLUHC investment guidance, revised in 2018.

3.6 This Treasury Management Strategy report complies with the revised Treasury Management Code.

3.7 In addition to the reporting schedule outlined above the Code requires the:

- Creation and maintenance of a treasury management policy statement which sets out the policies and objectives of the Council's treasury management activities. The Treasury Management Policy Statement is attached for reapproval as Annex 1.

- Creation and maintenance of Treasury Management Practices (TMPs) which set out the way the Council will seek to achieve those policies and objectives; these are maintained and kept under review by officers.

- Delegation by the Council of responsibilities for implementing and

monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. The scheme of delegation is attached as Annex 2.

- The Council complies with the necessary requirements and its governance process is strengthened by its Treasury Board, which meets regularly to support the Interim Executive Director of Finance (Section 151) in the execution of their delegated powers.

Section 2 – Treasury Management Strategy for 2024/25

4. 2024/25 Strategy Overview

4.1 The Treasury Management Strategy for 2024/25 addresses capital issues including capital expenditure plans, prudential indicators, MRP and other treasury management issues such as the investment strategy and creditworthiness policy.

4.2 The proposed Treasury Management Strategy and Policy for the remainder of 2023/24 and for financial year 2024/25 adheres to the Council's policy on investments of "safety before returns" and investments are currently being placed with the following:

- The Council's banker (Barclays Bank);
- Lloyds/Bank of Scotland PLC

4.3 Although current investments are per above, the investment parameters permissible under the Treasury Management Strategy are much broader as outlined in the Annual Investment Strategy (Annex 5) under specified and non-specified investments. After due consideration the Interim Executive Director of Finance (Section 151) can invest in any of the instruments/strategies if satisfied that the rewards are within acceptable risk parameters.

4.4 The proposed Treasury Management Strategy for 2024/25 is based upon treasury officers' views on interest rates and market forecasts (supplemented by forecasts provided by the Council's treasury advisors, Arling Close Limited). The proposals in this report will assist the Council in mitigating risk in the treasury management activities and allow the borrowing necessary to finance the capital programme.

4.5 The strategy report covers:

- Capital Plans and Prudential Indicators;
- MRP;
- Borrowing;
- Treasury Limits for 2023/24 to 2026/27;
- Economic Background;
- Borrowing Strategy;
- Debt Rescheduling;
- Housing Revenue Account (HRA) Self Financing;
- Annual Investment Strategy;
- Financial Implications;
- Balanced Budget Requirement;

- Treasury Management Policy Statement; and
- Scheme of Delegation.

4.6 The strategy incorporates the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Code and DLUHC Investment Guidance.

5. Training

5.1 The Treasury Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training on treasury management and related issues. This especially applies to Members responsible for scrutiny, who regularly receive training.

5.2 All members are scheduled to receive training this financial year to be delivered by the Council's treasury management advisers. The training needs of treasury management officers are met through attendance at relevant courses, conferences and forums and are periodically reviewed and addressed as part of the Council's appraisal scheme.

6. Treasury Management Consultants

6.1 The Council uses Arling Close Limited, as its external treasury management advisors. 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 external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, treasury advisers.

6.2 The Council also recognises that there is value in employing external providers of treasury management services to access 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.

6.3 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 policy/service driven investments, such as policy loans to the Joint Ventures for Regeneration. The policy investments require specialist advisers, and the Council uses Arling Close Limited and other commercial and legal advisors in relation to this activity.

7. Prudential Indicators

7.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

7.2 The Council's Prudential Indicators for the period 2023/24 – 2026/27 are set out in **Annex 3** and Full Council is asked to approve these.

7.3 The benefit of the indicators are derived from monitoring them over time rather than the absolute value of each. A reporting schedule is maintained, with a mid-year report to Full Council to highlight any significant deviations from expectations. The indicators can be amended and reported to Full Council for approval at the earliest opportunity.

7.4 The indicators for later years are broad estimates since a number of factors including the level of Government support beyond 2024/25 are not firmed up. These estimates will be revised, as more accurate information becomes available.

8. Minimum Revenue Provision (MRP) Policy Statement

8.1 Changes to regulations and statutory guidance on MRP was issued in February 2018 and effective from 2019/20.

8.2 The key changes were that:

- The option to calculate MRP in retrospect thereby creating a credit or a reduction in MRP for future years was closed, though the ability to reset a provision prospectively remains – any changes should use the residual CFR at that point in time;
- MRP should not be £nil in any year – unless CFR is nil or negative or a voluntary MRP is being clawed back;
- Maximum asset life is 50 years unless supported by expert opinion; and
- Where the asset life methodology (option 3) is being used, the guidance is prescriptive on the maximum number of years over which the type of expenditure can be written off – in the absence of a quantifiable asset life, 50 years is considered the default.

8.3 On 21 December 2023, the Government published a consultation on proposed changes to regulations and statutory guidance on MRP to be effective from 1 April 2024.

8.4 The Key changes being proposed are:

- Additional guidance in what should be included in the MRP Statement.
- Support to the regulatory requirement that authorities must not exclude investment assets from CFR or the determination of the MRP charge.
- A statement that an authority cannot calculate an MRP charge and then not charge that amount to revenue – this is to clarify that capital receipts cannot be used to replace a charge to revenue.
- Further explanation on the permitted use of capital receipts to reduce MRP only by reducing the overall CFR, not to replace part or all of the calculated MRP charged to revenue.
- Explanation on the new regulations relating to capital loans in that MRP need not be made with respect to capital loans provided they are not commercial capital loans and that MRP must be made with respect to

commercial capital loans. Also, what constitutes a commercial loan.

- Guidance on the requirement to include in the MRP charge an amount for any (IFRS 9: Financial Instruments) expected credit loss or actual loss with respect to a capital loan.

8.5 Whilst the proposed regulation and statutory on MRP has no impact for the Council, the MRP Policy has been updated to incorporate the proposed requirements.

8.6 Full Council is asked to approve the MRP policy statement as set out in Annex 4.

9 Core funds and expected investment balances

9.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

10 Affordability Prudential Indicators

10.1 Within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. Full Council is asked to approve the indicators as set out in Annex 3.

11. Borrowing

11.1 The capital expenditure plans set out in this strategy document outline service activity for the Council. The treasury management function ensures that the Council adheres to the relevant treasury codes of practice as well as organising the Council's cash flow and borrowing needs to meet the requirements of service activity. It is a statutory requirement under the Local Government Finance Act 1992, for the Council to produce a balanced budget. Section 31A and S31B requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure; and
- any increases in running costs from new capital projects are limited to a level which is affordable, prudent and sustainable within the projected income of the Council for the foreseeable future.

11.2 The strategy document covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

11.3 The Council's current treasury management portfolio position is set out in table 1A and 2B below. The overall portfolio as at the 31 March 2024 and the position at 31 December 2023 are shown below for borrowing and investments.

Table 1A: Treasury Management Portfolio

Existing Investment & Debt Portfolio Position	31.03.2023		31.12.2023	
	Actual Portfolio £m	Average Rate %	Actual Portfolio £m	Average Rate %
Treasury Investments:				
The UK Government	£0.000	0.00%	£0.000	0.00%
Local Authorities	£0.000	0.00%	£0.000	0.00%
Other Government Entities	£0.000	0.00%	£0.000	0.00%
Secured Investments	£0.000	0.00%	£0.000	0.00%
Banks (unsecured)	£1.720	100.00%	£4.380	100.00%
Building Societies (unsecured)	£0.000	0.00%	£0.000	0.00%
Registered providers (unsecured)	£0.000	0.00%	£0.000	0.00%
Money Market Funds	£0.000	0.00%	£0.000	0.00%
Other Investments	£0.000	0.00%	£0.000	0.00%
Total Treasury Investments	**£1.720**	**100.00%**	**£4.380**	**100.00%**
External Borrowing:				
Public Works Loan Board	(£162.329)	66.63%	(£202.230)	82.03%
Local Authorities	(£43.300)	17.77%	(£26.300)	10.67%
LOBO Loans from Banks	(£33.000)	13.55%	(£13.000)	5.27%
Other Loans	(£5.000)	2.05%	(£5.000)	2.03%
Total Gross External Debt	**(£243.629)**	**100.00%**	**(£246.530)**	**100.00%**
Net Investment/(Debt)	**(£241.909)**	**100.00%**	**(£242.150)**	**100.00%**

11.4 The Council's projections for borrowing are summarised below. Table 1B shows the actual external debt against the underlying capital borrowing need, (the Capital Financing Requirement (CFR)), highlighting any over or under borrowing.

Table 1B: Treasury Management Portfolio

Actual External Debt against Capital Borrowing Need	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
External Debt:					
Debt at 1 April	£220.826	£243.629	£282.855	£327.064	£370.483
Expected Change in Debt +/-	£22.803	£39.226	£44.209	£43.419	£0.500
Actual Gross Debt at 31 March	**£243.629**	**£282.855**	**£327.064**	**£370.483**	**£370.983**
Capital Financing Requirement (CFR)	£371.120	£386.746	£426.322	£465.981	£462.056
Under/(Over) Borrowing	**£127.491**	**£103.891**	**£99.258**	**£95.498**	**£91.073**

*Note: **The table shows the impact of not externally borrowing (using the Council's cash balances/ investments to internally fund underlying borrowing). This policy is under constant review.*

11.5 Within the above figures the level of debt relating to non-treasury activities i.e. policy investment is:

Table 2: External Debt for Policy Investments (including Loans to Manchester Airport, Subsidiaries and Joint Ventures) / non-treasury investments

External Debt for Policy/Non-Financial Investments	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
Actual debt at 31 March £m	£31.828	£31.828	£31.828	£31.828	£31.828
Percentage of Total External Debt %	13.06%	11.25%	9.73%	8.59%	8.58%

11.6 Within the range of prudential indicators there are a number of 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 2024/25 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.

11.7 The Interim Executive Director of Finance (Section 151) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view considers current commitments, existing plans, and the proposals in this budget report.

12. Liability Benchmark

12.1 A new prudential indicator introduced in 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark: -

1. **Existing loan debt outstanding**: existing loans that are still outstanding in future years.

2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

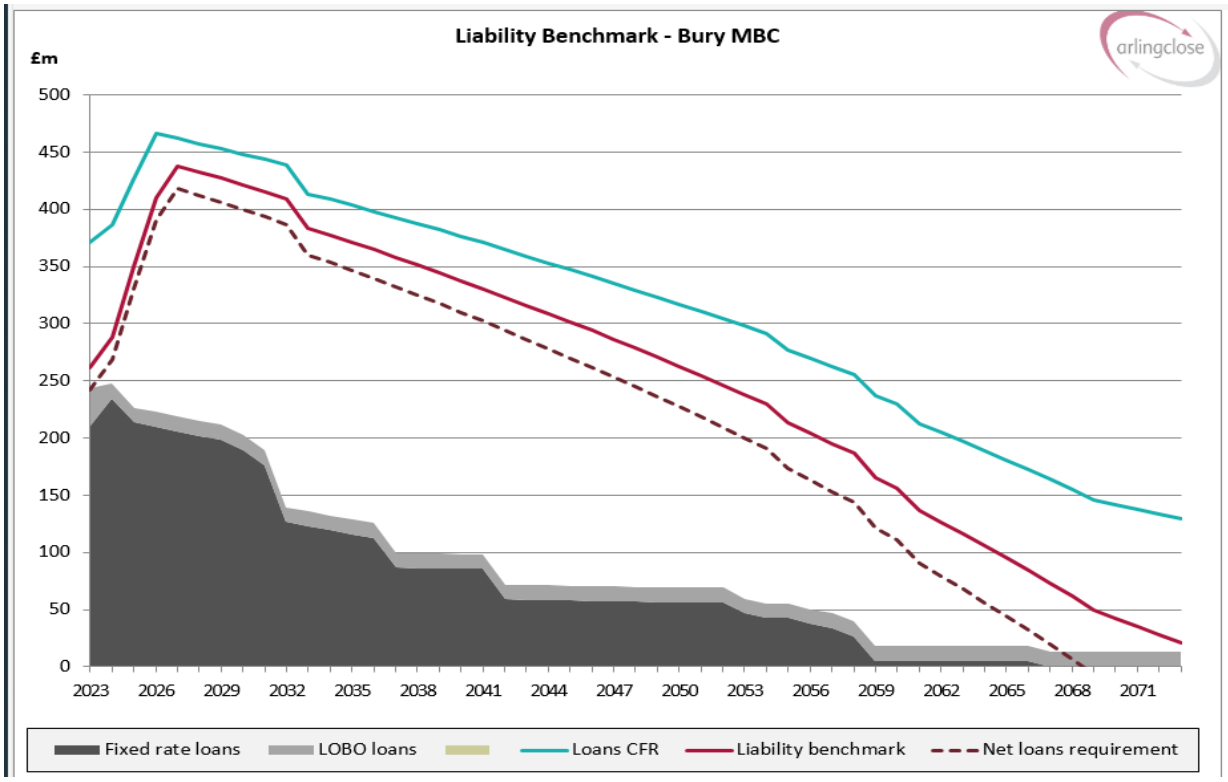
3. **Net loans requirement**: this will show the gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

12.2.1 Liability Benchmark table and chart:

Bury MBC

	Actual	Forecasts	£m					
Position at 31 March	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Loans CFR	371.1	386.7	426.3	466.0	462.0	457.5	452.9	448.2
External borrowing	-243.6	-247.4	-226.5	-222.9	-218.7	-215.1	-211.5	-202.8
Internal (over) borrowing	127.5	139.3	199.8	243.1	243.3	242.4	241.5	245.4
Balance sheet resources	-129.2	-118.1	-96.6	-75.7	-43.8	-45.3	-46.8	-48.4
Investments (new borrowing)	1.7	-21.2	-103.2	-167.4	-199.5	-197.1	-194.6	-197.0
Treasury investments	1.7	20.0	20.0	20.0	20.0	20.5	21.0	21.5
New borrowing	0.0	41.2	123.2	187.4	219.5	217.6	215.6	218.5
Net loans requirement	241.9	268.6	329.7	390.3	418.2	412.2	406.1	399.8
Liquidity allowance	20.0	20.0	20.0	20.0	20.0	20.5	21.0	21.5
Liability benchmark	261.9	288.6	349.7	410.3	438.2	432.7	427.1	421.4



12.2.1 For the liability benchmarking, the Council is showing an under borrowed position relative to its CFR.

13. Treasury Indicators

13.1 Treasury Limits for 2024/25 to 2026/27

13.1.1 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.

13.1.2.1 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and that the impact upon its future council tax and council rent levels is 'acceptable'.

13.1.2.2 Whilst termed an "Affordable Borrowing Limit", the capital plans considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years, details of the Authorised Limit are set out in Annex 3.

14. Economic Background and Interest Rate Forecasts

Prospects for interest rates

14.1 The Council has appointed Arling Close Limited as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their view as at 16/11/2023.

Rate	Dec-23 %	Mar-24 %	Jun-24 %	Sep-24 %	Dec-24 %	Mar-25 %	Mar-26 %
Bank Rate	5.25	5.25	5.25	5.00	4.75	4.25	3.25
5yr PWLB	4.75	4.75	4.75	4.70	4.60	4.50	4.30
10yr PWLB	4.75	4.80	4.80	4.80	4.80	4.80	4.60
20yr PWLB	5.20	5.20	5.20	5.20	5.20	5.20	5.20
50yr PWLB	4.80	4.85	4.90	4.90	4.90	4.90	4.95

14.2 **Underlying assumptions:**

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10

months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.

14.3 **Forecast:**

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for the Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts Periodic volatility is likely.

15. Borrowing Strategy

15.1 The Council's strategy is to achieve a low but stable cost of finance but retaining flexibility to alter its plans as circumstances change. In this regard, the Council has maintained an under-borrowed position, this strategy is prudent when investment/borrowing interest rates were low, however, over the next two financial years of 2024-25 and 2025-26, the Capital Programme has a £87.6m borrowing requirement, that will require the Council to undertake borrowing to fund and reduce the under-borrowed position.

15.2 The Council has, to date, raised most of its long-term borrowing from the PWLB but will consider long-term loans from other sources to lower interest costs and reduce the over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets bought primarily for financial return; this Council will continue to avoid this activity and ensure the Council retains its access to PWLB loans.

15.3 Sensitivities of the forecast

15.3.1 If officers' felt there was a significant risk of a sharp fall in long- and short-term interest rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered. However, if there was a significant risk of a much sharper rise in long- and short-term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be raised whilst interest rates are still lower than they will be in the foreseeable years ahead. The Council has, during 2023/24, raised borrowing in line with the latter strategy. All decisions and actions taken have or will be reported to Cabinet and Full Council at the earliest opportunity.

15.4 Financial Institutions as a source of borrowing and Types of Borrowing

15.4.1 Approved sources of borrowing include:

- HM Treasury's PWLB lending facility (Public Works Loan Board);
- UK Infrastructure Bank Ltd;
- Any institution approved for investments;
- Financial Institutions including Assurance and Insurance Companies and Banks authorised to operate in the UK;
- Any other UK public sector body;
- Housing Associations;
- UK private and public sector pension funds, with the exception of the Greater Manchester Pension Fund;
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues;
- Any other institution which is legally able to lend to local authorities;

15.4.2 A range of organisations fall within the scope of the list and a range of financial instruments may be issued to evidence the borrowing including public or privately issued bonds, negotiable bonds, commercial paper, medium term notes etc. The Interim Executive Director of Finance (Section 151) will explore all options and determine the optimal source of borrowing for the Council.

15.4.3 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

15.4.3.1 Leasing – a contract outlining the terms under which one party agrees to lease/ rent a property owned by another party;

15.4.3.2 Hire purchase – financing where monthly payments are made but ownership does not occur until the last payment;

15.4.4 The Council will continue to borrow in respect of the following:

15.4.4.1 Maturing debt (net of MRP);

15.4.4.2 Approved unsupported (prudential) capital expenditure; and

15.4.4.3 To finance cash flow in the short term.

15.4.5 The type, period, rate and timing of new borrowing will be determined by the Interim Executive Director of Finance (Section 151) under delegated powers, considering the following factors:

- Expected movements in interest rates as outlined above;
- Current maturity profile;
- The impact on the medium-term financial strategy; and
- Prudential indicators and limits.

15.5 Treasury Management Limits on Borrowing Activity

15.5.1 There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within a flexibly set remit, to manage risk, yet not impose undue restraints that constrain cost reduction or

performance improvement. The indicators are:

- Maturity structure of borrowing to manage refinancing risk.

15.5.2 The proposed indicators are set out in Annex 5.

15.6 Policy on borrowing in advance of need

15.6.1 The Council needs to ensure that its total debt, does not, except in the short term, exceed the total of the CFR in the preceding year i.e. 2023/24 plus the estimates of any additional CFR for the year 2024/25 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 generation purposes.

15.6.2 Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

15.6.3 Borrowing in advance of need will ideally be limited to no more than 100% of the expected increase in borrowing need (CFR) over the three-year planning period. In determining whether borrowing will be undertaken in advance of need the Council will:

- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- Ensure the ongoing revenue liabilities created, and the implications for the future and budgets have been considered;
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- Consider the merits and demerits of alternative forms of funding;
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- Consider the pros and cons of the impact of borrowing in advance of need at attractive rates on the available cash balances the Council will hold and the risks associated with increased exposure to credit risk arising from investing this additional cash in advance of need.

15.7 Debt Rescheduling

15.7.1 As short-term borrowing rates can be considerably cheaper than longer term rates, there could be potential to generate savings by switching from long term debt to short term debt. Any savings will need to be considered in the light of the size of premiums to be incurred, their short-term nature, and the likely cost of refinancing those short-term loans, once they mature, compared to the current rates of longer-term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a shortening of the Council's maturity profile as in recent years there has been a skew towards longer dated PWLB.

15.7.2 The business case for any rescheduling will include:

- The generation of cash savings and / or discounted cash flow savings;
- Helping to fulfil the strategy outlined above; and
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

15.7.3 All rescheduling will be reported to Cabinet and Full Council at the earliest meeting following its implementation.

15.8 Housing Revenue Account (HRA) Self Financing

15.8.1 The housing subsidy system was dismantled and replaced by a system of self-financing of the HRA from 1 April 2012. Since then, two separate pools are operating for the management of HRA and GF debt.

15.8.2 Under the two pool approach legacy loans were notionally apportioned between the HRA and GF using the CFR split and loans since 2012 have been raised separately.

15.8.3 An equitable means of apportioning debt management expenses is in operation.

15.8.3 Until October 2018, HRA borrowing was capped by the government and the HRA needed to borrow within the parameters of its existing debt and the cap known as the headroom. In October 2018, the Government approved plans to remove the HRA borrowing cap, giving local authorities the flexibility to borrow prudentially up to levels that can be supported through their revenue streams.

6. Annual Investment strategy

16.1 The annual Investment Strategy is set out in Annex 5 for approval by Full Council which covers:

- Overview including durations bands for counterparties and minimum credit ratings;
- Policy lending (non-treasury management investments);
- Investment balances / liquidity of investments; and
- Specified / unspecified investments

17. Balanced Budget Requirement

17.1 The Council complies with the provisions of the Local Government Finance Act 1992 to set a balanced budget.

17.2 Budgeting for MRP requires the Council to make provision for MRP linked to the life of the assets. This makes budgeting for MRP complex and sensitive to changes in assets being financed and the amount of unsupported borrowing used.

17.3 Regulations and statutory guidance on MRP was issued in February 2018, but as stated in 8.3, on the 21 December 2023, the Government published a consultation on proposed changes to regulations and statutory guidance on

MRP to be effective from 1 April 2024.

17.4 Expenditure on policy loans to third parties which constitute capital loans, MRP need not be set aside. However, commercial capital loans require MRP to be set aside.

17.5 Repayments included in finance leases are applied as MRP. There is no requirement for the HRA to set aside MRP, although there is a requirement for depreciation to be applied.

17.6 Acquisition of share capital can be written off over a maximum of 20 years.

18. Financial Implications

18.1 The budget for investment income in 2024/25 is £0.084m and the budget for debt interest paid in 2024/25 is £12.415m. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

19. Other Options Considered

19.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Interim Executive Director of Finance (Section 151 Officer) believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Links with the Corporate Priorities:

A strong financially sustainable Council is essential to 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:
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 and Mitigation of Risk:

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. 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 Bury 2030 strategy.	Regular monitoring and reporting ensures that any changes in the financial position are quickly identified and action can be taken to manage he overall position. The longer term medium financial strategy takes accounts 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 form part of the suite of budget reports which will be considered by Members, full legal implications are set out in the core report.

Background papers:

Treasury Mid-Year Report (November Council)

Annex 1 – Treasury Management Policy Statement

The Council defines the policies and objectives of its treasury management activities as follows:

(i) The Council defines its treasury management activities as 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.

(ii) The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications.

(iii) The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Annex 2 – Treasury Management Scheme of Delegation

The Council's Treasury Management Scheme of Delegation is approved by Full Council annually as part of the overall Treasury Management Strategy, it was last approved by Council at its meeting of March 2021 and there are no proposals for any amendments to the current scheme, which is set out below:

1. Delegation and Responsibility

The following personnel are involved on a regular basis in Treasury Management:

Interim Executive Director of Finance (S151 Officer)	Overall supervision of Treasury Management function and cash flow. Regular reviews of Treasury Management Strategy and monitor performance.
Head of Corporate Planning	Manage and undertake day to day Treasury Management Activities in accordance with Treasury Strategy and Policy Statement.
Corporate Planning Accountant	Deputise for Head of Management Accountancy in their duties as required.

2. Treasury Management Scheme of Delegation

Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of/amendments to the Council's adopted clauses, treasury management policy statement; and
- Approval of annual strategy

Boards/Committees/Council/Responsible Body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

Body/Person(s) with Responsibility for Scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

3. The Treasury Management Role of the Interim Executive Director of Finance (Section 151 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.

Functions:

- 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.

Annex 3 – Prudential Indicators

1. Capital Prudential Indicators

1.1 The Council's capital expenditure plans are a key driver of treasury management activity.

2. Capital Expenditure

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:

Table 1: Capital Expenditure Forecast

CAPITAL PROGRAMME 2022-23 to 2026-27	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
Non-HRA	£35.095	£50.716	£123.846	£61.060	£4.598
HRA	£13.296	£17.118	£23.082	£14.605	£17.103
Policy/Non-Financial Investments	£20.099	£0.000	£0.000	£0.000	£0.000
Total Capital Expenditure	**£68.490**	**£67.835**	**£146.928**	**£75.665**	**£21.701**
Resourced By:					
External Funding	£17.760	£30.840	£77.001	£15.814	£4.098
Capital Receipts	£0.254	£6.526	£4.973	£3.786	£2.032
General Fund RCCO	£0.706	£0.912	£0.783	£0.000	£0.000
Housing Revenue Account DRF/MRR	£12.257	£11.400	£19.961	£12.646	£15.070
Total Resourced By	**£30.977**	**£49.678**	**£102.719**	**£32.246**	**£21.201**
Financing Requirement	**£37.513**	**£18.156**	**£44.209**	**£43.419**	**£0.500**

2.2 Other long-term liabilities – the above financing need excludes other long-term liabilities, for leasing arrangements which are classified as borrowing instruments.

2.3 Table 1 above also outlines how the capital expenditure plans are proposed to be financed by capital or revenue resources. Any shortfall of resources results in a funding need i.e. borrowing.

3. The Council's Borrowing Need (the Capital Financing Requirement)

3.1 This prudential indicator is the Council's Capital Financing Requirement (CFR), which is the total historic unfinanced capital expenditure, a measure of the Council's underlying borrowing need. Any capital expenditure not immediately paid for, will increase the CFR. The requirement to set aside the minimum revenue provision (MRP) reduces the Council's underlying need to borrow and the ensuing CFR.

3.2 The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used (similar to a repayment).

3.3 The CFR includes any other long-term liabilities (OLTL) such as finance leases

brought onto the balance sheet. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing/ financing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes that forms part of the CFR.

The Council is asked to approve the CFR projections below:

Table 3: CFR – Capital Financing Requirement

Capital Financing Requirement (CFR)	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
CFR - GF	£186.619	£202.370	£243.807	£283.965	£280.556
CFR - HRA	£119.216	£119.216	£119.216	£119.216	£119.216
CFR - Policy/Non-Financial Investments	£65.285	£65.159	£63.299	£62.799	£62.284
CFR Balance	**£371.120**	**£386.746**	**£426.322**	**£465.981**	**£462.056**
Movement in CFR	**£35.715**	**£15.626**	**£39.576**	**£39.659**	**(£3.925)**
Movement in CFR					
Financing Requirement	£37.513	£18.156	£44.209	£43.419	£0.500
Minimum Revenue Provision (MRP) / Loans Fund Repayments	(£1.798)	(£2.530)	(£4.633)	(£3.760)	(£4.425)
Voluntary Revenue Provision (VRP)	£0.000	£0.000	£0.000	£0.000	£0.000
Movement in CFR	**£35.715**	**£15.626**	**£39.576**	**£39.659**	**(£3.925)**

4. International Financial Reporting Standard (IFRS) 16 Leasing

4.1 IFRS16 requires off balance sheet operating leases onto the balance sheet for closing of the accounts for 2024/25 deferred by CIPFA from 2021/22, although early adoption will be allowed.

4.2 The CFR, external debt (OLTL), authorised limit and operational boundary, have to be adjusted to allow for those leases which were previously off-balance sheet, being brought onto the balance sheet at 31 March 2024. It is not currently possible to be precise about the adjustment figures until detailed data gathering has been substantially completed. The authorised limit and operational boundary will be increased and will be reported to Cabinet and Full Council at the earliest meeting following its implementation

5. Affordability Prudential Indicators

5.1.0 Actual and estimates of the ratio of financing costs to net revenue stream.

5.1.1 This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

Table 4: Ratio of financing costs to revenue streams

Ratio of Financing Costs to Net Revenue Stream	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
GF	0.59%	0.78%	2.82%	3.90%	4.07%
HRA	12.34%	11.04%	10.54%	10.96%	11.05%

5.1.2 The estimates of financing costs include current commitments and the proposals in this budget report.

Table 5: HRA Ratios

HRA Ratios	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
HRA Debt	£119.216	£119.216	£119.216	£119.216	£119.216
HRA Revenues	(£32.781)	(£34.976)	(£38.258)	(£38.457)	(£38.921)
Ratio of Debt to Revenues	**2.75 : 1**	**2.93 : 1**	**3.21 : 1**	**3.23 : 1**	**3.27 : 1**

HRA Ratios	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
HRA Debt	£119.216	£119.216	£119.216	£119.216	£119.216
Number of HRA Dwellings	7,750	7,715	7,718	7,658	7,598
Debt per Dwelling £m	**£0.015**	**£0.015**	**£0.015**	**£0.016**	**£0.016**

6. Treasury Indicators: Limits on Borrowing Activity

6.1 The Operational Boundary

6.1.1 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.

Table 6: Treasury Indicators: Limits on borrowing activity

Operational Boundary	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
Borrowing	£371.120	£386.746	£426.322	£465.981	£462.056
Other Long-term Liabilities	£0.010	£0.010	£0.010	£0.010	£0.010
Total	**£371.130**	**£386.756**	**£426.332**	**£465.991**	**£462.066**

6.2 The Authorised Limit for external debt

6.2.1 A further 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 necessarily desired, could be afforded in the short term, but is not sustainable in the longer term.

6.2.2 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.

6.2.3 Full Council is asked to approve the following Authorised Limits:

Table 9: Authorised Limits

Authorised Limit	2022-23 Actual £m	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
Borrowing	£381.120	£396.746	£436.322	£475.981	£472.056
Other Long-term Liabilities	£0.010	£0.010	£0.010	£0.010	£0.010
Total	**£381.130**	**£396.756**	**£436.332**	**£475.991**	**£472.066**

Annex 4 – Minimum Revenue Provision (MRP) Policy Statement

Proposed 24/25 MRP Policy:

- For expenditure incurred before 1 April 2008 or which forms part of supported capital expenditure, the MRP policy will be:
  - Asset life method (annuity) – MRP will be based on an asset life of 50 years calculated using 2.39%.

- For expenditure incurred between 1 April 2008 and 31 March 2019 for all prudential borrowing, the MRP policy will be:
  - Asset life method (annuity) – MRP will be based on an asset life of 50 years calculated using 2.39%.

- For expenditure incurred from 1 April 2019 for all prudential borrowing, the MRP policy will be:
  - Asset life method (straight line) – For service delivery assets, MRP will be based on the estimated life of the assets.

  - Asset life method (annuity) – For regeneration, economic growth & invest-to-save schemes, MRP will be based on the estimated life of the assets.

- For capital loans to third parties, the MRP policy will be:
  - Where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR and directly offset the relevant MRP charge.

  - For capital loans to be repaid at the end of their term and thus no principal repayment being repaid annually, there is no requirement for MRP. The Council will undertake an annual financial assessment of the third party's ability to repay the debt, where an expected credit loss or impairment is recognised in a financial year, an MRP charge will be made to an amount at least equal to the amount recognised.

- The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

- MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

- MRP commencement, MRP will commence in the financial year following the one in which the asset becomes operational.

- For Housing Assets held within the HRA, due to the requirement to make a depreciation charge to the HRA, no further revenue charge for MRP is required.

- Capital Receipts, the Interim Executive Director of Finance (Section 151) may from time to time and when it is beneficial to the efficient financial administration of the Council, apply capital receipts to reduce the CFR and MRP will be calculated on the residual CFR.

- MRP Overpayments:
  - Under the MRP statutory guidance, any charges made in excess of the statutory MRP can be made, known as Voluntary Revenue Provision (VRP).

  - VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. The cumulative VRP overpayments made to date are £0m.

  - The Executive Director of Finance may from time to time and when it is beneficial to the efficient financial administration of the Council, make additional voluntary payments VRP. In these circumstances, the amount paid would not prejudice the existing strategy or be counter to the regulatory intent of that strategy.

Annex 5 – Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. At the 2023-24 mid-year, the Authority's treasury investment balance has ranged between £2.2m and £21.1m. Cash balances are forecasted to reduce in the final half of 2023-24 and in the forthcoming year.

Objectives: The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments such as Banks. However, it is anticipated that the Councill will not have significant cash balances to invest into long durations.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table below, subject to the limits shown.

Treasury Investment Counterparties and Limits

Counterparty	Credit Rating	Max £ limit per institution	Maximum Maturity Period
UK Government	Any	Unlimited	50 years
UK Local Authorities & Other Government Entities – except Local Authorities subject to a Section 114 notice	Any	£20 million	2 years
UK Banks (Unsecured) *	A- Or equivalent	£25 million	1 year
UK Building Societies (Unsecured) *	A- Or equivalent	£20 million	1 year
Registered Providers (Unsecured) *	A- Or equivalent	£20 million	1 year
Unrated Affiliated Bodies working capital **	N/A	Subject individual circumstance	N/A
Unrated Affiliated Bodies Capital Expenditure Loan **	N/A	Subject individual circumstance	N/A

Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings marked with two asterisks, i.e. investments in arm's length companies, wholly owned subsidiaries, joint ventures, may be made by the Interim Executive Director of Finance (Section 151 Officer) will have discretion to accept or reject individual institutions as counterparties based on any information which may be made available.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority's revenue reserves available to cover investment losses are forecast to be £100m on 31st March 2024. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Liquidity management: The Authority uses its own internal cash flow forecasting too to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.
The Authority will spread its liquid cash over at least two providers (e.g. bank accounts) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	A

Note: the target above is the minimum rating criteria

Liquidity: The Authority will adopt a voluntary measure of its exposure to liquidity risk in 2024-25, by monitoring the amount of cash available to meet unexpected payments within a rolling month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 1 month	£10m

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	30%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	40%	0%
20 years and within 30 years	40%	0%
30 years and within 40 years	50%	0%
Over 40 years	40%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

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Bury Council

Classification:	Decision Type:
Open	Non-Key

Report to:	Overview and Scrutiny Committee Cabinet Council	06 February 2024 14 February 2024 21 February 2024
Subject:	Capital Strategy 2024/25 to 2026/27	
Report of	Cabinet Member for Finance and Communities	

EXECUTIVE SUMMARY

The Capital Strategy forms part of the Council's strategic and financial planning framework and provides a framework within which the investment plans will be delivered. The Capital Strategy 2024/25 to 2026/27 has been prepared to cover a 3-year period and is set out within this report.

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 2024/25 to 2026/27.
- Financing the capital programme.

The Capital Strategy is prepared to deliver on the objectives of the Council as set out in the Let's Do It! Strategy, and sets out the long-term capital investment objectives, capital strategy requirements, governance arrangements and risk.

This strategy links directly to the medium-term financial strategy, the treasury management strategy, the schools' capital strategy, the ICT and digital strategies and the asset management plan.

RECOMMENDATION(S)

That Overview & Scrutiny:

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

That Cabinet:

- Approve and commend the capital strategy to Council.

1. BACKGROUND

Capital Strategy

1.1 The aim of the Capital Strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting Capital strategy implications, governance procedures and risk appetite.

1.2 The Strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview on how associated risk is managed and implications for future sustainability.

1.3 The Strategy considers the local authority's long-term aspirations considering corporate objectives, affordability criteria and available resources to guide capital investment decisions.

1.4 The current Strategy has been prepared for the period 2024/25 to 2026/27 but recognises that capital decisions are often for the longer term. However, longer term spending plans are more uncertain as funding streams, legislative changes, government policy, and the economic climate can influence plans.

1.5 To demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, this Strategy sets out the governance process around investment decisions and considers the risk, reward, and impact on the achievement of priority outcomes.

1.6 The Council ensures that all its capital investment plans, and borrowing are prudent and sustainable. In doing so this takes account of the Council's arrangements for the repayment of debt (including through MRP/repayment of loans fund) and consideration of risk, impact, and potential impact, on the Council's overall fiscal sustainability. While indicators are required to be set over a minimum three-year rolling period, they are aligned to the Strategy and Asset Management plans showing sustainability over the longer asset life period.

2. CAPITAL RESOURCES

2.1 The Council assesses the level of planned capital investment and makes a judgement about the level of capital resources which are likely to be available over the period of the programme. The main capital resources are service specific grants, third party contributions, capital receipts, lease finance and borrowing.

2.2 To support the ambitious programme set for the next three years, borrowing will become a key source of financing, that will result in an increase in the cost of borrowing overall and will add pressure to the revenue budget.

2.3 In developing the capital programme, the cost of borrowing, as a revenue cost, has been estimated and included in Council's Medium Term Financial Strategy.

Capital Financing Requirement (CFR)	2023-24 Estimate £m	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m
CFR - GF	£202.370	£243.807	£283.965	£280.556
CFR - HRA	£119.216	£119.216	£119.216	£119.216

CFR - Policy/Non-Financial Investments	£65.159	£63.299	£62.799	£62.284
CFR Balance	**£386.746**	**£426.322**	**£465.981**	**£462.056**
Movement in CFR	**£15.626**	**£39.576**	**£39.659**	**(£3.925)**
Financing Requirement	£18.156	£44.209	£43.419	£0.500
Minimum Revenue Provision (MRP)/ Loans Fund Repayments	(£2.530)	(£4.633)	(£3.760)	(£4.425)
Voluntary Revenue Provision (VRP)	£0.000	£0.000	£0.000	£0.000
Movement in CFR	**£15.626**	**£39.576**	**£39.659**	**(£3.925)**

The Authority's MRP (minimum revenue provision statement) and loans fund policy is further set out within the Treasury Management Strategy [Appendix 3].

2.4 Central Government Allocations and External Grants and Contributions

2.4.1 Some capital projects are financed through 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.

2.4.2 Examples of these would include the allocations for schools, highway maintenance or disabled facilities grants from Central Government.

2.4.3 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.

2.4.4 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.

2.4.5 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.

2.5 Capital Receipts

2.5.1 The Council generates capital resources through the sale of surplus land and buildings. The Cabinet, at its November 2020 meeting, approved an accelerated land disposal programme aimed at generating significant capital receipts for the Borough of Bury.

2.5.2 A summary of the anticipated capital receipts adjusted to take into consideration a risk analysis on time and value, is included in the table below:

Table 1: Estimates of Capital Receipts in £ millions

Confidence Level	Adjustment Factor	2023-24	2024-25	2025-26
High	80%	5.597	5.128	2.550
Medium	65%	0.111	2.015	1.864
Low	33%	0.008	0.558	0.495
Complete	100%	3.086	0.000	1.320
TOTAL Estimated Receipts		**8.801**	**7.701**	**6.228**

2.5.3 For prudence it is recommended that only those values of high confidence or already complete are taken forward and recognised as a funding source for the capital programme.

2.5.4 The Council holds its General Capital Receipts corporately, 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 schemes, as reflected in the Capital Receipts Strategy approved by Capital Board in June 2023.

2.5.5 The receipts generated from the sales of Right to Buys and other general Housing receipts will be retained for re-investment in the Council's housing provision.

2.6 **Borrowing**

2.6.1 From 1 April 2004 Authorities have had the discretion to borrow in line with the CIPFA Prudential Code, which is known as 'Unsupported Borrowing'.

2.6.2 The Council can make use of the opportunity for the Prudential Borrowing where it is most cost effective and if 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.

2.6.3 The Council will consider the use of unsupported borrowing in three specific circumstances:

1) Strategic investment – where strategic investment to support the Borough's economy is required, subject to a detailed business case.
2) 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.
3) Discretionary unsupported schemes - where the related expenditure meets with Council ambitions/priorities at service level 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.

The business case should explain the link between borrowing and expected asset lives, to ensure that an appropriate charge is built in the revenue budget and reflected in Council Tax and Housing Rent levels.

2.7 **Revenue Contributions and Reserves**

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 2024/25 programme has been factored into the 2024/25 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 or earmarked reserves.

2.8 **Lease financing**

The Council is currently on course to replace all its vehicles and equipment held currently on operational leases and future financing for this type of assets will be done through borrowing or other appropriate funding.

2.9 **Joint Ventures**

2.9.1 The Council is currently undertaking significant regeneration activity in both Bury and Prestwich Town Centres, for which the Authority has engaged with national developers as Joint Venture partners for the Mill Gate Shopping Centre and Prestwich Village. These programmes will deliver significant housing growth in addition to enhanced business rates income, whilst safeguarding the sustainability and vitality of each town centre.

2.9.2 The Capital Programme includes £19.3m investment into Prestwich village over the next two years ending 2025/26. The Joint Venture partners are considering the funding strategies for the development, alongside development design and phasing arrangements.

3.0 CAPITAL EXPENDITURE AND FINANCING PROPOSALS

3.1 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

3.2 In 2024/25 the Authority is planning capital expenditure of £146.928m, as summarised in the table below:

Table 2: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2023/24 forecast £m	**2024/25 budget £m**	**2025/26 budget £m**	**2026/27 budget £m**
General Fund services	50.716	123.846	61.060	4.598
Council housing (HRA)	17.118	23.082	14.605	17.103
Capital investments	0.000	0.000	0.000	0.000
TOTAL	**67.835**	**146.928**	**75.665**	**21.701**

3.3 The Council's 2024/25 to 2026/27 proposed capital investment is further detailed in Appendix 1. The proposed programme takes account of the latest monitoring position on the 2023/24 capital programme including any identified rephasing that has been agreed for carry forward into the 2024/25 and 2025/26 financial years.

3.4 The proposed Capital Programme is focused on some main themes that align to the Council's objectives and outcomes including:

- Regeneration and Economic Growth (key areas within the borough).
- Place Shaping/Growth (strategic investment to support economic efficiency).
- Sport and Leisure.
- Highways.
- Children and Young People (including schools).
- Estate Management (investment and corporate landlord).
- Older People and Disabled Facilities Grant.
- Housing (general and housing revenue account).
- Climate change (including carbon neutrality).

3.5 The revised capital budget for 2023/24 is £72.277m, with a forecast outturn at quarter 3 of £67.835m. The following schemes are proposed to have some of their 2023/24 budget rephased into 2024/25 and 2025/26:

Table 3: Re-phasing of Capital Expenditure to future years, in £ millions

Capital Theme	**Rephasing to 2024/25 £m**	**Rephasing to 2025/26 £m**
Regeneration and Economic Growth	46.973	6.073
Place Shaping/Growth	1.636	0.000
Sports and Leisure	2.110	1.700
Highways	5.040	0.000
Children and Young People	19.426	0.000
Estate Management - Investment Estate	0.081	0.000
Estate Management - Corporate Landlord	0.656	0.850
Older People and Disabled Facilities Grant	1.650	0.000
Housing General Fund	0.753	0.000
Climate Change	0.172	0.000
Grand Total	**78.497**	**8.623**

3.6 The total capital budget for 2024/25 planned at £146.928m is funded externally, or through the HRA and major repairs reserve to a total of £97.646m and £4.973m is identified as funded by capital receipts.

3.7 During the year it is likely that further government funding allocations will be announced, or new initiatives identified and put forward for approval. The Council can elect to fund these from other sources, including capital receipts, other partners' contributions, or reserves. The Phasing of expenditure as more detailed implementation plans are drawn is considered a normal feature of the capital programme.

3.8 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of new homes over the forecast period.

A stock condition survey is underway, and any resulting review of the capital requirement will be presented to Members during the year.

3.9 The capital programme position will be closely observed during the year and all latest information in respect of funding allocations will be presented to Members in future reports.

4. ONGOING SCHEMES

4.1 **Regeneration and Economic Growth - Levelling Up funded schemes.** The Levelling Up Fund (LUF) focuses capital investment on local infrastructure by regenerating town centers, investment in cultural facilities and upgrading local transport infrastructure. It will have a visible impact on people and places and support economic recovery.

The Council has been successful in two levelling up bids for Radcliffe (£20m) and Bury (£20m). These schemes are supported by match funding from capital receipts and borrowing. The total investment included in the next two years is £43.3m for 2024/25 and £22.9m in 2025/26. The proposed capital plan takes account of unforeseen delays for the Bury scheme arising from the land assembly element, for which discussions to support an extension to the completion deadline are being held with DLUHC (Department for Levelling Up, Housing and Communities) and other stakeholders.

4.2 **Regeneration and Economic Growth – other schemes.** Apart from the two major LUF schemes, the capital budget contains a significant amount of regeneration works that were approved in previous years and covers sites and areas across the Council, such as the Prestwich Village or Ramsbottom Town Plan.

4.3 **Place Shaping/Growth.** The proposed relocation of Pennine Care Foundation Trust staff and clinics from Humphrey House will continue, alongside releasing other sites in the borough to facilitate and support future investment.

4.4 **Sports and Leisure**. Investment in outdoor spaces, including parks, as well as leisure facilities are assumed within the capital programme to promote healthier lifestyles and wellbeing. Some of the schemes are supported by grant funding that relieves the pressure on the council's own resources for this type of assets. The Parks strategy will continue into 2024/25.

4.5 **Highways**. The Council's transport capital programme includes over £60m of investment for the 5-year period up to March 2027, most of which is from the Government's City Regional Sustainable Transport Settlement (CRSTS) and allocated largely to the Greater Manchester Combined Authority through the statutory Local Transport Plan (LTP) - the Greater Manchester Transport Strategy 2040, and its supporting 5-year Delivery Plan. Other notable funding streams include the Mayor's Cycling and Walking Challenge Fund, the Active Travel Fund and the Council's own resources which are being invested in maintaining roads and other highway infrastructure through, for example, the Highways Investment Strategy and the Street Lighting Replacement Programme. Key elements of Buy's current Transport Capital Programme include:

- £15.4m funding for cycling and walking improvements in Bury, Radcliffe and Ramsbottom town centres from CRSTS.
- £0.5m from United Utilities' Green Recovery Fund to implement a Sustainable Urban Drainage Scheme as part of the active travel proposals for Radcliffe.
- £10m of the Council's own resources over the 3 years 2023/24 to 2026/27 to repair and maintain the local roads through Tranche 3 of the Highways Investment Strategy

(HIS). The Council will have invested £30m in total in road maintenance through the HIS programme by March 2027.

- £2.549m per year core funding for highway maintenance from CRSTS, with additional Pothole Funding of £0.323m in 2023/24 and a further £0.323m expected in 2024/25, meaning total investment of at least £13.4m across 2022/23 to 2026/27.
- £0.9m per year to maintain Bury's Key Route Network, a total of £4.5m CRSTS funding across 2022/23 to 2026/27. The Key Route Network is made up of some of the busiest roads in Greater Manchester.
- £9.4m for other walking and cycling improvements from the Mayor's Cycling and Walking Challenge Fund and several rounds of the Government's Active Travel Fund, with investment totalling £14.5m across 2022/23 to 2024/25, and potentially additional funding for 2024/25 and beyond.
- £1.088m to invest in improvements that will make the road network safer, with the potential for further annual allocations from the Greater Manchester Combined Authority.
- £3.4m on street lighting repairs and replacement across 2023/24 and 2024/25.
- £0.6m CRSTS funding to invest in expanding the Borough's network of publicly available Electric Vehicle Charging Points, with the potential for further funding for Bury from the £16.158m being made available to Greater Manchester's from Government's Local Electric Vehicle Infrastructure Fund.

The Council will continue to seek additional funds to deliver the investment priorities in the Bury Local Transport Strategy, and the ambitions and policies of the Greater Manchester Transport Strategy, which includes further capital investment in Bury's transport infrastructure on projects such as the new £87 million Bury Interchange, for which there is £47m in CRSTS1, with a further £37 million needed from CRSTS2.

4.6 **Children and Young People (including schools).** Anticipated grant income for schools related expenditure has been assumed for the funding that is known. £19.4m of the funding received in 2023/24 and brought forward from previous years is to be rephased into 2024/25. Further potential Education Capital allocations are still awaited and will be reflected in the strategy as and when the information becomes available.

4.7 **Estate Management.** Previously approved schemes to ensure the council's estate is not only fit for purpose but significantly improved, will continue into next two years.

4.8 **Older People and Disabled Facilities Grant.** The scheme will continue to assess new and existing referrals in line with DLUHC's conditions for assisting the suitability of private homeowners and reduce the pressure on social care.

4.9 **Housing Revenue Account (HRA).** The continuation of annual investment in the Council's properties will be based on the new 30-year Business Plan which uses the most up-to–date stock condition information available. It will also include developments and acquisitions of properties where appropriate, to replenish and increase the housing provision in the borough.
The programme will be funded the HRA, the Major Repairs Reserve, carbon reduction grants and receipts realised from the Right to Buy scheme. The use of HRA borrowing, if required, will be subject of future approvals.

4.10 **Climate change.** Schemes previously approved for Waste Management and Climate Change Resilience fund are continuing into 2024/25. Larger projects aimed at carbon neutrality are underway as part of the Council's stock for social housing improvement, in the HRA programme.

5. NEW SCHEMES

The capital budget for 2024/25 includes £29.965m of new schemes.

5.1 **Highways**. £14.925m of new projects have been included for schemes related to Highways health and safety, maintenance, and other urgent works to ensure both the safety of Bury residents and the transport links within the borough.

5.2 **Children and Young People.**
Planning for the delivery of the new secondary school in Radcliffe are at an advanced stage. Planning permission for the provision of a temporary modular solution to accommodate the 2024 intake, and the permanent build to be available from September 2025, have both been approved. Cabinet has previously approved financial contributions to the scheme that include a capped sum of £500k in relation to the provision of modular accommodation; an indicative sum of £1.229m in relation to the access road to the new school; and a sum of £2.446m in relation to site clearance and construction of an all-weather pitch. This latter sum only becomes payable if the Council fails to provide vacant possession by the 1st of March 2024. Plans are at an advances stage (January 2024) to ensure that vacant possession is achieved by the agreed date. In respect of the access road, the Council has introduced a requirement for a specific junction design where the road joins Spring Lane. This will result in additional costs to be funded from the CRSTS (City Region Sustainable Transport Settlement) grant. DfE (Department for Education) are expected to provide detailed costs for the access road, including a new junction by February 2024, and this may necessitate further funding approval, either from the Children's Services Capital programme or the CRSTS grant.

5.3 **Estate Management - Corporate Landlord**
An amount of £0.5m will allow reactive and planned works to the Council's estate to take place during the year.

5.4 **Older People and Disabled Facilities Grant**
Disabled adaptations improve the quality and suitability of client home environments which can be effective in preventing, delaying, and reducing demand for social care and health care. The Council has included £2.1m toward grant payments to private homeowners in 2024/25.

5.5 **Housing Revenue Account (HRA).** Aside from the annual programme of major repairs to maintain its social housing stock, the Council has built in the HRA capital programme schemes that aim to replenish its housing provision. A £5m investment partly funded by Homes England in 2024/25 demonstrates the Council's commitment to achieving its Housing objectives.

6. FUNDING THE CAPITAL PROGRAMME

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves, and capital receipts) or debt (borrowing or leasing). The planned financing of the above expenditure is as follows:

Table 4: Capital expenditure and financing in £ millions

Financing the Capital Programme	2023/24 Forecast £m	2024/25 Proposed Programme £m	2025/26 Proposed Programme £m	2026/27 Proposed Programme £m
Capital Expenditure by Theme				
Regeneration and Economic Growth	£11.117	£51.786	£39.012	£0.000
Place Shaping/Growth	£0.848	£1.986	£0.000	£0.000
Sports and Leisure	£3.948	£5.709	£2.000	£0.000

Operational Fleet	£3.735	£0.000	£0.000	£0.000
ICT and Digital	£1.945	£0.000	£0.000	£0.000
Highways	£15.117	£28.624	£15.528	£1.998
Children and Young People	£9.064	£26.866	£1.070	£0.000
Estate Management - Investment Estate	£0.070	£0.081	£0.000	£0.000
Estate Management - Corporate Landlord	£2.594	£2.388	£1.350	£0.500
Older People and Disabled Facilities Grant	£1.595	£3.750	£2.100	£2.100
Housing GF	£0.436	£2.484	£0.000	£0.000
Housing HRA	£17.118	£23.082	£14.605	£17.103
Climate Change	£0.247	£0.172	£0.000	£0.000
TOTAL EXPENDITURE	**£67.835**	**£146.928**	**£75.665**	**£21.701**
Funding Sources				
Prudential Borrowing	£18.156	£44.209	£43.419	£0.500
External Funding	£30.840	£77.001	£15.814	£4.098
Capital Receipts	£6.526	£4.973	£3.786	£2.032
General Fund RCCO	£0.912	£0.783	£0.000	£0.000
Housing Revenue Account DRF/MRR	£11.400	£19.961	£12.646	£15.070
TOTAL FUNDING	**£67.835**	**£146.928**	**£75.665**	**£21.701**

It is proposed that the new schemes be funded through a combination of external grants and allocations, capital receipts and borrowing. The borrowing costs have been reflected in the Council's Treasury Management Strategy [paragraph 2.3].

7. PRIORITISING, MANAGING, MONITORING, REPORTING AND EVALUATING THE CAPITAL PROGRAMME

Prioritising Capital Resources

7.1 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.

7.2 There is a cross departmental multi-disciplinary team in place which has formed a Capital Programme Board to review the capital gateway processes. This includes a review of governance and the approval and monitoring of capital schemes. The process will ensure wider ownership of the monitoring of the capital programme and will include progress updates on each scheme against forecast outcomes as well as risk monitoring.

7.3 This framework prioritises the capital investment for the Council's 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.

7.4 Reviewing the Capital Programme is an on-going process and in the past several years the 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.

7.5 As part of the gateway process, resource requirements including specialist support will be assessed. Ensuring that sufficient resources are available across the organisation to support the delivery of the capital programme is key to its delivery and the Capital Programme Team will explore and capture the dependencies of each project for teams to be able to plan resources accordingly.

Monitoring and Reporting on the Capital Programme

7.6 The Capital Programme will be monitored regularly throughout the year by the Capital Programme Board and is reported to Cabinet on a quarterly basis.

Details of spend, potential re-profiling of the programme and any significant changes in funding assumptions, including the level of asset disposals which are always critical for the delivery of the Capital Programme will continue to be included in the quarterly and other, ad-hoc reports throughout the year to ensure Cabinet and Members are kept informed of the programme's progress and delivery.

8. COMMERCIAL ACTIVITIES

8.1 The council can invest in property or other commercial activities purely or mainly for financial gain, however local authorities must not borrow to invest primarily for financial returns. Investment assets bought primarily for financial return (previously known as investment assets bought primarily for yield) are assets that serve no direct policy purpose but are held primarily to generate an income.

8.2 The proposed Capital programme 2024 to 2027 does not include any investment of this nature, thus ensuring the ability to borrow from Public Works Loan Board (PWLB) for its capital plan is maintained over the next three years.

8.3 The Council will continue to observe the guidance and updates from DLUHC and HM Treasury that refers to the non-financial yield bearing investments.

Other Liabilities

Impact of newly adopted Accounting Standards:

From 1 April 2024, local authorities are required to implement a new accounting standard known as IFRS 16. This standard requires that assets previously recognised as operating leases will, in many cases, need to be accounted for on the balance sheet. Authorities will need to recognise an asset corresponding to their 'right to use' assets held under operating leases and a liability corresponding to the payments due under the relevant leases to secure use of the leased assets.

The authority does not expect its CFR to be significantly impacted by the implementation of IFRS 16, however this will be kept under review and updates will be presented to Members during 2024-25.

9. RISK MANAGEMENT

9.1 There are some inherent risks in the Capital Strategy. These include:

9.1.1 Capital receipts are not realised to the level anticipated. This is a major risk and is one that has impacted on past programmes. To mitigate this 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.

9.1.2 Interest Rates have increased since 2022. 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.

9.1.3 Schemes need re-profiling from one year to the next. This is considered a normal feature of capital schemes and can occur for many reasons. The risk can be mitigated by slipping corresponding resources between years and is not felt to be high. The new capital gateway processes should improve the profiling of expenditure and the delivery of schemes in line with expectations.

9.1.4 Scheme costs increase. Whilst not unusual, increased costs can occur due to several factors and sometimes cannot be mitigated without impacting other schemes in the programmed or future years' resources. This risk can be reduced by using sound costing techniques, effective project management and monitoring schemes using a risk assessment approach.

9.1.5 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.

9.1.6 Government grant funding is key to delivering the Council's aspirations and longer-term ambitions as intended. As changes or reductions to government grant funding may adversely affect the delivery of the capital programme, the funding available for capital investment is closely monitored and included in reports to Cabinet throughout the year.

10. Knowledge and Skills

10.1 The Capital Programme and the Treasury Management function are both managed by teams of professionally qualified accountants with considerable experience of local government finance.

Officers maintain and develop their skills and knowledge through programmes such as Continuous Professional Development and by attending various courses and conferences held by CIPFA and other sector experts on an ongoing basis.

10.2 The Interim Director of Finance, in their capacity as Section 151 Officer, has overall responsibility for ensuring the proper management of the Council's capital programme, asset portfolio and treasury management activity and follows an ongoing CPD programme.

REFERENCES and IMPLICATIONS

Links with the Corporate Priorities:

The strategic imperatives of the LET's Do It! Strategy, to deliver economic growth faster than the national average are facilitated by this capital programme which is supporting the

economic regeneration of our Borough and the building and development of new schools and educational places.

This Capital budget provides the resources to maintain the Councils strategic leadership of the LETS's Do IT! Strategy, including the specific delivery priorities for 2024/25 and beyond which are described in the Corporate Plan.

1. Delivery of the Let's Do It Strategy is dependent on resources being available. The delivery of the strategy may be affected by changes in funding and spending.

Equality Impact and Considerations:

2. *Not applicable*

Environmental Impact and Considerations:

3. *The Council is working towards becoming a carbon neutral organisation by 2038. All*
4. *capital build projects are developed with carbon impacts fully taken into consideration.*

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council s capital resources are not managed effectively.	The capital programme and the gateway process ensure that all available resources are identified and that, where borrowing is required, the costs are reflected in the Council's revenue strategy.
The Council s capital resources are not targeted to priorities and outcomes and the benefit of the investment across the Borough is not maximised.	The approach ensures that schemes can be developed and prioritised throughout the year and that appropriate monitoring arrangements are in place.

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 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 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 financial implications are detailed within the report.

Appendices:

Appendix 1 Capital budget.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

The Council Budget 2024/25 MTFS
Quarter 3 Cabinet Monitoring Report

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

Term	Meaning
CIPFA	Charter Institute of Public Finance and Accountancy
JV	Joint Venture
HRA	Housing Revenue Account
DFE	Department for Education
SEND	Special Educational Needs and Development

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APPENDIX 1

	2024/25 Capital Programme				2025/26 Capital Programme				2026/27 Capital Programme	
	Approved Programme FEB23	Proposed Programme Updates	NEW Capital Programme & Bids	Revised Programme	Approved Programme FEB23	Proposed Programme Updates	NEW Capital Programme & Bids	Revised Programme	NEW Capital Programme & Bids	Revised Programme
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Capital Expenditure by Theme										
Regeneration and Economic Growth	£38.252	£13.534	£0.000	**£51.786**	£0.000	£39.012	£0.000	**£39.012**	£0.000	**£0.000**
Place Shaping/Growth	£0.350	£1.636	£0.000	**£1.986**	£0.000	£0.000	£0.000	**£0.000**	£0.000	**£0.000**
Sports and Leisure	£1.260	£4.449	£0.000	**£5.709**	£0.300	£1.700	£0.000	**£2.000**	£0.000	**£0.000**
Highways	£8.659	£5.040	£14.925	**£28.624**	£6.330	£0.000	£9.198	**£15.528**	£1.998	**£1.998**
Children and Young People	£8.500	£10.926	£7.440	**£26.866**	£8.000	(£8.000)	£1.070	**£1.070**	£0.000	**£0.000**
Estate Management - Investment Estate	£0.000	£0.081	£0.000	**£0.081**	£0.000	£0.000	£0.000	**£0.000**	£0.000	**£0.000**
Estate Management - Corporate Landlord	£2.232	(£0.344)	£0.500	**£2.388**	£0.000	£0.850	£0.500	**£1.350**	£0.500	**£0.500**
Older People and Disabled Facilities Grant	£0.000	£1.650	£2.100	**£3.750**	£0.000	£0.000	£2.100	**£2.100**	£2.100	**£2.100**
Housing General Fund	£0.000	£2.484	£0.000	**£2.484**	£0.000	£0.000	£0.000	**£0.000**	£0.000	**£0.000**
Housing Revenue Account (HRA)	£14.247	£3.835	£5.000	**£23.082**	£14.000	£0.605	£0.000	**£14.605**	£17.103	**£17.103**
Climate Change	£0.000	£0.172	£0.000	**£0.172**	£0.000	£0.000	£0.000	**£0.000**	£0.000	**£0.000**
TOTAL EXPENDITURE	**£73.500**	**£43.463**	**£29.965**	**£146.928**	**£28.630**	**£34.167**	**£12.868**	**£75.665**	**£21.701**	**£21.701**
Financing the Capital Programme										
Prudential Borrowing	£55.330	(£11.621)	£0.500	**£44.209**	£11.057	£31.862	£0.500	**£43.419**	£0.500	**£0.500**
External Funding	£3.446	£47.090	£26.465	**£77.001**	£3.446	£0.000	£12.368	**£15.814**	£4.098	**£4.098**
Capital Receipts	£0.477	£3.376	£1.120	**£4.973**	£0.127	£3.659	£0.000	**£3.786**	£2.032	**£2.032**
General Fund Revenue contribution (RCCO)	£0.000	£0.783	£0.000	**£0.783**	£0.000	£0.000	£0.000	**£0.000**	£0.000	**£0.000**
Housing Revenue Account Direct Revenue Financing, Major Repairs Reserve (DRF/MRR)	£14.247	£3.835	£1.880	**£19.961**	£14.000	(£1.354)	£0.000	**£12.646**	£15.070	**£15.070**
TOTAL FINANCING	**£73.500**	**£43.463**	**£29.965**	**£146.928**	**£28.630**	**£34.167**	**£12.868**	**£75.665**	**£21.701**	**£21.701**

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Appendix 4

Dedicated Schools Grant

1. Executive Summary

1.1. The Dedicated Schools Grant (DSG) is the ringfenced 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 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 the recommendations in relation to the Schools Budget for approval by Council. The detail set out in this report has been discussed and agreed by the Schools Forum at its meeting on 15 January 2024.

2. Recommendations:

2.1. That Overview and Scrutiny:

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

2.2. That Cabinet approve and commend to Council:

- The Dedicated Schools Grant budget for 2024/25 at £228.326m and approve the allocations between the four funding blocks as set out in this report.
- The Schools and Academies 2024/25 funding unit values as recommended by Schools Forum and detailed at Annex 1.
- Approve the 2024/25 hourly rates for all early years providers as follows:
    - £5.28 per hour, for 3 and 4 year olds;
    - £7.52 per hour, for 2 year olds; and.
    - £10.00 per hour, for under 2s

- Note the position on the Dedicated Schools Grant deficit and Project Safety Valve.

3. Background

Dedicated Schools Grant

3.1. Details on the Dedicated Schools Grant were published by Government on 19 December 2023. The allocations for Bury are set out in the following table:

2024 to 2025 DSG allocations, before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA)						
Dedicated schools grant (DSG):		Schools block	Central school services block	High needs block	Early years block	Total DSG allocation
351	BURY	(£s)	(£s)	(£s)	(£s)	(£s)
	2023-24 DSG, including additional grants	154,929,419	1,037,945	45,243,107	14,570,700	215,781,171
	2024-25	157,626,868	1,077,628	46,967,042	22,654,385	228,325,923
	Variance to 2023-24 £	2,697,449	39,683	1,723,935	8,083,685	12,544,752
	Variance to 2023-24 %	1.7%	3.8%	3.8%	55.5%	5.8%

3.2. 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 now provides separate funding streams from nine months up to two years old, two-year olds and 3 and 4 year olds 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 each of the stated funding streams. 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, National Copyright Licenses and other statutory and regulatory duties.

3.3. There is limited flexibility for councils to transfer funding between the 4 blocks. For 2024/25 the Education and Skills Funding Agency (ESFA) has limited the movement from the Schools Block 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. Movements from the Central Services Block to any other block are not subject to any limit and can be made in consultation with Schools Forum.

3.4. For 2024/25, Bury's Schools' Forum approved a transfer of 0.39% from the Schools' Block to help support the pressures being faced on the High Needs Block. This equates to a £0.621m contribution to help sustain the recovery of the High Needs deficit. A transfer of 0.39% was recommended and approved on the basis that in order to transfer 0.5% this would not have left sufficient funding within the Schools Block to meet the national funding formula. This decision can only be made on an annual basis and will be reviewed again next year.

3.5. Furthermore, Schools Forum agreed on 15 January 2024, a transfer of £0.100m from the Central Services Block to the High Needs Block for 2024/25 to support with the council's deficit recovery programme on DSG.

4. DSG Allocation

Schools Block National Funding Formula Allocation

4.1. The Schools Block Allocation for 2024/25 is £157.627m, this is an increase of £2.697m from 2023/24 (when including the Mainstream Schools Additional Grant Allocation).

4.2. In September 2017, the National Funding Formula (NFF) for Schools and Central Services was introduced. The 2024/25 funding factors continue to comply with the national funding formula values.

4.3. 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.

4.4. In 2023/24, schools received additional funding through the Mainstream Schools Additional Grant however, for 2024/25 this funding has been rolled into the baseline DSG allocation.

4.5. In July 2023 the government announced £525 million in 2023/24 to support schools with the September 2023 teachers' pay award, with a further £900 million in 2024/25. This is in addition to schools' allocations through the schools national funding formula. For Mainstream Schools and Academies, the 2024/25 indicative allocation for Bury is £2.6m.

4.6. A full summary of the funding formula factors is set out at Annex 1 and these are recommended for approval by Council.

Central School Services Block Allocation

4.7. The allocation of the Central School Services DSG (CSSB) block is £1.078m in 2024/25, this represents an increase of £0.040m from the 2023/24 allocation. The use of the CSSB is determined by the Schools Forum based upon proposals from the Council in respect to funding ongoing responsibilities and central functions undertaken on behalf of schools and academies.

4.8. The planned use of this funding block in 2024/25 is:

Central Schools Services Block (CSSB)	**2024/25 £**
Section 251 – Central Provision	
1.4.2 Admissions	213,600
1.4.3 Schools' Forum	18,300
1.4.14 National Copyright Licences	185,000
Section 251 - Former ESG Services	
1.5.1 Education Welfare	289,200
1.5.2 Asset Management	99,800
1.5.3 Statutory / Regulatory inc SACRE	70,000
Other	
1.4.14 Teachers Pay and Pension Grant	101,428
Transfer to High Needs	100,300
Total Central School Services Block (CSSB)	**1,077,628**

High Needs Block Allocation

4.9. The 2024/25 allocation for High Needs DSG is £46.967m. This represents a £1.724m increase from the 2023/24 allocation.

4.10. High needs funding is provided to local authorities through the high needs block of the DSG, enabling them to meet their statutory duties under the Children and Families Act 2014.

4.11. High Needs funding is based on SEND pupil numbers as of October 2023 in special and resourced provision in maintained schools and academies, and SEND pupil numbers at January 2024 in independent provision.

Early Years Block Allocation

4.12. The Early Years Block allocation for 2024/25 is £22.654m, an increase of £8.084m from 2023/24. The Early Years Block will be adjusted in-year in respect to fluctuations in Early Years participation. The final funding allocation is based on two sets of January census data: January 2024 accounts for April 2024 to August 2024 (5/12ths) January 2025 accounts for September 2024 to March 2025 (7/12ths) Therefore the allocation identified in this report remains indicative.

4.13. For 2024/25, the additional funding increase relates to the free childcare offer which is to be extended so that eligible working parents in England will be able to access 30 hours of free childcare per week for 38 weeks per year from the term after their child turns 9 months to when they start school.

4.14. The initial indicative funding for 2024/25 is as follows:

DSG Early Years Block	2024/25 £
3&4 YO Basic Entitlement	8,669,976
3&4 YO Extended Entitlement	4,589,175
2-year-old disadvantaged entitlement	2,021,752
2-year-old entitlement for working parents	3,965,723
Under 2s entitlement	2,733,537
Early Years pupil premium for 3 & 4-year-olds	161,486
Early Years pupil premium for 2-year-olds	87,575
Early Years pupil premium for under 2s	4,380
Disability access fund for 3 & 4-year-olds	123,760
Disability access fund for 2-year-olds	32,760
Disability access fund for under 2s	11,830
Maintained Nursery Supplementary Funding	252,431
TOTAL Early Years Block	**22,654,385**

4.15. For 2024/25, local authorities are required to pass through at least 95% of funding for each of the following funding entitlement streams individually:

- 3 & 4 YO entitlements (no change)
- Under 2's
- 2 YO disadvantaged offer
- 2 YO working parents

Bury Council continues to meet this requirement.

4.16. The remaining up to 5% can be retained by the council to contribute to central early years functions, contingency for in year increases to early years participation in settings and an Early Years SEND Inclusion Fund. For 2024/25, the retained funding totals 3.4%, with 96.6% being passported.

4.17. In accordance with the statutory requirements, Council is required to approve the hourly rates for Early Years providers which will be applicable from 1 April 2024, as recommended by Schools Forum. These are set out in the table below:

Factor	2023/24 Hourly Rate	2024/25 Hourly Rate	Variance £	Increase %

3&4 Year Olds	£4.74	£5.28	£0.54	11.4
2 Year Olds	£5.62	£7.52	£1.90	33.8
Under 2s	N/A	£10.00	N/A	N/A

The above rates include an average of £0.17 per hour for deprivation. Each child will attract deprivation funding according to the Income Deprivation affecting Children Index (IDACI). The average of £0.17 per hour covers the amounts in table below.

IDACI Weighting	Supplement per hour
G	£0.00
F	£0.18
E	£0.22
D	£0.34
C	£0.37
B	£0.40
A	£0.52

5. Dedicated Schools Grant Recovery Plan

5.1. Costs of high needs have exceeded the available budget for several years with the DSG deficit at the start of the 2023/24 financial year standing at £18.601m. This 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.

5.2. The Department for Education (DfE) established a DSG Safety Valve Programme to work with councils with the greatest deficits to develop an agreed recovery plan with Bury being one of the first five local authorities to develop an agreement with the DfE.

5.3. Bury entered into a formal Safety Valve agreement on 19 March 2021. This original agreement aimed to eradicate the DSG deficit by the end of the 2024/25 with the council to receive an additional £20m of revenue funding to support with its recovery programme.

5.4. The council has undertaken extensive work in repairing and rebuilding Special Educational Needs and Disabilities (SEND) services within the borough over the last two years as part of the Safety Valve programme which has included rebuilding the Education Health and Care Plan (EHCP) team, reworking the EHCP process and launching a graduated approach. In addition, there has been extensive work to reduce the cost of provision in borough and there continues to be work on improving sufficiency in Bury.

5.5. The work undertaken to date has had an impact and has started to reduce the DSG deficit position, however this has been against a backdrop of unprecedented demand. This increase in demand has resulted in a necessary change in the deficit reduction profile with the council working with the DfE to devise a revised DSG Management Plan which proposes to eradicate the deficit by the end of the 2028/29 financial year.

5.6. The DSG Management Plan was submitted to the DfE in October 2023. The DfE have submitted this plan for Ministerial consideration with a decision on the revised plan anticipated in the first quarter of 2024/25.

Annex 1

Schools and Academies 2024/25 funding unit values

Factor	Sub-level	2023/24	2024/25	Variance to 2023/24		Of which = MSAG transfer	Variance excl. MSAG transfer
		£	£	£	%	£	%
Basic Entitlement	Primary	**3,394**	**3,562**	168	4.9%	119	1.4%
Age Weighted Pupil Unit (AWPU)	Key Stage 3	**4,785**	**5,022**	237	5.0%	168	1.4%
	Key Stage 4	**5,393**	**5,661**	268	5.0%	190	1.4%
Deprivation							
Free School Meals	Primary FSM	**480**	**490**	10	2.1%	0	2.1%
	Secondary FSM	**480**	**490**	10	2.1%	0	2.1%
Free School Meals - Ever 6	Primary FSM 6	**705**	**820**	115	16.3%	104	1.6%
	Secondary FSM 6	**1,030**	**1,200**	170	16.5%	152	1.7%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	**230**	**235**	5	2.2%	0	2.2%
	IDACI E	**280**	**285**	5	1.8%	0	1.8%
	IDACI D	**440**	**445**	5	1.1%	0	1.1%
	IDACI C	**480**	**485**	5	1.0%	0	1.0%
	IDACI B	**510**	**515**	5	1.0%	0	1.0%
	IDACI A	**670**	**680**	10	1.5%	0	1.5%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	**335**	**340**	5	1.5%	0	1.5%
	IDACI E	**445**	**450**	5	1.1%	0	1.1%
	IDACI D	**620**	**630**	10	1.6%	0	1.6%
	IDACI C	**680**	**690**	10	1.5%	0	1.5%
	IDACI B	**730**	**740**	10	1.4%	0	1.4%
	IDACI A	**930**	**945**	15	1.6%	0	1.6%
Additional Education Needs Factors							
English as an Additional Language (EAL)	EAL 3 Years Primary	**580**	**590**	10	1.7%	0	1.7%
	EAL 3 Years Secondary	**1,565**	**1,585**	20	1.3%	0	1.3%
Mobility	Pupils starting school outside normal entry	**945**	**960**	15	1.6%	0	1.6%
		1,360	**1,380**	20	1.5%	0	1.5%
Low cost, high incidence SEN	Low Attainment Primary (below expected EYFS)	**1,155**	**1,170**	15	1.3%	0	1.3%
	Pupils not achieving (KS2 level 4 English and Maths)	**1,750**	**1,775**	25	1.4%	0	1.4%

School-Led Factors							
Lump Sum	Primary	**128,000**	**134,400**	6,400	5.0%	4,510	1.5%
	Secondary	**128,000**	**134,400**	6,400	5.0%	4,510	1.5%
Split Site	Basic Eligibility		**53,700**				
	Distance Eligibility Minimum		**0**				
	Distance Eligibility Maximum		**26,900**				
Minimum Per Pupil Funding Levels	MFL - Primary	4,405	**4,610**	205	4.7%		
	MFL - Secondary	5,715	**5,995**	280	4.9%		

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EQUALITY ANALYSIS

This Equality Analysis considers the effect of Bury Council activity on different groups protected from discrimination under the Equality Act 2010 as well as those additional groups reflected in Bury Council's Equality Strategy 2020-2024. This is to consider if there are any unintended consequences for some groups from key changes made by a public body and their contractor partners organisations and to consider if the activity will be fully effective for all protected groups. It involves using equality information and the results of engagement with protected groups and others, to manage risk and to understand the actual or potential effect of activity, including any adverse impacts on those affected by the change under consideration.

SECTION 1 – RESPONSIBILITY AND ACCOUNTABILITY	
1.1 Name of policy/ project/ decision	The Council's Budget 2024/25 and the Medium-Term Financial Strategy 2024/25 - 2026/27
1. 2 Lead for policy/ project/ decision	Clare Williams
1.3 Committee/Board signing off policy/ project/ decision	Full Council
1.4 Author of Equality Analysis	Name: Clare Williams Role: Deputy Chief Finance Offcer Contact details: Clare.Williams@bury.gov.uk
1.5 Date EA completed	29/01/24
1.6 Quality Assurance	Name: Lee Cawley Role: Equality, Diversity and Inclusion Manager
1.7 Date QA completed	*30/01/2024*
1.8 Departmental recording	Reference: Date
1.9 Next review date	30/03/24

SECTION 2 – AIMS AND OUTCOMES OF POLICY / PROJECT	
2.1 Detail of policy/ decision being sought	The Medium-Term Financial Strategy (MTFS) is the Council's multi-year financial plan and control framework to align resources to the spending priorities set out in the corporate plan and Borough vision: LET'S Do It! - As part of this the Council is seeking to set a budget for the 2024/25 financial year in an unprecedented period of economic uncertainty. In order to set a balanced budget, savings proposals totalling £5.368m were agreed in 2023 for delivery and impact in relation to the 24/25 budget and additional Council Tax and Business Rates income of £11.038m have been brought forward for consideration. The LET'S Do It! Strategy for 2030 provides the strategic framework for the Council's use of resources through the vision to: • Build on the strengths that already exist in our communities, breaking down barriers for people and between agencies and services to give people the ability to be independent. • Deliver in partnership, locally whenever possible and through a digitally inclusive approach • Drive economic growth to improve outcomes for local people; reduce the demand on public services and increase income to the Council. From a budget planning perspective, the application of the LET'S Do It! strategy is an opportunity to: • Empower local people and organisations to seek self-help and community-based support rather than immediately engaging with statutory services. - Over the last three years the Council has provided funding to establish and support the development of local community groups. The scale of community potential is now evident through the anti-poverty response, for example, with over 80 organisations active in providing cost of living support and the emergence of the Bury Community Support Network • Tackle health inequalities through a comprehensive local Wellness offer. • Take a stronger focus on prevention and harnessing community capacity, which has been at the heart of the adult social care transformation, through which £20m of savings have been achieved since 2019/20 • Drive innovation such as through the internal transformation strategy which is now enabling digital-first, more efficient processes, user self service • Deliver inclusive growth through regeneration in order to reduce deprivation and therefore demand on expensive reactive Council and other public services. Growth also creates the potential for increased income from council tax and business rates receipts, through delivery of a pipeline of brownfield-first housing and new locations for business • Investing in Childrens Services including support to our Looked After Children and care experienced young people. . However, in the delivery of all budget proposals the Council will be cognisant of its statutory obligations in relation to inclusion, as per the Equality Act 2010 and Public Sector Equality Duty, and its local commitment as set out in the LET'S Do It! Strategy and Bury Council Inclusion Strategy and Equality Objectives 2020-24. This overarching EIA sets out the Council's approach to considering and addressing any potential equality implications of the budget and defines where more detailed proposal specific EIAs will be undertaken.

2.2 What are the intended outcomes of this?	The outcomes intended are to ensure that, through the Council's Budget for 2024/25 and Medium-Term Financial Strategy 2024/25 - 2026/27 the Authority: 1) Pays due regard to the need to eliminate discrimination and advance equality of opportunity between all 2) Insofar as is possible, supports delivery of its stated Equality Objectives, Inclusion Strategy and the overarching commitment to inclusive growth as set out within the LET'S Do It! Strategy

SECTION 3 – ESTABLISHING RELEVANCE TO EQUALITY & HUMAN RIGHTS

Please outline the relevance of the activity/ policy to the Public Sector Equality Duty

General Public Sector Equality Duties	Relevance (Yes/No)	Rationale behind relevance decision
3.1 To eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by Equality Act 2010	Yes	We are seeking to create budget proposals which do not discriminate against people protected by the Equality Act 2010 and Bury Council Inclusion Strategy 2020-2024. Where potential disproportionate impacts exist, we are seeking to mitigate these
3.2 To advance equality of opportunity between people who share a protected characteristic and those who do not.	Yes	We are seeking to create budget proposals which do not detract from the Council's overarching commitment to advance equality of opportunity for people protected by the Equality Act 2010 and Bury Council Inclusion Strategy 2020-2024. Where this is the case, we are seeking to mitigate these
3.3 To foster good relations between people who share a protected characteristic and those who do not	Yes	We are seeking to create a budget proposal that does not hinder the relationships people who share protected characteristics and those who do not. Where this is the case, we are seeking to mitigate this
3.4 Please outline the considerations taken, including any mitigations, to ensure activity is not detrimental to the Human Rights of any individual affected by the decision being sought.		
Consideration will be given to the FREDA principles of Human Rights as part pf individual EIAs. Initial analysis does not identify any major areas for concern, subject to the implementation of individual proposals in a way which accords with the relevant specific statutory duties and obligations.		

SECTION 4 – EQUALITIES DATA

Protected characteristic	Outcome sought	Base data	Data gaps (to include in Section 8 log)
4.1 Age **4.2** Disability **4.3** Gender **4.4** Pregnancy or Maternity	To avoid negative differential impact in relation to any of the below 13	The 2021 Census provides the most up-to-date baseline position in terms of equality data in relation to the borough across the characteristics of: • Age	EIAs in relation to individual budget proposals will

4.5 Race **4.6** Religion and belief **4.7** Sexual Orientation **4.8** Marriage or Civil Partnership **4.9** Gender Reassignment **4.10** Carers **4.11** Looked After Children and Care Leavers **4.12** Armed Forces personnel including veterans **4.13** Socio-economically vulnerable	protected characteristics as a result of the delivery of the Council's 2024/25 budget	• Disability • Sex • Race (The 2021 census measures "Ethnicity") • Religion and Belief • Sexual Orientation • Marriage and Civil Partnership (The 2021 census measures "Legal partnership status") • Gender Reassignment (The 2021 census measures "gender identity") • Armed Forces Personnel • Unpaid carers • Socio-economically vulnerable (The 2021 census measures "Households by deprivation dimensions") To supplement this, the Council's own data provides information on Looked After Children and Care Leavers. We currently have 362 Looked After Children in our system and support 180 Care Leavers. – Demographic data in relation to this cohort is available to support individual EIAs as required. Key census headlines in terms of inclusion include: • Bury's population increased by around 8,800 between the last two censuses (about 5%), to just under 195,000 in 2021. • The number of people aged 50 to 64 years rose by just under 3,600 (an increase of 10.3%). • In the latest census, around 166,500 Bury residents said they were born in England. This represented 86% compared to 89% in 2011. • Pakistan was the next most represented for just under 6,000 Bury residents (3% compared to 2% in 2011). • In 2021, 11% of Bury residents identified their ethnic group within the "Asian, Asian British or Asian Welsh" category, up from 7% in 2011, higher than the rate for the NW (8%) and England (10%). • The percentage of people who identified their ethnic group within the "Other" category increased from 1% in 2011 to 2% in 2021. • 94% of people in Bury speak English as their main language (compared to 82% in Manchester). • 5% of households in the borough have multiple main languages spoken at home. • Based on responses 3% of the borough's populations are armed forces veterans, circa 5,000 people (highest areas had over 10%). • 91% of people in Bury described themselves as straight or heterosexual, compared to 89% nationally.	examine specific data as required.

		• 4,362 people in Bury identified as a sexual orientation other than heterosexual, 3% of respondents. • In 2021, 29% of Bury residents reported having "No religion", up from 19% in 2011, while 10% described themselves as Muslim (up from 6. % the decade before). Jewish numbers stayed the same at 6% of the borough's population overall. • 52.5% of households in Bury fall under the "Household Deprivation" category in the census.	

SECTION 5 – STAKEHOLDERS AND ENGAGEMENT		
	Internal Stakeholders	External Stakeholders
5.1 Identify stakeholders	Staff, Members and Trade Unions	Bury residents and key partners
5.2 Engagement undertaken	Discussions through staff meetings and briefings and Corporate JCC	There was no engagement with Bury residents on the budget.
5.3 Outcomes of engagement	Limited direct feedback has been received through the internal consultation channels.	
5.4 Outstanding actions following engagement (include in Section 8 log)	Where individual changes require specific consultation, this will be progressed in line with the Council's HR Policies	

SECTION 6 – CONCLUSION OF IMPACT

Please outline whether the activity/ policy has a positive or negative effect on any groups of people with protected inclusion characteristics

Protected Characteristic	**Positive/ Neutral Negative/**	**Impact (include reference to data/ engagement)**
6.1 Age	No new specific savings proposals are included in this budget report. Where proposals agreed last year require individual EQIAs this will be progressed in-line with individual project timelines. Given the complexity and scale of the budget changes required it is challenging to provide an overall analysis of potential impact. As outlined above, inclusion is a central theme of the Council's LET'S Do It! strategy and, in providing a budget which, to a significant extent, aligns with this vision. Officers have sought to mitigate the impact on protected groups in the borough.	
6.2 Disability		
6.3 Gender		
6.4 Pregnancy or Maternity		
6.5 Race		

6.6 Religion and belief **6.7** Sexual Orientation **6.8** Marriage or Civil Partnership **6.9** Gender Reassignment **6.10** Carers **6.11** Looked After Children and Care Leavers **6.12** Armed Forces personnel including veterans **6.13** Socio-economically vulnerable **6.14 Overall impact -** What will the likely overall effect of your activity be on equality, including consideration on intersectionality?	Whilst there is the *potential* for disproportionate negative impacts on protected groups in the above areas, the proposal specific EQIAs will need to explore these in more detail and, wherever possible, seek to mitigate this in accordance with the Council's obligations under the Public Sector Equality Duty. Overall, the scale of budget reductions required across the Council represents a risk of negative impact on protected groups which will need to be closely managed and monitored throughout the implementation process. It is recognised that the proposed council tax increase is required for the council to meet its statutory duties and requirements. There is a risk of this having a negative impact on the socio-economically vulnerable and, by extension, other characteristics where there is an accepted link to socio-economic vulnerability specifically, younger and older people, disabled people, people who are from ethnic minorities, care leavers and veterans. The same is also true in relation to the proposed rent increases for tenants of the council's housing stock which are required for the council to meet its statutory duties and requirements as landlord. The Council's cost of living support (LET'S Manage Tough Times Together) and wider work to support the most vulnerable residents through our Neighbourhood Teams and overarching delivery of the LET'S Do It! Strategy will provide support to mitigate this impact insofar as is reasonably possible. – Individuals and families may need further individually tailored support with paying rent and council tax which will be considered on a case-by-case basis through relevant support mechanisms. .

SECTION 7 – ACTION LOG			
Action Identified	Lead	Due Date	Comments and Sign off (when complete)
7.1 Actions to address gaps identified in section 4			
7.2 Actions to address gaps identified in section 5			
Individual consultations will be conducted as and when required linked to specific budget EIAs. Consultations will be share widely to ensure meaningful engagement,	Individual leads/ EDI Manager to oversee	When Activities are taking place	
7.3 Mitigations to address negative impacts identified in section 6			

Managed in individual EIAs. Delivery of which will be overseen by the EDI manager and reported on to the Council's Executive Team and Cabinet Member for HR and Corporate Affairs	Individual leads / EDI Manager to oversee	When Activities are taking place	
7.4 Opportunities to further inclusion (equality, diversity and human rights) including to advance opportunities and engagements across protected characteristics			
Managed in individual EIAs. Delivery of which will be overseen by the EDI manager and reported on to the Council's Executive Team and Cabinet Member for HR and Corporate Affairs	Individual leads / EDI Manager to oversee	When Activities are taking place	

SECTION 8 - REVIEW			
Review Milestone	Lead	Due Date	Comments (and sign off when complete)
Delivery of proposal specific EIAs	EDI Manager	April 2024	
Quarterly review of progress to Executive Team and Cabined Member for HR & Corporate Affairs	EDI Manager	July 2024 October 2024 January 2025 April 2025	

Please make sure that every section of the Equality Analysis has been fully completed. The author of the EA should then seek Quality Assurance sign off and departmental recording.

SECTION 9 – QUALITY ASSURANCE		
Consideration	**Yes/ No**	**Rationale and details of further actions required**
Have all section been completed fully?	Y	
Has the duty to eliminate unlawful discrimination, harassment, victimization and other conducted prohibited by the PSED and Equalities Act been considered and acted upon?	Y	
Has the duty to advance equality of opportunity between people who share a protected characteristic and those who do not been considered and acted upon	Y	
Has the duty to foster good relations between people who share a protected characteristic and those who do not, been consider and acted upon	Y	
Has the action log fully detailed any required activity to address gaps in data, insight and/or engagement in relation to inclusion impact?	Y	
Have clear and robust reviewing arrangements been set out?	Y	
Are there any further comments to be made in relation to this EA	N	

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APPENDIX 6

Bury Council

Reserves Policy 2024-25

General Fund

The level of the General Fund Reserve will be no less than 5% of the Council's net revenue budget excluding the Dedicated Schools' Grant. It should reflect the overall financial environment and the key financial risks faced by the Council.

The amount held in the General Fund Reserve will be reviewed at least annually. In reviewing the level, Cabinet will take advice from the Executive Director of Finance S151 Officer.

Earmarked Reserves

Earmarked reserves are typically held for the reasons set out below.

- Insurance earmarked reserves – to meet the estimated cost of future claims not covered by insurance policies.
- External Funding reserve – These funds are held where funding has been allocated to the Council for a specific purpose and will be held until services have a plan to spend the reserve.
- Budget Smoothing Reserve – This reserve is to support the Council to manage the budget and any unforeseen financial pressures which may occur during the year.
- Collection Fund Smoothing Reserve – This reserve was set up during 2020 to manage fluctuations between years on the collection fund.
- DSG Deficit Reserve – The Government agreed a Statutory Override for a deficit reserve to be held to allow time for the DSG financial pressures to be managed. This Override will be in place until 31 March 2026.
- Schools Reserves – These are held within Bury Councils reserves for specific use by schools.
- S106 Reserve – These reserves are received from developers and held for a specific purpose.

The use of reserves can be used as a one off to balance the budget whilst longer term plans are developed however, they should not be used on an on-going basis to balance the budget.

Schools' Earmarked Funds

Schools' balances are held for two main reasons. Firstly, as a contingency against financial risks and secondly, to save to meet planned commitments in future years. Decisions on these funds are taken by individual schools.

Every school is required to produce a statement explaining the purpose of the reserve, together with a plan describing when the reserves will be used.

Safety Valve Reserve

The Council provides a range of services for children with special needs funded from the High Needs block of the Dedicated Schools Grant (DSG). The DSG is funded entirely by the Department for Education (DfE). In recent years many local authorities, of which Bury is one, have found that the High Needs block has not been sufficient to meet the cost of providing services to children and young people with special needs. In response to this pressure the DfE and Department for Levelling Up, Housing and Communities (DLUHC) have permitted local authorities, for a specified period, to ring-fence the overspending on the High Needs budget and carry it on their balance sheet from one financial year to the next as a 'negative reserve'. This can only be a temporary measure as it goes against the fundamental principles of accounting, not least the matching principle which requires that income and any expenditure related to it should be met in the same reporting period.

It follows that the DfE needed to help local authorities both to balance their High Needs budget in-year and to repay the deficit accumulated in previous years. The DfE established the Safety Valve programme for this purpose and Bury Council has actively participated in this programme since its inception in 2020-21.

The Council signed a Safety Valve Agreement with the DfE in which it agreed to implement measures designed to achieve an in-year balanced budget for the High Needs block. As part of the Agreement, the Council also made a commitment to contribute £6m from the General Fund towards the repayment of the cumulative deficit which is projected to rise to £18.5m by 31 March 2024. The Council will set aside an earmarked reserve to provide for the outstanding contribution from the General Fund in 2024-25.

Insurance Fund Reserve

An insurance fund reserve shall be held for the purpose of self-insurance and for taking action to manage the Council's insurance liabilities and reduce risk. The Council is advised on the size of its insurance fund provision and its separate insurance fund reserve by Gallaher's. The insurance fund provision covers potential or contingent liabilities. The insurance fund reserve covers the potential cost of insurance claims in excess of the amount provided for in the Insurance Fund provision.

Monitoring Policy

The level of earmarked reserves and balances will be monitored monthly throughout the year. Reports on the use of reserves will be provided to Members on a regular basis.

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet Council	**Date:** 14 February 2024 **Date:** 21 February 2024
Subject:	TREATMENT OF ARMED FORCES COMPENSATION IN THE ASSESSMENT OF DISCRETIONARY SUPPORT	
Report of	Cabinet Member for Finance and Communities	

Summary

1. This recommendation is brought forward following a call by the Royal British Legion to exclude military compensation payments when assessing discretion support. On 9th January Council agreed to the continuation and amendments to the Council Tax support scheme, this report recommends additions to the scheme to exclude military compensation payments from the assessment of the housing benefit and council tax support.

Recommendation(s)

Cabinet to agree and commend to Council that the Council tax support scheme –

- Excludes military compensation for Discretionary Council Tax Support calculations - These are short to mid-term additional credits made to those in receipt of Council Tax Support as a top up towards their Council Tax.

Cabinet to also agree and commend to Council that the Council's Discretionary Housing Payment Policy -

- Excludes military compensation for Discretionary Housing Payments calculations - These are short to mid-term additional payments made to those in receipt of Housing Benefit or Universal Credit as a top up towards their rent.

Reasons for recommendation(s)

2. This will provide the Council with a greater range of options to further support the borough's veterans and ensure those veterans suffering hardship or who find themselves in adverse circumstances can access financial help without compensation payments having a material impact on the level of support available to them.

Alternative options considered and rejected

7. We could not provide for this exclusion in the scheme and leave as is. This option has been rejected.

Report Author and Contact Details:
Name: Chris Brown
Position: Head of Revenues and Benefits
Department: Finance
E-mail: chris.brown@bury.gov.uk

Background

8. Armed Forces personnel and bereaved spouses are able to access compensation from the Ministry of Defence where they sustain an injury or suffer illness whilst in active service. These awards are categorised under:
   - Payments made under the Armed Forces Compensation Scheme
   - Payments made under the War Pensions Scheme
   - Service Invalidating Pension or Service Attributable Pension paid under the Armed Forces Pension Scheme.

9. The size of the payments are dependant on the severity of injury, and are generally included within the assessment of means tested benefits.

Discretionary support

10. Discretionary Housing Payments are centrally funded by government with an allocation received by the Local Authority each year.

11. Whilst there are some central eligibility criteria, it is for each Local Authority to devise their own scheme to best suit the needs of their residents with awards generally being made on a short to mid-term basis and of varying value dependant on the circumstances of the applicant and the reason for application.

12. Discretionary Council Tax Support is locally funded through the Council's Council Tax Support scheme, and it is for each Local Authority to ensure discretionary funding is available to further support eligible residents in hardship.
13. Awards are made via a direct credit to the applicant's Council Tax account in order to reduce their liability and therefore amount they need to pay, with the size of the credit again dependant on circumstances and the reason for application.
14. For both schemes, an assessment of the applicant's full income and expenditure is considered to determine affordability of Rent and/or Council Tax.

15. Military Compensation Payments will therefore have a material effect on the level of award that can be made to an Armed Forces veteran seeking discretionary support.

Links with the Corporate Priorities:

This policy supports our local community particularly those who are experiencing hardship. This relates to both the local and strengths-based elements of the Bury 2030 strategy in order to support our residents from getting into debt.

Equality Impact and Considerations:

No differential Impact has been identified.

Environmental Impact and Considerations:

None

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Cost of Living crisis has increased the number of eligible claimants for both schemes.	The number of veterans in receipt of compensation payments and also seeking access to discretionary support is not anticipated to have a significant impact on discretionary budgets or the Council's ability to use these funding streams to support the wider eligible population of the borough. Earlier identification of welfare need through changes to the Council Tax collection process, will also allow a more pro-active approach to welfare.

Legal Implications

Section 13A of the Local Government Finance Act 1992 ("the 1992 Act") and as amended by The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022 requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. This must be decided by 11th March the preceding financial year.

Financial Implications:

It is important that the Council uses all of its powers and discretions to support its most vulnerable residents, and this is more important during times of economic difficulty. The local council tax support scheme seeks to help those who are struggling financially and who are still liable for council tax.

Background papers:

Council report – CT discretionary scheme 9th January 2024 - https://councildecisions.bury.gov.uk/documents/s38224/FINAL%20CTS%20Report%202024-25.pdf

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

Term	Meaning

Agenda Item 8

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Quarter Three Corporate Plan Performance Report 2023/24	
Report of	Cabinet Member for Corporate Affairs and HR	

Summary

1. This is the performance and delivery monitoring report for Quarter Three against the Corporate Plan for 2023/24. It contains full updates in terms of both the delivery against the priorities set out in the Corporate Plan and associated key performance indicators.

Recommendation(s)

2. Cabinet to note the update on progress against performance and delivery and the priorities for action against key metrics and timescales.

Reasons for recommendation(s)

3. N/A

Alternative options considered and rejected.

4. N/A

Report Author and Contact Details:
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Background

5. This report details performance and delivery against the priorities that have been set out in the 2023/24 Corporate Plan. This includes a summary of progress against milestones and relevant additional key performance indicator detail with benchmarking where available.

6. For this quarter, to support clearer understanding of progress, each deliverable has a RAG (Red, Amber, Green) status to describe the action taken within the quarter itself and then a % rating indicating overall progress in terms of completion of the deliverable by year end.

   100% would indicate that the whole deliverable against the Corporate Plan for 23/24 has been completed.

   The following RAG ratings apply for the planned activities within the quarter against that deliverable:

   - GREY: Not started as per agreed timescales
   - RED: On hold or potentially being re-evaluated against priorities
   - AMBER: Behind but manageable within current plan/requirements
   - GREEN: On track against original timescales
   - BLUE: Complete

Summary of Performance and Delivery

7. To provide clarity on the direction of the Council, a 3Rs Planning Framework has been adopted to focus activity and ensure a balance between short-term priorities and longer-term strategic development. For every priority within the Corporate Plan milestones have been created which incorporate:

   - **Response**: Dealing with emerging issues and immediate need e.g. the pandemic, Cost-of-Living Crisis, Children's Improvement Plan.
   - **Recovery**: Building on short-term interventions to develop a sustainable model of delivery for the future, taking into account system pressures and changing demand e.g. Health & Care System Reforms, Special Educational Needs Transformation Plan.
   - **Renewal**: Longer term planning requiring large-scale investment, culture change and partnership work e.g. Inclusive Growth, Climate Change and Public Sector Reform.

8. Throughout the year, quarterly reports will be provided to Cabinet to monitor progress across the priorities and a wider set of Key Performance Indicators designed to provide transparency and accountability across the full range of Council functions.

Context

9. The most recent wave of the Greater Manchester Residents Survey was published in December 2023. The key themes covered in this wave of the survey were: decent and healthy homes, the cost-of-living crisis and general satisfaction measures. Currently across Greater Manchester 36% of residents reported having a problem in their home with the most common issues being damp or mould, broken boilers or poor or missing home insulation. Just over a quarter of respondents at GM level reported feeling financially vulnerable as a result of cost-of-living pressures, half of whom felt particularly concerned about being able to afford food. That said, overall just over 70% of the respondents remained satisfied with their local area as a place to live. Further Bury specific analysis will be provided in the Quarter Four report.

10. The information below sets out activity against the Corporate Plan priorities, of which three were highlighted as the Council's main focus for 2023/24:

- Supporting residents and businesses with the cost-of-living crisis
- Improving Children's Lives
- Achieving Inclusive Economic Growth

11. **Cost-of-Living Crisis:**

The winter support programme as part of the 2023/24 action plan for the Anti-Poverty plan has been delivered throughout Quarter Three. Winter wellbeing guidance was developed and shared through Bury's Older People network with weekly events delivered to raise awareness and offer advice. Winter well packs were provided to those most vulnerable to help residents keep warm and offered information of where to get help. The packs were distributed via food banks/pantries, the Live Well Service, Bury Library services and the Staying Well team. A list of warm spaces was developed for each neighbourhood which was shared with the wider community.

The Annual Report which was presented to Overview & Scrutiny detailed that:

- 2,676 residents provided with food and fuel support.
- Over 3,500 Cost of Living Grant awarded.
- Ongoing promotion of Healthy Start where the uptake rate in Bury has increased from 62% in January 2023 to 73%.
- Young people in the Borough eligible for Free School Meals have had holiday food provision extended, benefiting over 6,900 individuals

12. **Improving Children's Lives**:

East Bury Family Hub was successfully opened in September 2023, with the official launch in October 2023. This is now delivering a wide range of Early Years and Early Help services to East Bury Families, including targeted work and universal provision from the Council and wider partners.

The refreshed Management Plan key to the delivery of the Council's Project Safety Valve (PSV) was resubmitted to the Department for Education in November and in Quarter Three some key deliverables from of PSV workstreams were implemented:

- Sensory Service review activity is complete with a view for a recommendation via an options paper in Quarter Four.
- A new Alternative Provision Directory has been launched.

There is continued focus on school attendance particularly for vulnerable children this is mirrored by national campaigns for supporting children's attendance as rates remain lower than pre-pandemic. In Quarter Three, a restructure and recruitment to new posts has strengthened the Council's arrangements for supporting attendance, with a focus on vulnerable pupils and their families. As a result, overall attendance has increased by 1.8% in the autumn term from the previous year. Over the next quarter work to improve the automated link of attendance data with information about vulnerable children will be taking place to provide more real time analysis to support this work.

13. **Achieving Inclusive Economic Growth:**

Following approval of Bury's Local Transport strategy in September 2023 work is now underway throughout Quarter Four and beyond to deliver the strategy with schemes and programmes being designed to support sustainable and inclusive economic growth along with robust connectivity.

The consultation on modifications for the Places for Everyone plan ended in December 2023. The development of the Northern Gateway is on track with master planners appointed and a joint district approach agreed. The Council's land disposal programme is mostly on track with the disposal of both Green Street and Seedfield completed in Quarter Three.

A key pillar of the Economic Development Strategy, the Radcliffe Hub enabling works started in Quarter Three following the completion of the design works.

Progress since the launch of the 2023/24 Corporate Plan

14. Building on the approach taken in 2022/23 this report provides the summary of activity to date and the status against the commitments in the Corporate Plan. This information is collated from detailed departmental level reports which are reviewed and approved by the Cabinet Portfolio Holder(s) and the relevant Executive Director.

15. The focus on this report in on a more limited set of key priorities which represent the Council's commitment to the ambitions of the LET'S Do It! Strategy. This approach has allowed for an understanding of how current activity contributes to the attainment of the outcomes, along with the

opportunity to identify any levers within the system which could be used to support further improvement.

16. A summary of overall progress against these Corporate Priorities is provided below. 100% would indicate that the whole deliverable against the Corporate Plan for 2023/24 was complete.

The following RAG ratings apply for the planned activities within the quarter against that deliverable:

- GREY: Not started as per agreed timescales
- RED: On hold or potentially being re-evaluated against priorities
- AMBER: Behind but manageable within current plan/requirements
- GREEN: On track against original timescales
- BLUE: Complete

Progress against Corporate Plan Priorities

Priority	Key Deliverables	Oct – Dec 23	% Objective Completion and Quarterly Activity RAG	Q3 Commentary
Top Three Corporate Priorities for 2023/24		→→→ *RESPONSE* →→→ *RECOVERY* →→→ *RENEWAL* →→→		
1. **Supporting residents and businesses with the cost-of-living crisis**	Deliver 2023/24 Action Plan within the Anti-Poverty Strategy	• Winter support programme delivered	75%	Annual Report presented to Overview & Scrutiny. 2,676 residents provided with food and fuel support. Over 3,500 Cost of Living Grant awarded Ongoing promotion of Healthy Start where the uptake rate in Bury has increased from 62% in January 2023 to 73%. Young people in the Borough eligible for Free School Meals have had holiday food provision extended, benefiting over 6,900 individuals
	Launch Social Value Policy / Community Wealth	• Social Value Policy launched	25%	Work has started on releasing social value from the joint venture partnership which was recognised in the LGA Corporate Peer Challenge. A workshop is planned Q4 to agree the specification of the wider social value policy and prepare for publication.
2. **Improving Children's Lives**	**Childrens Social Care** Ensuring services for children and young people meet the required standards for good levels of safeguarding and support	• 23 international social work arrivals • Implement training for EH practitioners. • Student Social Worker intake	70%	**Commentary** Family Safeguarding launch took place in October, with all agencies active in the launch and delivering presentations. There have been delays in recruitment to the mental health adult practitioner roles as this took time to progress through the approval pathways within Pennine Care. However, this is now approved and will commence mid-Jan. Recruitment to the 3rd substance recovery and domestic abuse officer roles is also proving a

				challenge as these have been out for recruitment since September/October. Discussions continue at Strategic Board as to different approaches to ensure teams are fully staffed. We currently have 7 international social workers in post, delays are due to SWE registrations and english competency tests. This is a national issue. Early Help re-structure consultation finished in August and was approved for implementation at the end of October. Internal recruitment for the 4th Team Manager was unsuccessful and approval has now been given to recruit externally. Recruitment to Early Help Practitioner vacancies is underway, 3 new staff have been onboarded. Training of the existing and new EH Practitioners is underway and will continue as part of the agreed plan. There is some delay in the restructures of the Early Years Service which has impacted on the EY/EH Conference, which has not taken place. However, through our Early Years Plan we have looked at ways we can communicate with providers and families and developed a more effective and bespoke approach, which includes 1:1s, telephone/email and social media. We have narrowed the gap to the national average in reception age outcomes from the Early Years Foundation Stage profile. First datasets for assessing the development of children aged2 - 2.5 show Bury above the national average.
	Educational Improvement Radcliffe School build commences Improve the proportion of schools good or better Academisation Strategy Improved attendance	• Radcliffe leisure centre relocated to enable new schools build phase to commence • Quality assurance visits to schools	**70%**	**Commentary** School Assurance Board in place ensuring regular review of performance and identify where support may be needed. Restructure and recruitment to new posts has strengthened the Council's arrangements in respect of attendance, and support for vulnerable pupils, with new teams and staff in place. - Overall attendance has increased by 1.8% in the autumn term from the previous year

				- Overall absences have decreased by 1.8% - Overall unauthorised absences have decreased by 0.4% from the previous autumn term - One secondary school has increased their overall attendance by 2% from the previous year
	Special Education Needs Preparing for the new review of services by Ofsted through service transformation Project Safety Valve Plan Updated and Approved by Department for Education	• Options paper for 14-25 SEND service to be completed • Recommissioning of short break offer	70%	**Commentary** The Short Breaks consultation has been deferred to Q4 in order for the service to prioritise the consultation and development work in relation to the transport policy. The review of the 14-25 service was completed by Ernest Young and their recommendations have been accepted and will be implemented. Short Breaks contracts have been extended to ensure no break in service. Recommissioning of the Short Break offer will take place Q1 2024-25. Sensory Service review activity is complete and will be presented in an options paper in Q4. A new Alternative Provision Directory has been launched with LA teams and processes in place to monitor placements. QA processes are being refined based on existing practice and a new AP assurance board has been established and has been meeting monthly since its first meeting in October.
3. Achieving Inclusive Economic Growth	Levelling-Up Sites commence construction Township Plans for Whitefield, Prestwich and Ramsbottom Economic Development Strategy Updated Accelerated Growth Programme Skills Strategy	• Radcliffe hub construction begins • Prestwich funding strategy • Planning – Radcliffe enterprise centre • Inclusive growth strategy launched	60%	**Commentary** Radcliffe enabling works due to be complete by end of April 2024, design works complete and demolition and clearing started. Delay to Prestwich Village due to car parking design. Whitefield Town Plan – consultation due to go out end of January 2024. Bury BID now operational. Delay on quarterly activity for Radcliffe Enterprise Centre but completion date still stands. Issues re

				covenants and temporary library provision being reviewed by Legal and Director of Culture. Accelerated Land Disposal programme mainly on track – delays re Humphrey House disposal however vacant possession now confirmed for November 2024.
Other Organisational Priorities for 2023/24		→→→ *RESPONSE* →→→ *RECOVERY* →→→ *RENEWAL* →→→		
4. Improving the Health & Care System	Intermediate Care Transformation Plan	• Assistive Tech delivery	70%	**Commentary** Technology team now up and running with activity increasing in line with expectations. New managers in post in bed-based and home-based intermediate care. Final report for intermediate care sizing due at Locality Board in Q4.
	Care Quality Commission Inspection Readiness	• Potential assessment window	70%	**Commentary** Self-assessment preparation, evidence library collation and stakeholder briefings are all ongoing. Engagement with system partners to inform the self-assessment was agreed at the IDC Board's November meeting, to be conducted over December-January.
5. Reducing Health Inequalities	Reducing the life expectancy gap by focusing on preventing and reducing the impact of the 3 key contributors CVD, Cancer and Liver Disease. Narrowing the school readiness gap.	• Review self-care information and Tools on the Bury Directory and refine as appropriate • Support the roll out of self-care comms through VCSE sector	80%	**Commentary** Self care information on the bury directory continues to be developed. A specific self care hub on the Bury Directory is under development which will include information, local support and relevant apps and digital tools. In addition, an in house self care tool 'A better you', has been delivered and is hosted on the directory; an early intervention tool for residents to use. Information is shared with the VCFA weekly via email covering currently information, training, latest advice etc around self care and they have been linked with any self care campaigns over the last 12 months. The Bury Directory also has a bimonthly newsletter that goes out to all community groups listed on the site.

				With regards to School Readiness, working relationships with maternity services in Bury have improved significantly in the last 12 months following work with the ICB. Regular meetings take place with each of the Trust's to discuss priorities and public health messaging is shared.
6. Tackling Climate Change	Deliver commitments to decarbonisation and household energy efficiency across the borough Launch internal climate change action plan	• Phase 2 - Replace a further 252 street lighting columns and LEDs • Phase 3 - Upgrade a further 510 streetlights with LEDs	50%	**Commentary** Phase 2 of Street Lighting Scheme - there have been delays in Q3, but works are on target to catch up by end of Q4. Phase 3 of Street Lighting Scheme update - the scheme has commenced but there have been delays to the procurement of the external contract. However, it is anticipated the external contract will still deliver the scheme within the agreed timeframe
7. Public Sector Reform	Embedding Public Sectors Leadership Teams in each neighbourhood	• Review operation of neighbourhood teams	60%	**Commentary** Recognition of need to reenergise INT working in the context of our PSR teams in early 2024. A series of neighbourhood workshops are planned to look at local data, intelligence and risk stratification with a view to develop neighbourhood dashboards.
	Taking a Person and Community Centred Approach to Public Sector reform	• Pilot consistent place-based strengths-based approach • Bury East Family Hub open	70%	**Commentary** Still not able to describe consistent programme of work connected to LET'S, however there are pockets of good practice including neighbourhood funding. Bury East Family Hub is open.
8. Delivering sustainable Housing Growth	STH Options Appraisal Housing Development to deliver 700 new homes	• Final decision made • Start on Site East Lance Papermill (400 homes) • Place for Everyone adopted (Elton)	60%	**Commentary** Final decision made on STH options and to be transferred from 1st February 2024. Consultation on modifications to Places to Everyone ended on 6 December – draft responses and comments submitted. Planning resubmitted by developer due to their own delay for East Lancs Papermill – start date now due new financial year.
9. Celebrating culture and supporting	Launch and Implementation of new Cultural Strategy Delivery of savings in BAM	• Appoint Flexihall provider • Approve BAM option • Events Programme	75%	**Commentary** Events programme ongoing and meeting UKSPF targets.

	our creative sector	Development of programme of events UKSPF monitoring			Expressions of Interest for Flexihall received and reviewed. Staff consultation for BAM options complete. Community grants programme went live with VCFA.

		Key Deliverables	Sept – Dec 23	% Objective Completion and Quarterly Activity RAG	Commentary
Enablers	Finance	Efficiencies achieved Amendments delivered	Medium Term Financial Strategy Savings delivered MTFS updated	92%	Continuing to identify one off efficiencies to deliver 100% savings by the end of year. We are on track for 100% of delivery of savings in 24/25
	Comms & Marketing	Revised Communication Strategy and Campaign Plan, including Place-Based Marketing Strategy Continued roll out of digital transformation and online offer	Deliver campaign plan	75%	Continued delivery of communications and marketing to support delivery of the corporate plan this quarter includes: Six Town Housing transfer, LET'S Fix It Together campaign, Radcliffe regeneration, Anti-poverty strategy and cost of living, winter weather protocol, planning for the new year reinvigoration of children's social care recruitment and delivery of fostering marketing to support recruitment
	Internal Culture Change and Inclusion		People Strategy Refresh of Inclusion Communications and Events Plan	75%	2024 Inclusion comms and engagement plan agreed and live Q4 focus on community engagement and new council inclusion strategy OD plan for 24/25 and new people strategy in development 1200 attendees of the LET'S Do It challenge 800 nominees for the staff awards
	Workforce Change	Structural change and service improvements		100%	HR restructure fully embedded New occupational health service fully operational HR savings delivered in full

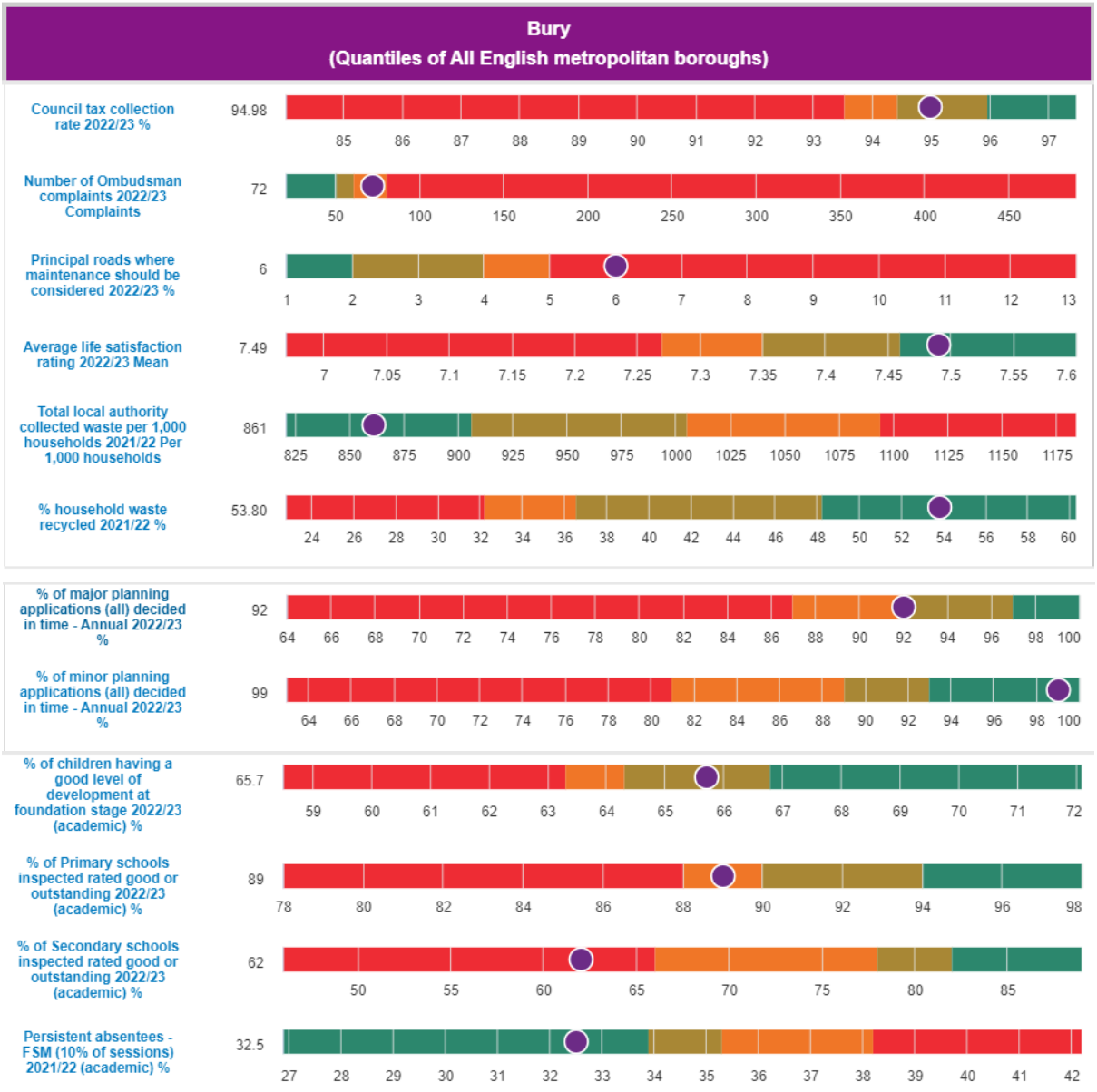
Key Performance Indicators

17. In addition to monitoring delivery against Corporate Plan priorities, each Department has developed a core set of key performance indicators which are used to track changes in demand, delivery against customer standards and performance against agreed benchmarks.

18. These indicators cover a range of business as usual (BAU) activities as well as project specific measures where appropriate and are monitored within internal departmental processes.

19. In order to be able to provide robust benchmarking against our current progress, published KPI data sourced from LG Inform is being used in this report to detail the context within which we are delivering the Corporate Plan. Below are a selection of indicators with full benchmarking which provide an external view of performance. Some of the measures are included in the new Office for Local Government (OFLOG) data tool:

20.



21. LG Inform allows for benchmarking across all local authorities for key performance indicators. Availability of some benchmarking data does depend on whether local authorities have chosen to participate in data collections.

22. The above chart shows a selection of key organisational health measures compared to all authorities in England grouped into quantiles. Different benchmarking groups can be selected depending on the measures being analysed. Key points to note:

- Our council tax collection rate in 2022/23 whilst performing well around 95% there are still other authorities achieving 96-97%.
- The number of ombudsman complaints is within amber range and when converted to a rate per population this is still high for Bury compared to similar authorities. However, this figure can be moved significantly when there are particular service changes or issues and is a focus for improvement within Quarter Four.
- With regards to road maintenance in 2022/23 the above shows that further improvements could be made here in comparison to other areas.
- Average life satisfaction performs well and in line with high performing local authorities in this area.
- In 2021/22 our waste and recycling measures perform well with the key balance between reducing general waste and increasing recycling tonnage.
- For minor planning applications decided on time we are one of the top authorities for timeliness. However, major applications do not perform quite as well however this will be an indication as to the complexity of some major applications.
- The achievement of a good level of development for our youngest children has been challenging since the pandemic. The above benchmarking acknowledges this but also shows that Bury is still within the top ranges between amber and green rather than amber and red.
- In terms of good or outstanding schools there has been significant progress locally in terms of increasing these, however, when compared to other authorities there is still work to do.
- Attendance at school is a key issue and particularly for vulnerable children. The above shows that for children in receipt of FSM their attendance is not within the red range but a couple of percentage points could significantly change this. Enhanced data analysis on school attendance linked to data on vulnerable children us planned for Quarter Four to support further targeted work in this area.

23. In addition, a selection of internal corporate organisational indicators from the Corporate Plan data collection has also been provided below:

Corporate Plan Objective	Measure	Benchmark		Previous		Current		Change
8	Average waiting time on housing register (all applications) (snapshot)	TBC	Local	Sept-23	548	Dec 23	542	↓
8	Number of rough sleepers currently being supported	35	Previous local target	Sept-23	72	Dec 23	74	↑
2	The % of pupils attending a good or better Primary School in Bury	93.7%	NW	Sept-23	90.9%	Dec 23	91.7%	↑
2	The % of pupils attending a good or better Secondary School in Bury	74.8%	NW	Sept-23	65.7%	Dec 23	59.4%	↓
2	The % of pupils attending a good or better School in Bury	86%	NW	Sept-23	80.6%	Dec 23	78.2%	↓
2	Rate of School Permanent Exclusions	0.11	NW	Jun-23	0.14	Dec 23	0.09	↓
4	Referral to treatment total waiting list entries	Local Target under Review		Jul-23	31427	Oct 23	31421	↓
4	Referral to treatment total number waiting in excess of 52 weeks	Local Target under Review		Jul-23	2627	Oct 23	2566	↓
4	IAPT waiting times % 6 weeks or less from referral	75%	Previous local target	Jun-23	87.4%	Oct 23	91.7%	↑
4	Number of referrals to Adult Social Care (ASC)	Local Target under Review		Sept-23	227	Dec 23	295	↑
4	Proportion of completed Adult Social Care (ASC) annual reviews in a rolling 12 month period	Local Target under Review		Sept-23	51.4%	Dec 23	51.0%	↔
6	% of council vehicles changed to lower emission versions	100	Local	Sept-23	76%	Dec 23	94%	↑

Corporate Plan Objective	Measure	Benchmark		Previous		Current		Change
7	Number of customers with a One Account	30,000	Local	Jul-23	15425	Dec 23	18597	↑
Enabler	% of FOIs completed on time (Bury Council)	100	Previous local target	Sept-23	100%	Dec 23	75%	↓
Enabler	Number of SARs overdue (Bury Council)	0	Previous local target	Sept-23	16	Dec 23	25	↑
Enabler	Number of data breaches	0	Local	Aug-23	13	Dec 23	5	↓
Enabler	Average number of days to respond to councillor member queries (snapshot)	10	Previous local target	Sept-23	12.4	Q3 23/24	13.8	↑

24. The above shows a current mixed picture in terms of performance:

- A small reduction in the waiting time on the housing register with an increase in support for rough sleepers.
- The number of good or outstanding primary schools continues on the positive trajectory of growth however in the last quarter there has been a decline in good or outstanding secondary schools which brings the overall proportion of good or outstanding schools in the borough down to 78.2% compared to 80.6% on the previous quarter.
- The rate of permanent school exclusions continues to decline.
- There has been a reduction in referral to treatment waiting list entries and in particular those waiting over 52 weeks and those waiting for IAPT services (Improving Access to Psychological Therapies).
- The number of council customers with a One Account continues to increase and follow trajectory.
- The % of FOIs completed on time and overdue SARs both declined in performance in Quarter Three, however the number of date breaches has been reduced by over 50%.
- There has been a slight increase in the number of days to respond to councillor member queries.

Conclusion

25. At the end of Quarter Three there is continued evidence of delivery against the Corporate Plan Objectives despite the challenging economic and increased demand on services. In some activities within our objectives there is slippage that will require action to mitigate during Quarter Four delivery, however the top three objectives will be delivered by year end should there be no significant further challenges. The next report will contain a detailed analysis of Quarter Four delivery and performance and a full year end position against achievement of the Corporate Plan for 2023/24.

Recommendations

26. Cabinet to note the update on progress against performance and delivery.

Links with the Corporate Priorities:

27. This report supplements the State of the Borough Outcomes Report in terms of providing further information on the contribution of the Council to the 2030 vision. The Corporate Plan priorities are linked to the seven objectives of the LET'S vision.

Equality Impact and Considerations:

28. This report demonstrates the impact of our activity on the users of council services and the impact on the broader community.

Environmental Impact and Considerations:

29. There are no specific environmental considerations within this report however the data tracks progress towards our environmental commitments with the Council's Corporate Plan.

Assessment and Mitigation of Risk:

Risk / Opportunity	Mitigation
Lack of capacity to deliver again the Corporate Plan priorities which reduces our ability to achieve the LET'S Vision	Further attention will be given to the activities rated as Amber in order to ensure that resources are used to appropriately to support priorities however in some cases reprofiling may be required on a case by case basis.

Legal Implications:

30. There are no legal implications however the regular reporting of performance is part of the Council's approach to good governance.

Financial Implications:

31. This report is reporting on the delivery of performance against the Council priorities set out in the corporate plan. The Corporate Plan is reviewed and produced annually in line with the budget setting process and the budget is developed to deliver council priorities. There are no direct financial implications of this report as the budget to deliver the priorities was approved by Full Council in February 2023.

Appendices:
None.

Background papers:
None.

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

Term	Meaning
ALDP	Accelerated Land Disposal Programme
ASC	Adult Social Care
BAME	Black, Asian or Minority Ethnic
BHEAST	Bury Health Employment and Skills Team
BID	Business Improvement District
CLA	Children Looked After
CME & EHE	Children Missing Education & Elective Home Education
CPP	Child Protection Plan
CQC	Care Quality Commission
CVD	Cardiovascular Disease
DfE	Department for Education
DoLS	Deprivation of Liberty Safeguards
DSG	Dedicated Schools Grant
DWP	Department for Work and Pensions
EDI	Equality Diversity and Inclusion
EET	Education, Employment, or Training
EHCP	Education, Health and Care Plan
EHE/CME	Elective Home Education/Children Missing Education
FOI	Freedom of Information
H&S	Health & Safety
HSE	Health and Safety Executive
ICB	Integrated Care Board
IMC	Intermediate Care
JSNA	Joint Strategic Needs Assessment
KPI	Key Performance Indicator
MTFS	Medium Term Financial Strategy

NW	North West
PDR	Personal Development Review
PfE	Places for Everyone
PRU	Pupil Referral Unit
PSR	Public Service Reform
PSV	Project Safety Valve
SALT	Speech and Language Therapy
SEMH	Social Emotional and Mental Health
SENCO	Special Educational Needs Co-Ordinator
SEND	Special Educational Needs and Disabilities
SME	Small to Medium Enterprise
STH	Six Town Housing
TfGM	Transport for Greater Manchester
UKSPF	UK Shared Prosperity Fund
VCFA	Voluntary Community and Faith Alliance
VCSE	Voluntary, Community and Social Enterprise

Agenda Item 9

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Report by the Local Government and Social Care Ombudsman (21 011 785 / 23 005 479 / 22 011 825)	
Report of	Deputy Leader and Cabinet Member for Children and Young People	

1.0 Summary

1.11 This report sets out the findings by the Local Government & Social Care Ombudsman (LGO) made against the Council following the Council's failure to comply with agreed recommendations following two earlier investigations and the action now taken by the Council to demonstrate that it has complied with those recommendations.

1.1 An initial complaint was made to the LGO regarding the Council's failure to provide appropriate free transport. The Council agreed with the LGO findings and to meet the recommended within agreed timescales. However, the Council failed to so and a further LGO investigation was opened, the Council agreed with the LGO's findings and agreed to meet the recommendations in agreed timescales. However, the Council failed to so and a third investigation was opened.

1.12 A copy of the LGO report is contained at Appendix 1.

Recommendation(s)

Cabinet is asked to note the recommendations made by the Local Government & Social Care Ombudsman, specifically the concerns expressed about the Council's failure to implement remedies within a reasonable timeframe.

Reasons for recommendation(s)

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended).

Alternative options considered and rejected

None

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Department: Children's Services
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1.0 Background

1.1 An initial complaint was made to the LGO in 2022 from the parent of a young person, in that the Council had failed to provide appropriate free transport to enable the young person to attend college named in his Education, Health & Care Plan.

1.2 The LGO findings following the initial investigation in May 2022 were that the Council:

1.2.1 failed to consider the requirements of s508F of the Education Act, that Mr Y had an EHC Plan and was a relevant young adult.

1.2.2 failed to decide whether it considered it was 'necessary' for Mr Y to receive travel support to facilitate his attendance at college;

1.2.3 failed to show how the discretionary mileage allowance/personal travel budget it provided could be used to ensure Mr Y attended college;

1.2.4 failed to discuss with Mrs X whether transport would be provided at the time it agreed to name the college in the EHC Plan. It did not give her sufficient information to make an informed decision about the choice of college;

1.2.5 its policy failed to clearly set out its statutory duty to provide free transport if it was 'necessary' for relevant adult learners with an EHC Plan; and

1.2.6 its adult social care team was aware the Council was not willing to provide Mr Y with transport to college. The Council should have considered its duties sooner under the Care Act.

1.3 The Council agreed with the findings of the LGO and to meet a number of the recommended actions by 30th June 2022, with the remaining action by 30th August 2022.

1.4 However, the Council failed to implement a number of the recommended actions within the agreed timescale:

1.4.1 Apologise to the parent – this was completed;

1.4.2 Make a payment to the young person – this was completed;

1.4.3 Re-assess the young persons application for transport – this was completed, with an agreement to fund;

1.4.4 To meet with the parent and young person to consider the impact the lack of transport had on the young persons ability to attend college and

complete his college course when deciding his future goals – this was not completed.

1.4.5 Review its post-16 transport policy to ensure it clearly sets out the difference in its duties between sixth form and adult learners, including the Council's responsibility to provide free of charge transport where it is considered necessary for relevant young adults with an EHC Plan – this was not completed.

1.5 In November 2022 the LGO opened a new investigation because of the Council's failure to implement the initial recommendations within the agreed timescale.

1.6 Following that investigation, the Council agreed with the findings of the LGO and committed to:

1.6.1 Make a payment of £250 for additional frustration caused by the Council's failure to meet with the parents

1.6.2 review its post-16 transport to education policy and confirm by 13th February 2023 when the revised policy would be finalised and approved by committee. The Council confirmed that it anticipated the revised policy to be in place for the 2023/24 academic year.

1.7 The Council has made the payment but failed to consult on and implement a revised post-16 transport to college policy within the agreed timescale.

1.8 In its final report the LGO found that the Council was at fault in not actioning the LGO recommendations within a reasonable timeframe, despite the Council having agreed to those timescales in both earlier investigations.

1.9 The recommendations set out in the final LGO report are that the Council should:

- present a report to Cabinet on the new policy in December 2023
- carry out full stakeholder consultation in Spring 2024
- present a report to Cabinet in April 2024 for a decision regarding implementation
- implement a revised post-16 transport policy by 31st May 2024

1.10 The Council's actions to remedy and prevent re-occurrence

1.11 At its meeting on the 13th December 2023 Cabinet received a report on proposals to consult on changes to the Council's home to school policy.

1.12 That report set out the need for the review of the current policy, including responding to the recommendations set out in the LGO report.

1.13 The report confirmed that a draft policy has been written that meets the Council's statutory obligations which was signed-off by the Education &

Skills leadership Team at its meeting on the 20th November 2023. But, given the Council's commitment to co-production, the Council would want to engage its parent carer forum in genuine co-production before producing a draft for wider consultation.

1.14 The report set out a proposal to work with Bury2gether, the parents forum, to co-produce a policy that is statutorily compliant; responds to the revised guidance issued by the Department for Education; and that continues to meet the needs of eligible children and young people within the available resources. This will be done in January 2024. The co-produced draft policy will then be subject to consultation with stakeholders during February, following which a further report setting out the outcomes of the consultation, and recommendations in respect of a new policy will be brought back to Cabinet in April 2024.

1.15 It is expected that the new policy will be implemented by the 31st May 2024.

1.16 In addition, and in response to recommendations contained in the second LGO report, the Council has:

1.16.1 Reviewed its procedures for assessing travel assistance applications from adult learners.

1.16.2 Ensured a revised checklist for transport staff is in place to support during the assessment of the application

1.16.3 The transport team are actively signposting applicants and their families to Adult Services to consider whether support should be provided under the Council's Care Act duties. The Children's Services Assessment Team have committed to addressing transport/travel assistance at the start of the process and triggering the Care Act assessment at this stage.

Links with the Corporate Priorities:

The implementation of recommendations set out in the LGO report will support key ambitions of the Let's do it strategy:

- A better future for the children of the borough
- A better quality of life
- A chance to feel more part of the borough
- Building a fairer society that leaves no-one behind

Equality Impact and Considerations:

Equality impact assessment will be carried out on the revision of the council's home to school policy prior to consultation and recommendations to be put before cabinet.

Environmental Impact and Considerations:

N/A

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation

Legal Implications:

The Council has a duty to prepare and publish an annual transport policy statement specifying the arrangements for the provision of post-16 transport.

In carrying out those duties, the council must have regard to the Statutory Guidance for Local Authorities Post 16 transport and travel support to education and training by the Department for Education.

The findings of the LGO are that the Council is at fault, identifying maladministration and injustice. As a result, under Section 31(2) of the 1974 Act, the Council must formally consider the LGO report. In addition, the Council is required to place two public notices in local newspapers and/or newspaper websites.

Financial Implications:

The costs will be funded through the post 16 transport budget.

Appendices:

Appendix 1 – LGO Case 23005479 Final Report.pdf

Background papers:

None

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

Term	Meaning
LGO	Local Government and Social Care Ombudsman

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Local Government & Social Care OMBUDSMAN

Report by the Local Government and Social Care Ombudsman

Investigation into a complaint about Bury Metropolitan Borough Council (reference number: 23 005 479)

8 December 2023

The Ombudsman's role

For almost 50 years we have independently and impartially investigated complaints about councils and other organisations in our jurisdiction. If we decide to investigate, we look at whether organisations have made decisions the right way. Where we find fault has caused injustice, we can recommend actions to put things right, which are proportionate, appropriate and reasonable based on all the facts of the complaint. We can also identify service improvements so similar problems don't happen again. Our service is free.

We cannot force organisations to follow our recommendations, but they almost always do. Some of the things we might ask an organisation to do are:

- apologise
- pay a financial remedy
- improve its procedures so similar problems don't happen again.

We publish public interest reports to raise awareness of significant issues, encourage scrutiny of local services and hold organisations to account.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Mrs X	the complainant
Mr Y	Mrs X's adult son

Report summary

Education Council: Transport

The Council failed to carry out an agreed action to review its post-16 education transport policy, and clearly explain the difference between sixth form and relevant adult learners, following two previous investigations by us. As a result, we have decided to use our powers to issue this public report for the Council's non-compliance with our recommendations.

Finding

Fault found causing injustice and recommendations made.

Recommendations

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

The Council should provide us with evidence to show that it has issued:

- a report to cabinet in December 2023 on the new policy;
- the full stakeholder consultation in Spring 2024;
- the report to cabinet in April 2024 for a decision regarding implementation; and
- the revised post-16 transport policy and made it available to the public by 31 May 2024.

The complaint

1. In an earlier investigation by us in 2022 (reference 21 011 785), we considered a complaint from Mrs X that the Council failed to provide appropriate free transport to enable her adult son Mr Y to attend the college named in his Education, Health and Care (EHC) Plan. The Council agreed to carry out all the recommended actions from our investigation into that complaint by 30 August 2022.
2. We opened a second complaint investigation in November 2022 as, despite our repeated requests and reminders, the Council failed to carry out the agreed actions from our first investigation, including failing to update its post-16 transport to education policy.
3. In our final decision for our investigation into the second complaint in January 2023 (reference 22 011 825), the Council agreed to our recommendations and agreed to complete them all by 13 February 2023.
4. This complaint investigation deals with the Council's continued failure to carry out the agreed action to review its post-16 transport to education policy.

Legal and administrative background

The Ombudsman's role and powers

5. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (Local Government Act 1974, sections 26(1) and 26A(1), as amended)
6. When we find fault causing injustice, we may recommend a remedy for any injustice caused to the person affected, and service improvements to prevent injustice being caused to others in future by similar fault. (Local Government Act 1974, section 30, as amended)
7. We consider six criteria when deciding whether to issue a public interest report, one of which is non-compliance with an Ombudsman's recommendation.

Legal background

Transport for sixth form learners

8. These are learners of sixth form age (aged 16 to 19 years if they started the course before their 19th birthday). It also includes learners with EHC Plans up to the age of 25 years who started their programme of learning before their 19th birthday.
9. The overall intention of the sixth form age transport duty is to ensure that learners of sixth form age can access the education and training of their choice; and if support for access is requested, this is assessed and provided where the council has decided it is 'necessary'.
10. Councils must prepare an annual transport policy specifying the arrangements for provision of transport or otherwise the council considers is necessary for sixth form learners. This included such matters as financial support or concessions. It must publish the statement on or before 31 May. (Education Act 1996, section 509AA) Its policy must also set out its arrangements for disabled sixth formers. (Education Act 1996, section 509AB)

11. Councils may ask parents for a contribution to transport costs for sixth form learners. However, they should ensure that any contribution is affordable and have arrangements to support low-income families.

Transport to education for relevant adult learners

12. The law relating to transport for adult learners has been in force since 2010.

13. Relevant adult learners are those who started their course **after** their 19th birthday. It includes adults who are under 25 years old for whom an EHC Plan is maintained, who started their course after their 19th birthday.

14. An EHC Plan is for children and young people between 0 and 25 years old in education, who have additional needs. The EHC Plan coordinates a child or young person's health and social care needs and sets out any additional support they might need. (The Children and Families Act 2014, section 82)

15. Councils may also be able to assist with transport under the Care Act 2014 if the young adult has care needs.

16. The statutory guidance says the overall intention of the adult transport duty is to ensure that those with the most severe disabilities with no other means of transportation can undertake further education and training after their 19th birthday to help them move towards more independent living.

17. Section 508F of the Education Act 1996 requires councils to make transport arrangements they consider 'necessary' (or that the Secretary of State directs) to facilitate the attendance of relevant young adults at institutions where the local authority has secured the provision of education for the adult concerned.

18. When a council finds it is 'necessary' to provide transport for the relevant adult under section 508F, then the transport must be provided and be free of charge (Education Act 1996, section 508F(4)). If a council decides it is not 'necessary', then it has discretion to pay all or part of the reasonable travel expenses.

19. Councils are under a duty to prepare a transport policy statement setting out any transport or other arrangements for adults aged 25 and under with EHC Plans. (Education Act 1996, section 508G)

How we considered this complaint

20. We produced this report after examining relevant documents, including our final decisions on our two investigations into Mrs X's complaint, and our letters and correspondence with the Council.

21. Mrs X and the Council had an opportunity to comment on a draft of this report. We considered their comments before completing this report.

What we found

What happened

Our first investigation – 21 011 785

22. We investigated a complaint from Mrs X that the Council failed to provide appropriate free transport to enable her adult son Mr Y to attend the college named in his Education, Health and Care (EHC) Plan. We found fault with the Council and it agreed to take appropriate action.

23. Mr Y has an EHC Plan and had started a new four day a week college course in September 2021, at the college named in his Plan. He was 19 years old and so was a relevant adult learner. Mrs X applied for transport to college which the Council refused, saying Mr Y was not eligible for assistance as he was over 18. It offered to reimburse Mrs X's mileage for one year or provide a personal travel budget equivalent to the mileage rate. Mrs X explained she could not transport him to college due to work commitments and the budget was not sufficient to cover a taxi.

24. In May 2022, we found the Council at fault as:

- it failed to consider the requirements of s508F of the Education Act, that Mr Y had an EHC Plan and was a relevant young adult. The Council failed to decide whether it considered it was **'necessary'** for Mr Y to receive travel support to facilitate his attendance at college;
- it failed to show how the discretionary mileage allowance/personal travel budget it provided could be used to ensure Mr Y attended college;
- it failed to discuss with Mrs X whether transport would be provided at the time it agreed to name the college in the EHC Plan. It did not give her sufficient information to make an informed decision about the choice of college;
- its policy failed to clearly set out its statutory duty to provide free transport if it was **'necessary'** for relevant adult learners with an EHC Plan; and
- its adult social care team was aware the Council was not willing to provide Mr Y with transport to college. The Council should have considered its duties sooner under the Care Act.

25. As part of our recommendations the Council agreed, by 30 June 2022, to apologise to Mrs X and make a payment to Mr Y, to reassess Mr Y's application for school transport and to meet with Mrs X and Mr Y to consider the impact the lack of transport had on Mr Y's ability to attend college and complete his college course when deciding on his future goals.

26. By 31 August 2022 it agreed to review its post-16 transport policy to ensure it clearly set out the difference in its duties between sixth form and adult learners, including the Council's responsibility to provide free of charge transport where it was considered necessary for relevant young adults with an EHC Plan.

27. The Council apologised, made the agreed payment, and reassessed Mr Y's transport application. It agreed the transport was necessary to facilitate Mr Y's attendance at college, so it agreed to fund it. It failed to arrange a meeting with Mrs X and Mr Y. In mid-October, the Council told us its review of post-16 transport was still ongoing. The Council explained it needed to consult on the policy and have it approved by its cabinet. However, we concluded it should have been aware of this at the time it agreed to complete our recommendation by 30 August 2022. The Council provided us with a draft copy of the policy in October but failed to confirm when the policy would be finalised and in place. We were not satisfied with the lack of progress as, until the policy was amended, the Council may be making errors in other applications for post-16 education transport. Also, as the draft policy was not available to the public, families and young people may not be aware of the Council's duties and powers regarding education transport for those over the age of 16.

28. As the Council failed to complete all the agreed actions despite our repeated requests and reminders, we opened a second complaint to consider if this failure had caused an additional injustice to Mr Y.

Our second investigation – 22 011 825

29. As a result of our second investigation, the Council agreed to pay Mrs X and Mr Y £250 for the additional frustration caused by its failure to meet with them by 30 June.

30. Regarding the agreed review of the transport policy for post-16 and adult learners, the Council told us it had consulted its Parent Carer Forum on 19 October. It said the changes were agreed with a review of the full Council transport policy to start in January 2023.

31. It agreed to our recommendation which was to confirm, by 13 February 2023, when the revised post-16 transport policy would be finalised and approved by committee. We told the Council we expected the revised policy to be in place for the 2023/24 academic year and the Council agreed to this.

32. The Council has failed to complete this recommendation. This is fault.

33. The Council decided to review its school transport policy for all age groups and not just those in the post-16 age group. In February 2023 the Council told us the draft policy was undergoing compliance checks. It anticipated stakeholder consultation would begin after Easter 2023.

34. In June 2023 the Council again told us its education transport policy was undergoing compliance checks and that a full formal consultation would be undertaken before the implementation of the policy. It anticipated this would start in the Autumn 2023 term.

35. In November 2023 the Council told us it expects the policy will receive internal approval in November. There will then need to be a report to cabinet in December and a full stakeholder consultation in Spring 2024. The report will go to cabinet in April 2024 for a decision about implementation.

Conclusion

36. Where we find fault and make recommendations, we expect councils to carry them out within a reasonable time. This is important because, until changes happen, other individuals might be caused a significant and unnecessary injustice by the same fault. In addition, its delays in acting on agreed recommendations following our investigations could also undermine public trust in the Council's ability to operate a fair system of redress.

37. The Council agreed to the timescales in our draft decisions on both earlier complaint investigations. If a council is aware an action is likely to take longer, we expect it to suggest a different timescale before we finalise a decision. However, the Council should have had a policy that fully complied with the law (Education Act sections 508F and 508G) and the statutory guidance for both sixth form and relevant adult learners long before our involvement with this case. The transport policy statement must be published by the local authority by 31 May each year and must be clearly dated showing the academic year to which it applies. As a result, this further delay is unacceptable.

38. The Council's stakeholder consultation has not yet begun on its revised policy, despite assurances it would have been completed by Easter 2023 and earlier assurances it had begun this in October 2022. It now says the consultation will occur in Spring 2024 and the earliest the policy will be finalised, or approved by its cabinet will be April 2024. Therefore, the earliest the policy will be in place is 31 May 2024. The Council says this is because "unfortunately this has taken longer than anticipated". This is a significant and unacceptable delay from the timescale first agreed following our earlier investigations.

39. The Council's delay in introducing a revised policy for post-16 learners is likely to have had consequences for other individuals, especially adult learners with EHC Plans. As a result, this public report will highlight to the public in its area that the post-16 transport policy is flawed. It does not differentiate between the Council's duties to sixth form learners and relevant adult learners and has been incorrect for some considerable time.

Recommendations

40. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

41. The Council should provide us with evidence to show that it has issued:

- a report to cabinet in December 2023 on the new policy;
- the full stakeholder consultation in Spring 2024;
- the report to cabinet in April 2024 for a decision regarding implementation; and
- the revised post-16 transport policy and made it available to the public by 31 May 2024.

42. The Council has accepted our recommendations to remedy the complaint.

Agenda Item 10

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Report by the Local Government and Social Care Ombudsman (23 006 024)	
Report of	Deputy Leader and Cabinet Member for Children and Young People	

1.0 Summary

1.1 This report sets out the findings by the Local Government & Social Care Ombudsman (LGO) made against the Council following the Council's failure to comply with agreed recommendations following an earlier LGO investigation and the action now taken by the Council to demonstrate that it has complied with those recommendations.

1.2 An initial complaint was investigated by the LGO which found that the Council had failed to act properly when the child was out of education causing injustice. The Council agreed to remedy the complaint in the manner recommended by the LGO but failed to do so within the timescales required. However, the Council failed to meet the agreed recommendations. This was re-investigated by the LGO which found fault with the Council causing injustice and making further recommendations.

1.3 A copy of the LGO report is contained at Appendix 1.

Recommendation(s)

Cabinet is asked to note the recommendations made by the Local Government & Social Care Ombudsman, specifically the concerns expressed about the Council's failure to implement remedies within a reasonable timeframe.

Reasons for recommendation(s)

A requirement stipulated by the Local Government and Social Care Ombudsman is that a copy of its report is considered by the Council at its full Council, Cabinet or other appropriately delegated committee of elected members in accordance with the Local Government Act 1974, section 31(2), as amended.

Alternative options considered and rejected

None

Report Author and Contact Details:

Name: Paul Cooke
Position: Strategic Lead (Education)
Department: Children's Services

E-mail: p.cooke@bury.gov.uk

2.0 Background

2.1 An initial complaint was submitted to the LGO in June 2022 from a parent of a child alleging that the Council failed to act properly when the child was out of education, the LGO investigated and concluded that the Council was at fault, causing injustice.

2.2 The LGO findings were:

2.2.1 The Council failed to consider the child's case properly at the fair access protocol meeting or provide reasons why the child could not be admitted besides saying the school was over-subscribed.

2.2.2 That there was no contact from the school allocated by the Panel. That the Council knew but did not take prompt action.

2.2.3 There was little help from the home education team or follow up.

2.3 The Council agreed with the LGO findings and to take the following actions within one month of publication (March 2023) of the final statement:

- to apologise to the parent and make a symbolic payment of £350 for the avoidable distress and uncertainty that the outcome may have been different but for the faults;
- to pay £2,400 to the parent for the child's lost education (£600 for four school months) which should be used to help the child make up the lost education;
- the parent should discuss what might be appropriate with the child's current school;
- to remind the home education team that, where home schooling is considered unsatisfactory, it should consider whether enforcement action should be taken to ensure a pupil's school attendance, or consider whether its duty to provide alternative education is triggered; and
- the Council does not consider it is necessary to make notes of the fair access Panel meetings. However, its policy says that the protocol must be transparent and equitable. To achieve transparency, there should be a brief account of how the Panel weighed in the balance all the available information, and why it allocated a particular school.
- the Council's policy says there should be an assessment of a pupil's needs but this did not happen in this case. The Council should now

ensure that this aspect of its policy is adhered to by reminding relevant staff of this requirement

2.4 On 11 April 2023, the parent informed the LGO that they had not heard from the Council in respect of the agreed remedy.

2.5 The LGO raised this with the Council on 13th April and again on 3rd May.

2.6 On 14th July, the Council confirmed to the LGO that, in consultation with the parent, it had agreed to provide tutoring directly up to the sum of £2,400. However, the parent was of the view that she wanted this payment directly because she had already employed a tutor for the child. Further, the parent wanted to continue with this tutor as the child had a good relationship with the tutor and was beginning to show improvements in her schoolwork.

2.7 The Council also confirmed that it had written to apologise to the parent.

2.8 On 19 July, the LGO informed the Council that it had provided no evidence of compliance with the recommendations to improve the fair access Panel processes and, on that basis the LGO opened a new investigation.

2.9 On 25 July, the LGO wrote to the Council, explaining that the agreed payments should be made directly to the parent, that the apology letter had misspelt the parents' surname and had other grammatical errors, and that there was no evidence the Council had complied with the two recommendations to improve the Fair Access Panel.

2.10 The misspelling of the parents' name, grammatical errors and the delay in compliance with agreed recommendations compounded the parents' avoidable distress.

2.11 On 8 August, the Council confirmed that, due to procedural errors, it had not made the payment for the parents' avoidable distress, and apologised and said it would now do so. It also confirmed that it would pay the £2,400 directly to the parent, and that it would amend the apology letter. The Council also confirmed that the home education team would refer all pupils to the children missing from education team when it is determined that the home education is unsatisfactory at which point the Council would then decide either on enforcement action or whether it should provide alternative education. In addition, the Council also stated that minutes would be taken at its Fair Access Panels of the discussions held and of the rationale for decisions.

2.12 The LGO confirmed that, where it finds fault and make recommendations, it expects councils to carry them out within the agreed timescales.

2.13 The Council's delays in acting on agreed recommendations following the investigation could undermine public trust in the Council's ability to

operate a fair system of redress and causes further avoidable distress to the complainant.

2.14 The LGO also confirmed that, as there have been issues with compliance with remedies on another case (23 005 479) and, because of this, it has made recommendations to address the systemic problems in the Council in implementing the recommendations it agrees to.

2.15 The Council's actions to remedy and prevent re-occurrence

2.16 From September 2023, the Council introduced a new Elective Home Education (EHE) Policy (appendix 2). The policy ensures processes to safeguard children and young people, working with a range of agencies, and with all new referrals being processed through our MASH (Multi agency Safeguarding Hub) which will advise on any safeguarding issues.

2.17 Where EHE has been deemed unsuitable, the EHE officer will advise the family that they should apply for a school place. If they decline this course of action, they will be advised that the matter will be referred to the CME (Children Missing Education) officer and a School Attendance Order (SAO) will be served. The School Attendance Order will name a school for the child to attend. Failing the compliance of the SAO, the legal team will take the matter to court for a decision from the Judge.

2.18 A dedicated Officer has been appointed within the school admissions team to support families who want to reintegrate their children back into education following EHE. The officer supports school admissions, CME and EHE. The officer also attends the IYFAP process and follows the child's journey to ensure that a school admission meeting is provided to avoid the child becoming CME. Records are updated on the minutes from IYFAP and shared at the next meeting, but also on our Early Help Module (EHM) records so that agencies can view the progress that is being made. The records for EHE and CME are also updated.

2.19 Under this new policy, since September 2023, the Council has issued nine School Attendance Orders (SAO) served for children who were not receiving suitable education and where parents have refused to engage with an in-year transfer. This process is being monitored by the School Attendance and Exclusions Manager.

2.20 In addition, a new in-year fair access policy (IYFAP) is in place for primary schools. The IYFAP panel meet on a monthly basis to ensure that vulnerable children are found a suitable school place as quickly as possible. The secondary IYFAP process is already well established and regular meetings taking place. Minutes are taken at each panel meeting. A copy of redacted minutes will be provided to the LGO as part of the Council's evidence of compliance.

2.21 All EHE/CME and IYFAP processes are reviewed via our vulnerable children's group which is a multi-agency panel that meets on a weekly basis. This ensures that where concerns are raised a multi-agency approach can be provided. A copy of the terms of reference are attached at appendix 3.

2.22 The Council is providing training to staff in relation to the new policies, and in respect to the wider issues raised by the LGO.

2.23 A re-structure of the Children's Services Department in summer 2023 has strengthened the arrangements for accountability in this area of the Department's work to ensure that all of the Council's statutory education functions are clearly aligned under the leadership of the Director of Education & Skills. Further, that re-structure ensured additional capacity was focused on activity related to vulnerable children, particularly in respect of children electively home educated, and children missing education.

2.24 Alongside this, the Department is strengthening arrangements for monitoring and responding to complaints, including those made to the LGO.

Links with the Corporate Priorities:

The implementation of recommendations set out in the LGO report will support key ambitions of the Let's do it strategy:

· A better future for the children of the borough
· A better quality of life
· A chance to feel more part of the borough
· Building a fairer society that leaves no-one behind

Equality Impact and Considerations:

The outcomes of the initial equality analysis are positive. 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:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- 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.

Environmental Impact and Considerations:

N/A

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation

Legal Implications:

The Council should have a written policy statement on Elective Home Education.

In formulating such policy the council should refer to the departmental guidance from the Department for Education in relation to Elective Home Education.

The findings of the LGO are that the Council is at fault, identifying maladministration and injustice. As a result, under Section 31(2) of the 1974 Act, the Council must formally consider the LGO report. In addition, the Council is required to place two public notices in local newspapers and/or newspaper websites.

Financial Implications:

The costs will be funded through Children and Young People budget.

Appendices:

Appendix 1 - Local Government Ombudsman – case reference number 23 006 024 Final report - LGO Case 23006024 - Final Report.pdf

Appendix 2 - Elective Home Education (EHE) Policy

Appendix 3 – Vulnerable Children's Group terms of reference

Background papers:

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

Term	Meaning
LGO	Local Government and Social Care Ombudsman
EHE	Elective Home Education
CME	Children Missing Education
IYFAP	In Year Fair Access Protocol

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Local Government & Social Care OMBUDSMAN

Report by the Local Government and Social Care Ombudsman

Investigation into a complaint about Bury Metropolitan Borough Council (reference number: 23 006 024)

4 January 2024

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- pay a financial remedy
- improve its procedures so similar problems don't happen again.

We publish public interest reports to raise awareness of significant issues, encourage scrutiny of local services and hold organisations to account.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Miss X The complainant

B Her daughter

Report summary

Education Appeal Panel/school admissions

Miss X had complained about the Council's failures regarding her daughter's lack of education when in her first year at secondary school. We had found fault causing injustice. The Council agreed to remedy the complaint in the way we had recommended. However, the Council failed to comply with the agreed actions within the timescale required.

Finding

Fault found causing injustice and recommendations made.

Recommendations

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

The Council plans to do this in January 2024 and it will share its report with us.

The Council has now provided evidence that it has apologised and paid Miss X the required payments.

In response to a draft version of this report, the Council has also introduced the following measures to improve its services.

- A new policy on elective home education, where the council asks parents to apply for school places if they are providing unsuitable home education, and are referred to Children Missing from Education and School Attendance officers, if they do not. The team has been restructured with additional staff brought in.
- Monthly reviews of primary school-aged children under a new in-year fair access panel policy.
- Additional support for parents/carers who want their children to be re-integrated to school.
- Minutes of decisions at its fair access panel.
- Staff training around principles of good complaint handling.

We are pleased that the Council has now taken action to resolve Miss X's complaints.

The complaint

1. In an earlier investigation by us in 2023, (22 002 824), we considered a complaint from Miss X:

   a) that the Council failed to consider properly her daughter's (B's) case at its fair access Panel (the Panel) or provide reasons why B could not be admitted to Miss X's preferred school (School C) besides saying the school was oversubscribed;

   b) that there had been no contact from the school allocated at the Panel; and

   c) there had been little help from the home education team or follow up in respect of Miss X's attempts to home educate B.

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (Local Government Act 1974, sections 26(1) and 26A(1), as amended)

3. We cannot investigate complaints about what happens in schools. (Local Government Act 1974, Schedule 5, paragraph 5(b))

4. Under the information sharing agreement between the Local Government and Social Care Ombudsman and the Office for Standards in Education, Children's Services and Skills (Ofsted), we will share this report with Ofsted.

5. We consider six criteria when deciding whether to issue a public interest report, one of which is non-compliance with an Ombudsman's recommendation.

How we considered this complaint

6. We have produced this report after examining relevant documents, including our final decision on our original investigation into Miss X's complaint and our letters and correspondence with the Council. We have also spoken to Miss X.

7. Miss X and the Council had an opportunity to comment on the draft report. We considered their comments before completing this report.

What we found

Our first investigation - 22 002 824

8. Our previous investigation into Miss X's complaint made the following findings.

Complaint (a): failed to consider B's case properly at the fair access Panel or provide reasons why B could not be admitted to Miss X's preferred school (School C) besides saying the school was oversubscribed

9. Miss X told the Council in September 2021 that she would not be sending B to the allocated school, her third-choice preference. She said she would be home educating instead. By February 2022 the Council decided that the education provided at home was unsatisfactory. By this time, Miss X also wanted B to be at a school.

10. The Council decided B's case was eligible for consideration under its fair access protocol. We found there should have been a risk assessment to

identify B's possible needs to identify the most suitable placement. We could not see that this happened, so our view was that this was fault.

11. It was not possible to determine whether the Panel considered B's case properly because there were no minutes of the meeting which showed how the Panel considered all the relevant facts. Just recording the decision did not give any information about the discussions which were had, or how Miss X's reasons for wanting a place at her preferred school were considered. We found that it was fault not to make brief minutes of the discussions or a rationale for the decisions made.

Complaint (b): that there was no contact from the school allocated by the Panel

12. The Council subsequently offered B a place at a school (School D). There was a discrepancy between what the Council said, and what Miss X said. The Council said Miss X was offered an induction meeting at the school. Miss X said she was not. We could not resolve this discrepancy on the evidence available.

13. B should have started at School D by mid-May 2022. We cannot investigate School D's actions but, given the Council allocated the school place through its fair access protocol, and had concerns about the home education, it should have satisfied itself that B was attending. The fact it did not amounted to fault.

Complaint (c): there was little help from the home education team or follow up

14. In February 2022, the home education team determined that the home schooling was unsatisfactory. The Council was mindful of the difficult circumstances Miss X was experiencing at the time, and decided to delay further consideration until May, three months later.

15. We found that, in February 2022, the Council did not consider its duty to provide alternative education and/or whether it should enforce B's attendance at the allocated school. However, we decided that it was very unlikely the Council would have taken enforcement action given Miss X's personal circumstances.

16. We considered that the Council's failure to consider its duty to provide alternative education amounted to fault. In particular, the Council should have decided whether there was a medical reason why B could not attend the allocated school, or whether it was otherwise reasonably practicable for her to attend. The Council agreed with us that, had consideration been given to these factors, it would have provided alternative education to B from March 2022.

Injustice

17. Our view was that B had missed out on receiving alternative education from March to July 2022, some four school months. In addition, Miss X had not been provided with a rationale for the fair access Panel's decision and she had been caused unnecessary distress and uncertainty.

18. Miss X applied for a place at her preferred school for September 2022. B gained a place on appeal. That provided a remedy for the substantive part of Miss X's complaint after this date.

Agreed actions

19. The Council agreed to carry out the following recommendations within one month of our original decision (by 8 April 2023).

- To apologise to Miss X and make a symbolic payment of £350 for the avoidable distress and uncertainty that the outcome may have been different but for the faults.
- To pay £2,400 to Miss X for B's lost education (£600 a month for four school months) which should be used to help B make up the lost education. Miss X should discuss what might be appropriate with B's current school.
- To remind the home education team that, where home schooling was considered unsatisfactory, it should consider whether enforcement action should be taken to ensure a pupil's school attendance, as well as considering whether it has a duty to provide alternative education.
- The Council's policy says that the fair access protocol must be transparent and equitable. We recognised that the Panel kept a record of the decisions. But to achieve transparency, we considered that there should be a brief account of how a Panel weighed the balance of all the available information, and why it allocated a particular school. As Council staff attend these meetings, we considered it would be possible for these staff members to make brief notes of the decision making, and therefore would be relatively easy to introduce this change of procedure.
- We also noted that the Council's policy says there should be an assessment of a pupil's needs. This did not happen in this case. We recommended that the Council should ensure that this aspect of its policy was adhered to by reminding relevant staff of this requirement.

20. On 8 March 2023, we closed the complaint because the Council had agreed to implement the recommendations by 8 April 2023.

Our second investigation - 23 006 024

21. On 11 April 2023, Miss X told us that she had not heard from the Council about the agreed remedy. We chased up the Council on 13 April and again on 3 May.

22. On 14 July, the Council told us that, in consultation with Miss X, it had agreed to provide tutoring directly up to the sum of £2,400. Miss X, however, told us that she wanted this money directly because she had already employed a tutor for B to help her catch up. And she wanted to continue with this tutor as B had a good relationship with her and was beginning to show improvements in her schoolwork.

23. On 19 July, we told the Council that it had also not provided evidence of compliance with the recommendations to improve the fair access Panel processes.

24. We opened a new investigation. The Council then told us it had written to apologise to Miss X.

25. On 25 July, we wrote to the Council, explaining that the agreed payments should be made directly to Miss X, that the apology letter had misspelt her surname and had other grammatical errors, and that there was no evidence the Council had complied with the two recommendations to improve the fair access Panel. The misspelling of Miss X's name, grammatical errors and the delay in compliance with agreed recommendations compounded Miss X's avoidable distress.

26. On 8 August, the Council told us that, due to procedural errors, it had not made the payment for Miss X's avoidable distress, and apologised and said it would now do so. It also stated that it would pay the £2,400 directly to Miss X, that it would amend the apology letter, and that the home education team would refer

all pupils to the children missing from education team where it is decided that the home education is unsatisfactory. The Council will then decide either on enforcement action or whether it should provide alternative education.

27. In addition, the Council also stated that minutes would be taken at its fair access Panels of the discussions held and of the rationale for decisions.

Conclusion

28. Where we find fault and make recommendations, we expect councils to carry them out within the agreed timescales. This is important because, until changes happen, other individuals might be caused a significant and unnecessary injustice by the same fault. In addition, the Council's delays in acting on agreed recommendations following our investigation could also undermine public trust in the Council's ability to operate a fair system of redress and causes further avoidable distress to the complainant.

29. The Council agreed to the timescales in our earlier complaint investigation. If a council is aware an action is likely to take longer, we expect it to suggest a different timescale before we finalise a decision. It was fault that it failed to deliver on its commitments.

30. There have been issues with compliance with remedies on another case (23 005 479) and, because of this, we have made recommendations to address the systemic problems in the Council in implementing the recommendations it agrees to.

Recommendations

31. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

32. The Council plans to do this in January 2024 and it will share its report with us.

33. The Council has now provided evidence that it has apologised and paid Miss X the required payments.

34. In response to a draft version of this report, the Council has also introduced the following measures to improve its services.

- A new policy on elective home education, where the council asks parents to apply for school places if they are providing unsuitable home education, and are referred to Children Missing from Education and School Attendance officers, if they do not. The team has been restructured with additional staff brought in.
- Monthly reviews of primary school-aged children under a new in-year fair access panel policy.
- Additional support for parents/carers who want their children to be re-integrated to school.
- Minutes of decisions at its fair access panel.
- staff training around principles of good complaint handling.

35. We are pleased that the Council has now taken action to resolve Miss X's complaints.

Decision

36. We have completed our investigation into this complaint. There was fault by the Council which caused injustice to Miss X. The Council has provided evidence that it has taken the action previously identified to remedy that injustice.

ELECTIVE HOME EDUCATION POLICY

Linked Policies

Children Missing Education Policy

DfE Working together to Safeguard Children

DfE Schools Admissions Code

Bury's Vulnerable Pupil Multi-Agency Group

Bury's Education Access Board

Reviewed September 2023

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Introduction

Throughout this document, 'parents' should be taken to include all those with parental responsibility, as defined in law and may include guardians and legal carers.

Elective home education is the term used when a parent(s) choose to provide education for their child(ren) at home instead of sending them to school. It is acknowledged that elective home education is a parental choice and that there are many approaches to educational provision and what is suitable for one child may not be for another.

This policy sets out the respective legal responsibilities of the parent(s) and the local authority in relation to elective home education. It recognises the importance of developing mutual trust and respect between the Local Authority and the home educating parent(s), working together in order to ensure the best outcomes for each child.

Reasons for Elective Home Education

Parent(s) may choose elective home education for a variety of reasons and the Local Authority acknowledge that elective home education is a parental choice.

The following reasons for parents/carers electing to home-educating are common, but by no means exhaustive:

- Distance or access to the preferred school
- Religious or cultural beliefs
- Philosophical or ideological views
- Dissatisfaction with the system
- Bullying
- As a short term intervention for a particular reason
- A child's unwillingness or inability to go to school
- Special Educational Needs
- Parent(s)' desire for a closer relationship with their child(ren)

Parents that are undecided

For any parent(s) considering elective home education and are still unsure as to whether or not they are making the right decision for themselves and the child, they are advised to contact the Elective Home Education Team on telephone (0161 253 6972). The EHE officer will arrange to discuss the options available.

Parental Rights and Responsibilities – What does the law say?

Parent(s) of children not on the roll of any school are required by law to ensure that their children receive an efficient fulltime education suitable to their age, ability, aptitude and to any special educational needs they may have.

An **'efficient'** and **'suitable'** education is not defined in the Education Act 1996 but **'efficient'** has been broadly described as an education that ***'achieves that which it sets out to achieve'*** and a **'suitable'** education is one that ***'primarily equips a child for life within the community of which he/she is a member, rather than the way of life in the country as a whole, as long as it does not foreclose the child's options***

***in later years to adopt some other form of life if he wishes to do so*[1].** It is therefore recognised that there are many approaches to educational provision and what is suitable for one child may not be for another.

Parent(s) may decide to exercise their right to home educate their child(ren) from a very early age and so the child(ren) may not have been previously enrolled at school. They may also elect to home educate at any other stage.

Parent(s) who have elected to home educate their child(ren) who are currently on the roll of a maintained school, Academy or an independent school **must** write to the Head teacher of their child's school informing them of their decision**.** Schools & Academies also have responsibilities to follow before any child is removed from the school roll; these are covered in section 6.

Financial Support for Elective Home Education

Parent(s) who choose to educate their children at home must also be prepared to:

- Assume full financial responsibility for that education, including the cost of any public examinations.

There are a number of sources of advice and practical assistance available to such parent(s) and the Local Authority would always hope to work in the best interest of the child(ren).

Even though the Local Authority does not receive specific funding to support children whose parents/guardians have elected to home educate, the Local Authority will provide written information on elective home education that is clear and accurate and which sets out the legal position.

Children that are electively educated at home may take advantage of the universal support offered to all; such as access to libraries and free, or discounted admission into community programmes.

The Local Authority will also consider offering the following additional support:

- Information of how Parents/Carers can have access to examination centres
- Home visits by the EHE consultant teacher & local authority officer(s)
- Invitations to the 'Coffee Sessions' to meet with Local Authority officers, talk to other services for advice and information and to get the opportunity to meet and talk with other home educators. The coffee sessions run once a year and other services are invited to attend such as:
    - ***NHS***
    - ***Sporting Activities / Clubs***
    - ***Local Museums***
    - ***Library Service***
    - ***Connexions***
    - ***Bury College***
    - ***Fire Service***
    - ***Guest Speakers***

[1] Mr Justice Woolf in the case of R v Secretary of State for Education and Science, ex parte Talmud Torah Machzikei Hadass School Trust (12 April 1985)

School Responsibility

Removing a child from a school roll is covered by Regulation 8(1)(d) of The Education (Pupil Registration) (England) Regulations 2006. Parent(s) who elect to home-educate their child(ren) who is/are registered at a maintained school, Academy or an independent school must inform the school formally and in writing of their intention to withdraw their child(ren) from the school and to educate at home. The school must delete the child(ren)'s name from their admissions register upon receipt of written notification from the parent(s) and make a return (giving the child(ren)'s name, address and the grounds for the deletion) to the Local Authority within 10 school days of the pupil's removal from the register. They should also copy parent(s) into the notice to the local authority.

The only exception to this is where the child is attending a special school under arrangements made by the local authority, in which case additional permission is required from the local authority before the child's name can be removed from the register (under Regulation 8 (2) of the Education (Pupil Registration) (England) Regulations 2006).

Schools must also not seek to persuade parent(s) to educate their child(ren) at home as a way of avoiding an exclusion or because the child has a poor attendance record.

Local Authority Responsibilities

Under Section 436A of the Education Act 1996 (inserted by the Education and Inspections Act 2006) local authorities have a statutory duty to make robust arrangements to enable them to establish the identities, of all the children in their area who are not receiving a suitable education, so far as it is possible to do so. The duty applies in relation to children of compulsory school age who are not registered pupils at a school and who are not receiving a suitable education otherwise than at a school. This does not, therefore include those children who are being suitably educated e.g. at home, privately or in alternative education.

Where parent(s) have notified the Local Authority, or the Local Authority is otherwise made aware of a child's withdrawal from school with the intention of being home educated, the Local Authority will acknowledge receipt of this notification and the name, date of birth and address of the child will be entered on the Elective Home Education database. The database will be monitored by the EHE Team.

Parent(s) will be asked to agree to the Local Authority's proposed arrangements which may include home visits or visits in other venues such as Children's centres or libraries. The purpose of these home visits will be to give parent(s) an opportunity to discuss their children's educational arrangements and help them provide an efficient and suitable education that meets the best interests of each child. The local authority's aim is to develop effective, positive relationships with home educators. Contact with parent(s) will be robust but respectful, and carried out by a range of Local Authority officers who will receive training on the law and home education methods. Information following the visits will be retained by the 'EHE' Team.

Parent(s) who do not wish to meet with local authority staff will receive correspondence on an annual basis. Local authorities have a duty to identify children not receiving a

suitable education and to intervene. As part of this, the DfE recommends that authorities should contact people home educating on at least an annual basis, so they are aware of the suitability of the education being provided.

Schedule of Local Authority Correspondence

The schedule for correspondence will normally consist of visits made one or two times a year by different Local Authority Officers. At least one visit will be made by the EHE Teacher consultant or the Traveller Education Inclusion Officer (education focus). For those pupils with an assessed Special Educational Need then a member of the LA's Assessment and review team will be the lead agency in terms of correspondence and communication. There are also visits arranged by Education Welfare Officers 'EWOs' (safeguarding focus) – the number of these visits is dependent upon whether or not there are any concerns or vulnerabilities identified. (See section 9).

1. The EHE Officer is responsible for managing the schedule of correspondence and advising relevant staff of the date by which a visit should be completed and the date by which the report of that visit should be returned.

2. Details of all visits/contacts made will be updated on the database.

3. Copies of all reports of visits will be saved in the pupil file in line with guidelines around retention schedules.

4. The officer visiting the parents will write to the parents within 3 weeks of each visit to advise of the outcome of the visit, normally a copy of the completed visit pro forma and/or a letter saying;

   either that; the LA is satisfied with the education that they are providing; or describing possible actions that the parents should take to improve the education of the child; or

   that the LA has concerns about the education, outlined in the letter, and that a further visit will be made within 4 weeks of the date of issue of the letter.

5. Visits made by EWOs are recorded and reported. Any concerns are raised with the Education Safeguarding Officer and Local Safeguarding procedures will be followed.

Information Sharing & Cause for Concern

All elective home education notifications received from education establishments in Bury are shared with Bury Multi-Agency and Safeguarding Hub (MASH). MASH aims to ensure the highest level of communication, understanding and analysis of safeguarding intelligence and information within the organisations responsible for keeping children safe.

For any children receiving elective home education where the local authority has cause for concern, the Local Authority will follow the agreed safeguarding procedures which can be found on the local safeguarding board website (https://burysafeguardingpartnership.bury.gov.uk).

The Local Authority will allow sufficient time for parent(s) to implement proposals in order to demonstrate all the characteristics of providing the child with an 'efficient and suitable'

education. Where this is the case, a reasonable timescale will be agreed **in discussion with relevant professionals** to give the parent(s) an opportunity to address any specific concerns and submit their revised proposals **which may or may not be deemed appropriate.**

Where it is felt that the education being provided is still judged to be unsatisfactory, the child's name will be added to the **Children Missing Education** list. Initial enquiries will be initiated from this section of the Local Authority. Through correspondence, telephone calls and home visits with the parents / carers via the Children Missing Education Officer the Local Authority will begin the process of serving a **School Attendance Order** where no suitable education is being provided. This will begin with a letter to the parents advising that this course of action is to begin and offering further opportunities to address the issues identified.

As part of the process, parents/carers will be informed that information regarding their child(ren) being electively home educated will be shared with the School Health Team and Connexions for Careers Advice (age appropriate) who will then make contact to discuss support for your child whilst being educated at home. Parents can opt out if they do not want the involvement of these services. Further information regarding this process is made clear in the initial letter to parents/carers from the Local Authority.

Parents are not legally required to give the Council routine access to their home to monitor the quality of elective home education. They may, for example, choose to meet a Council representative at a mutually convenient and neutral location instead, or may choose not to meet at all. However, local authorities have general duties to make arrangements to safeguard and promote the welfare of children, and these powers allow local authority officers to insist on seeing children in order to enquire about their welfare where there are grounds for concern. However, these powers do not bestow an ability to question electively home-educated children in order to establish the suitability of the education they are receiving.

Ensuring Suitable Educational Provision

When the Local Authority chooses to approach a family and ask for information, parent(s) can demonstrate suitability of education and in a number of ways. It may be in any form **sufficient enough to convince a reasonable person** of its appropriateness for the child's age, aptitude and ability. Parent(s) might, for example:

- write a report
- provide samples of work
- invite the EHEO (Elective Home Education Officer) to their home
- meet the EHEO (Elective Home Education Officer) elsewhere
- have the educational provision endorsed by a recognised third party
- demonstrate suitability in any other appropriate form.

Home-educating parent(s) are not required to:

- teach the National Curriculum
- have a timetable
- have premises equipped to any particular standard

- mark work done by their child(ren)
- set hours during which education will take place
- have any specific qualifications
- cover the same syllabus as any school
- make detailed plans in advance
- observe school hours, days or terms
- give formal lessons
- reproduce school type peer group socialisation
- match school, age-specific standards.

When considering parent(s)' provision of education at home, the Council may reasonably expect the provision to include the following characteristics:

- consistent involvement of parent(s) or other significant carers – it is expected that parent(s) or significant carers would play a substantial role, although not necessarily constantly or actively involved in providing education
- presence of a philosophy or ethos (not necessarily a recognised philosophy) – it is anticipated that the parent(s) have thought through their reasons for home educating
- showing signs of commitment and enthusiasm, and recognition of the child's needs, attitudes and aspirations
- opportunities for the child to be stimulated by their learning experiences
- involvement in activities – a broad spectrum of activities to cater for wide varieties of interests appropriate to the child's stage of development
- access to resources/materials required to meet the objectives of the parent(s) – such as paper and pens, books and libraries, arts and crafts materials, physical activity, ICT and the opportunity for appropriate interaction with other children and other adults.

School Attendance Order (SAO)

If, on considering the educational provision, one or more of the above characteristics appear to be lacking, the Council may choose to further investigate whether or not an efficient and suitable education is being provided. Usually a full written report on the findings will be made and copied to the parent(s) promptly, specifying the grounds for concern and any reasons for concluding that this educational provision is unsuitable. If the Council is not satisfied that efficient education is being provided, and the parent(s), having been given a reasonable opportunity to improve their provision and report back to the Council, have not done so, or where access to the home is refused for such pupils, the Council has the power to institute formal attendance procedures in accordance with the provisions of Section 437 of the Education Act 1996.

Under Section 437(1) of the Education Act 1996, Councils must intervene if they have good reason to believe that parent(s) are not providing a suitable education. This section states that:

If it appears to a local authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance at school or otherwise, they shall serve a notice in writing on the parent(s) requiring him to satisfy them within the period specified in the notice that the child is receiving such education.

Section 437(2) of the Act provides that the notification period shall not be less than 15 days beginning with the day on which the notice is served.

Section 437(3) of the 1996 Act refers to the serving of School Attendance Orders:

If :

(a) a parent on whom a notice has been served under subsection (1) fails to satisfy the local authority, within the period specified in the notice, that the child is receiving suitable education, and

(b) in the opinion of the authority it is expedient that the child should attend school,

the authority shall serve on the parent an order (referred to in this Act as a "school attendance order"), in such form as may be prescribed, requiring him to cause the child to become a registered pupil at a school named in the order.

The Council will only take action under s437 as a last resort after other reasonable avenues have been explored to bring about a resolution of the situation. At any stage following the issue of the Order, parent(s) may present evidence to the Council (or the Court) that they are now providing an appropriate education and apply to have the Order revoked.

The Local Authority needs to have an understanding of and be sensitive to the distinct ethos and cultural needs of all communities. In order to improve the educational outcomes for all children, it is important that families who are electively home educating are treated in the same way as any other families, i.e. the duty on Local Authorities to ensure that children residing in their areas are provided with suitable education applies equally to all.

Education Supervision Order (ESO)

The Council will need to decide how best to determine whether the education provided is 'suitable and efficient' for the children in question. Where the education is deemed not to be of a suitable or efficient nature, the Council, after considering the ethos and cultural needs of the relevant community, may decide that it is more appropriate to pursue the alternative route of making an application in the Family Proceedings Court for an Education Supervision Order (ESO) rather than serving a School Attendance Order (SAO).

An ESO would initially last one year, but on application could potentially be extended for up to three years and would require the Court appointed supervising officer (which could be an education welfare officer) to advise, assist, befriend and give directions to both the child(ren) and the parent(s), in such a way as to secure that the child is properly educated. Where an ESO is in force with respect to a child, the duties of the child's parent(s) under section 7 and 444 of the Education Act 1996 (duties to secure education of children and to secure regular attendance of registered pupils) are superseded by their duty to comply with any directions in force under the ESO.

Before any legal action is considered, the advice of the Inclusion lead officer and solicitors in the Council's Legal team will be sought and a formal planning meeting convened with professional representation from Children's Social Care, where consideration is given to the 'Welfare Checklist' set out in Section 1(3) of the Children Act 1989.

Local Authorities also have a duty under Section 175(1) of the Education Act 2002 to safeguard and promote the welfare of children. This section states:

A local authority shall make arrangements for ensuring that the functions conferred upon them in their capacity as a local authority are exercised with a view to safeguarding and promoting the welfare of children.

Children and young people with SEN educated at home

Under section 7 of the Education Act 1996 parent(s) have the right to educate children, including children with Special Educational Needs (SEN) at home.

Where a child already has a Education, Health and Care (EHC) plan, the Local Authority must continue to maintain the statement and manage the review process. The EHC Assessment and Review team will appoint an assessment and review officer (ARO) to take the responsibility for oversight of elective home education.

Parent(s) of children who are home educated have the right to request an Education, Health and Care (EHC) needs assessment. Parent(s) are advised to discuss this with an SEN Officer from the SEN Team in the first instance. Contact details for all these services can be found on the Family Service Directory at www.bury.gov.uk/localoffer

In cases where the Council is in agreement with parent(s) that home education is the right provision for a child or young person with an EHC Plan, the plan should make clear that the child will be educated at home and state the provision that is being made by the parent(s).

If this is the case, then under Section 42(2) of the Children and Families Act 2014, the Council will arrange the special educational provision to support the education being made by the parent(s). The special educational provision to be provided by the local authority will be set out in the EHC plan in consultation with the parent(s) of the child.

The special educational provision may be provided through the allocation of a personal budget. A personal budget may be made in one of four ways, namely,

1. as a direct payment
2. the Local Authority commissions the support on the parent's behalf
3. through a third party managed arrangement
4. a combination of 1, 2 and 3.

More information on personal budgets can be found on Bury's Local Offer at www.bury.gov.uk/localoffer

Parents can obtain free, confidential, impartial advice and support from **Family Action - SENDIASS** (Special Education Needs and Disability Information, Advice and Support Service)

They offer information, advice and support in relation to SEN and disability for children & young People up to the age of 25.

Telephone: 01706 769 634
Email: bury.sendiass@barnados.org.uk

Flexi-schooling

Flexi-schooling is an arrangement between parent(s) and a school where a child is registered at the school but only attends part-time; for the rest of the time the child is home educated and is the responsibility of the parent(s). This could be a long term arrangement or short term measure to help address a particular issue.

Flexi-schooling is a current legal option providing the Head teacher at the school concerned agrees to the arrangement. The child will be required to follow the National Curriculum whilst at school but not when they are being home educated. Flexi pupils should normally be marked as an authorised absence from school - code **'C'** during the periods when they are receiving home education, unless the school is directly responsible for supervising the off-site education and can ensure the safety and welfare of the pupil during the off-site activity, in which case the national attendance code '**B**' can be used to record them as present for the relevant session.

Children of GRT (Gypsy, Roma, Traveller) families

Children of traveller families have the same rights to education as do children in settled families. The correspondence with the families is the responsibility of the Traveller Education Inclusion Officer who will;

- Offer one-two visits per year (education focus),
- complete and update database of correspondence.
- respond to concerns as set out in 3 above.

Post 16 – Elective Home Education & Raising Participation

The Education and Skills Act 2008 increased the minimum age at which young people in England can leave learning, requiring them to continue in education or training until their 18th birthday.

Raising the Participation Age (RPA) does not mean young people need to stay on in school. It means that young people can choose one of the following options:

- Full time education, such as School Sixth Form, Sixth Form College or a Further Education College;
- An Apprenticeship or other work based learning;
- Part time education or training if employed, self-employed or volunteering for more than 20 hours a week.

Bury Council also recognises that parent(s) may choose for their child (aged 16-18) to be electively home educated in accordance with the Raising the Participation Age Statutory Guidance. The Council has a duty to track the participation in education of all young people aged 16-18, so may contact the family in order to confirm this from time to time. For more information on post 16 provision you can contact Connexions who will provide impartial information, advice and guidance to those who choose to be electively home educated, on a range of engagement activities, education and training provision and progression opportunities available within Bury.

Parent(s) and young people requiring this support should contact Connexions on Tel: 0161 253 7615 or email: connexions@bury.gov.uk

Key Stakeholders

Janet Lloyd, School Attendance, Exclusions and Community Manager, Contact 0161 253 5967
Janet.lloyd@bury.gov.uk

Matthew Sims – Elective Home Education Officer, Contact 0161 253 6972
m.sims@bury.gov.uk

Gina Andrews - Education Safeguarding Lead, contact 0161 253 5811
g.andrews@bury.gov.uk

Tammy Whittaker – Traveller Education Inclusion Officer - Contact 0161 253 6964
t.j.whittaker@bury.gov.uk

Michael Kemp – SEN Manager – Contact 0161 253 5773
m.kemp@bury.gov.uk

Barnardo's – SENDiass, - Contact 01706 769634
Bury Services bury.sendiass@barnardos.org.uk

VULNERABLE PUPIL TRACKING

MULTI-AGENCY GROUP

TERMS OF REFERENCE

Last updated: 17 July 2023

1. CONTEXT

The Vulnerable Pupil Tracking Group (the Group) has been established to ensure a consistent and transparent approach to building multiagency support for children and young people who are missing education (CME) or those who are not in full time education, and where progress towards a return to full time education has stalled. This will include children and young people with a 'C' attendance code as well as children younger than statutory school age who are entitled to educational provision but are out of education or have no school place.

Members of the Group will make suggestions and offer resources to support a multiagency approach for each case.

Group members can add children and young people for discussion as concerns arise. Each request will be considered on an individual basis and in relation to the child or young person's Education, Health and Social Care needs.

2. MEMBERSHIP

The group will be made up of a range of professionals from Education, Health and a Social Care. The following representatives will form the core group:

- Strategic Lead for SEND and Inclusion (Chair)
- Service Manager, Inclusion/Service Lead, SEND Support (from Sep23)
- EHC Assessment and Review Team Manager
- Primary Inclusion Leads/Primary SEND Support Leads (from Sep23)
- Secondary Inclusion Lead
- Head of Service, Family Help
- Service Manager Attendance and Exclusions
- Virtual School Headteacher
- Designated Clinical Officer
- Team Manager (Children with Disabilities Service)

If core group members are unable to attend, they will nominate an appropriate substitute.

Additional representatives may be invited to attend the Group on an advisory basis for cases where specialist advice is required:

- Education Health and Care Social Worker
- Senior Portage Worker

3. CHAIR

The Group will be chaired by the Strategic Lead for SEND and Inclusion who will ensure that all cases are monitored and there is consistency in the approach taken by supporting services.

The Chair will take responsibility for escalation where actions have not been completed resulting in children and young people remaining out of school.

In the absence of the Strategic Lead, a substitute will be named.

4. FREQUENCY AND LOCATION OF MEETINGS

The meetings will be organised by the Strategic Lead for SEND and Inclusion. The Group will meet weekly on Thursdays from 12.30 - 2pm via Microsoft Teams.

5. ADMINISTRATION AND RUNNING OF THE GROUP

A spreadsheet of those children and young people not in full time education will be held on SharePoint: Vulnerable tracking group.xlsx (sharepoint.com).

Core group members will have access to the spreadsheet and will take responsibility for keeping the information for cases they have brought to the Group updated on the spreadsheet prior to each group meeting.

Discussion will focus on the barriers preventing children and young people's return to full time education. Each service represented will consider the resource they can offer to support a return to school. All support offered by services will be decided on a case-by-case basis.

Discussion may include, for example:

- The extent to which provision in an EHC Plan or provision at SEN Support is being delivered.
- The extent to which children and young people in care, or those at Child in Need and other vulnerable groups of children are having their needs met in school and/or at home.
- The extent to which health needs are being met in school and/or at home, including mental health needs.

In addition, the Chair will take responsibility for the monitoring of cases and will draw additional discussion and actions to those children and young people who have been known to the Group for the longest period.

Any themes arising from discussions and monitoring activity will be reported to relevant services on a termly basis by the Chair.

6. **CONFIDENTALITY**

All cases discussed by the Group are confidential and will not be discussed other than at professional meetings with parental consent.

7. **REVIEWING ARRANGEMENTS**

The Terms of Reference will be reviewed annually or in line with any changes in legislation, guidance or LA processes.

The next review is due in July 2024.

Classification:	Decision Type:
Open	Non-Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Simister Island Development Consent Order	
Report of	Leader and Cabinet Member for Strategic Growth	

1.0 Summary

1.1 National Highways is intending to undertake a major infrastructure development to improve Junction 18 of the M60 (Simister Island) and also widening to five lanes of the M60 between Junction 17 and Junction 18 to facilitate smoother flows of traffic along the connecting motorways, contributing to more reliable and safer journeys into and around Greater Manchester.

1.2 The proposal is a "Nationally Significant Infrastructure Project" (NSIP). This means that planning consent for the scheme is determined by the Secretary of State through an application process known as a Development Consent Order (DCO).

1.3 A DCO automatically removes the need to obtain several consents that would otherwise be required for development, including planning permission, highway consent and compulsory purchase orders. The idea of this regime is that it is a quicker process for large scale development projects to get the necessary planning permission and other related consents that they would require, rather than having to apply separately for each consent.

1.4 A DCO application is submitted to the Planning Inspectorate who will examine the application and make a recommendation to the Secretary of State, who will decide on whether consent should be granted for the proposed scheme.

1.5 As the proposed development is within Bury's administrative area, Bury Council has a vital role in the examination of the scheme. The Council will not decide whether the scheme goes ahead but will automatically be an "Interested Party" and will be required to provide evidence and opinion on the proposal and its impacts within prescribed timetables.

1.6 To ensure the views of this Council can be submitted in accordance with these timescales, this report sets out a recommendation to delegate authority to the Executive Director (Growth), in consultation with the Monitoring Officer and the Cabinet Member for Strategic Growth to respond to the relevant stages of the DCO process.

2.0 Recommendations:

That Cabinet:

2.1 Delegate authority to the Executive Director (Growth), in consultation with the Monitoring Officer and Cabinet Member for Strategic Growth, to respond to all consultations and engagement as part of the Simister Island Development Consent Order application process.

3.0 Reasons for recommendations:

3.1 Without delegated authority it is unlikely that the Council will be able to effectively engage with the DCO process. If responses are not submitted in accordance with the statutory timescales, they cannot be taken into account. Without the requested delegation in place, this could result in a recommendation made to the Secretary of State which does not fully take account of impacts upon Bury.

4.0 Alternative options

4.1 *Option 2* – Not to delegate authority. This is not recommended for the reasons sets out at paragraph 3.1 above.

4.2 *Option 3* – Not to participate in the DCO process. This is not recommended for the reasons set out at paragraph 3.1 above.

Report Author and Contact Details:

Name: Crispian Logue
Position: Assistant Director: Strategy, Planning and Regulation
Department: BGI
E-mail: c.logue@bury.gov.uk

5.0 Background

5.1 Simister Island Interchange is one of the busiest motorway junctions in the north-west used by around 90,000 vehicles each day. The junction struggles with such high volumes of traffic above what it was designed for, and as a result suffers from congestion and poor journey time reliability.

5.2 In January 2021 National Highways announced proposals for the "Northern Loop" option to improve junction 18 of the M60. Following public consultation, the design has been updated and the proposed development is shown on the plan attached within the Preferred Route Announcement (Appendix 1). The main components of the scheme are:-

- Construction of a new loop road (the 'Northern Loop') to provide a new link between the M60 eastbound to the M60 southbound. This will allow

drivers to continue along the M60 without having to leave the motorway, navigate the roundabout and re-join the M60.

- Widening of the M66 southbound through J18 from two lanes to four lanes.
- Widening of the existing M60 northbound to M60 westbound link road from one lane to two lanes.
- Realignment of the M66 southbound slip road to M60 J18 to accommodate the Northern Loop structure, including a new overbridge where the slip road crosses the Northern Loop and realignment of the left turn lane to the M62 eastbound.
- Conversion of the hard shoulder along the existing four-lane Controlled Motorway between M60 J17 to J18 into a running lane (both sides).
- Construction of a new hard shoulder on the M60 between J17 and J18 in the existing verge (both sides).
- Renewal of signs and signals, including new signs and street lighting at M60 J18 and its approaches, renewed traffic signals at the M60 J18 roundabout, and new gantries on the M66 southbound side and between M60 J17 to J18.
- Construction of associated drainage works including new attenuation ponds to accommodate surface water run-off from the highway and improve water quality.

5.3 The proposal will mean less traffic has to travel through and stop at the roundabout because of the new free flow links. The main aims of the scheme are:

- Improve the journey experience for users of this section of network by:
  - reducing peak congestion
  - reducing journey times
  - delivering more reliable journey times
- Provide an option which is safe for all road users
- Minimise the impact of the project on the surrounding environment including within Noise Important Areas and Air Quality Management Areas

- Support future economic growth across the Greater Manchester area by delivering against local aspirations set out in regional and local authorities' transport strategies and local plans.

6.0 The DCO Process & The Council's Role

6.1 As outlined, the proposed development by National Highways is of a scale which means it is classified as a NSIP and planning consent (and other consents) must be obtained through the DCO process. The application is submitted to and examined by the Planning Inspectorate and the decision on whether to approve the development is taken by the relevant Secretary of State. As the host authority for the development, the Council has a key role in the DCO process as an "Interested Party".

6.2 The DCO process comprises six key stages, covering pre-application, acceptance, pre-examination, examination, decision and post-decision stages. Upon receipt of an application for development consent, the Planning Inspectorate has 28 days to decide whether or not to accept it. There is a period of 6 months for the Planning Inspectorate to examine an application and 3 months for the Planning Inspectorate to make its recommendation to the Secretary of State. The Secretary of State has a further period of 3 months in which to issue a decision. From accepting an application to making a decision, the whole process should last in the region of 15 months.

6.3 The Development Management team in the Planning Service have already been working closely with National Highways at pre-application stage and, they will be the lead Service to be involved in the DCO process and will consider and present issues on behalf of the Council. They will seek to ensure that any potential harmful impacts of the scheme are mitigated. This is done through the use of Requirements imposed on a NSIP (similar to planning conditions) which the Council is likely to become responsible for discharging, monitoring and enforcing.

6.4 The Development Management team have also assisted in identifying those homes and businesses located within the vicinity of the development site who will be affected by the proposal and consultation documents have been sent out in the post to these properties. This was carried out between February and March 2023. A number of consultation events have also been carried out.

6.5 During the next stage of the DCO process (examination), the Council will be required to submit evidence and make representations to ensure relevant impacts of development are addressed. This will be led by the Development Management team who will liaise with other departments such as Environmental Health and Highways. This will include:

- Providing a statement on the adequacy of the applicant's consultation.
- Submitting a Relevant Representation on the initial issues relevant to the scheme.

- Attendance at a Preliminary Meeting to discuss procedural issues and agree a timetable for examination.
- Preparing a Local Impact Report assessing the potential impacts of the scheme and providing evidence about the characteristics of the area.
- Submitting Written Representations, respond to the Examining Authority's questions and commenting on other submissions.
- Attending hearings and site visits.
- Agreeing a Statements of Common Ground to set out areas of agreement.

6.6 The submission of many of the reports and representations have very short timescales (typically 7, 14 or 28 days) and much of the work will be of a technical nature, requiring professional knowledge and understanding of planning and highways.

6.7 Given the detailed nature of the work required, together with the tight timescales, it is not considered it will be possible to gain Cabinet consent for officers to make representations at the required times within the DCO process.

6.8 The Cabinet is therefore asked to delegate authority to the Executive Director (Growth), in consultation with the Monitoring Officer and Cabinet Member for Strategic Growth to ensure that the Council can respond to the consultation or engagement aspects of the DCO process in accordance with the relevant timescales.

6.9 This will ensure the Council is in a position to fully engage with the DCO process and ensure the potential impacts of the scheme are understood and taken into account, prior to the decision by the Secretary of State.

Links with the Corporate Priorities:

The NSIP scheme is a Government proposal, submitted by National Highways. The proposals have gone through a pre-application and consultation process with Council officers and the public. Corporate aims of improved air quality and access would be one of the key aims of the project and part of the requirement of the DCO process is to enable the Council to make representations as a host and consultee authority. It is anticipated that issues of local traffic impacts, ecology, hydrology and planning inputs will reflect local and national planning concerns to underpin the Council's corporate priorities of improved access, air quality and economic opportunity to its residents.

Equality Impact and Considerations:

National Highways are required to submit an Equalities Impact Assessment as part of the submission documentation to the Planning Inspectorate (which is currently

scheduled for the end of February 2024). This will be reviewed as part of the Examination process.

Environmental Impact and Considerations:

The decision of the scheme will rest with Central Government's Planning inspectorate and the Secretary of State. The process is assessing all elements of the environmental impact and representations made by the Council in the decision making process would be undertaken by the council's professional officers representing their own disciplines.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation

Legal Implications:

The legal requirements governing the determination of DCO applications are set out in the Planning Act 2008. As set out in the main body of this report, the DCO process sets out response timescales in statute. Having the appropriate delegation of authority in place will ensure that the Council will be in a position where it can respond to the legal obligations placed upon the authority in its role as host authority**.**

Financial Implications:

Officer time for the production and response to issues set out to evidence the case. This will include attendance at the hearings when they take place. Overall time frames for the main hearings element will run from Spring to end of summer 2024.

Appendices:

Appendix 1 – Preferred Route Announcement

Background papers:

None.

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

Term	Meaning
NSIP	Nationally Significant Infrastructure Project
DCO	Development Consent Order

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highways england

M60 junction 18
Simister Island interchange

Preferred route announcement

January 2021

Introduction

At Highways England we believe in a connected country and our network makes these connections happen. We strive to improve our major roads and motorways - engineering the future to keep people moving today and moving better tomorrow. We want to make sure all our major roads are more dependable, durable and, most importantly, safe.

In the north-west, we are investing in ways to increase capacity and improve connections to make sure your journeys are as reliable as possible.

The M60 junction 18 Simister Island interchange scheme is a critical part of this investment, supporting economic growth by better connecting major cities across the north of England. The scheme is vital in reducing congestion for the future, reducing safety risks, improving journey time reliability for all road users and increasing connectivity between local areas.

Why is the scheme needed?

Simister Island interchange between the M62, M60 and M66, is one of the busiest motorway junctions in the north-west, used by around 90,000 vehicles each day. The junction struggles with high volumes of traffic, far above what it was designed for, and as a result suffers from congestion and poor journey time reliability.

Scheme objectives

The main objectives of the scheme are:

- To improve the journey experience for users of this section of network by:
  - reducing peak congestion and providing faster average speeds
  - reducing journey times
  - delivering more reliable journey times
- To provide an option which is safe for all road users
- To minimise the impact of our option on the surrounding environment including within Noise Important Areas and Air Quality Management Areas
- To facilitate future economic growth across the Greater Manchester area and support the proposals in the regional and local authorities' transport strategies and Local Plans

Preferred route announcement (Northern Loop)

We have chosen the Northern Loop option for improving junction 18 of the M60.

The Northern Loop will deliver our objective of providing more capacity at Simister Island, as well as improving journey times and reliability. This means you'll experience less congested journeys through the junction, and fewer unexpected delays.

When selecting the preferred route, we considered several criteria, including the scheme objectives, safety, benefits, costs, environmental effects, construction and feedback from the public consultation we held during summer 2020.

While both options would meet the scheme objectives, the Northern Loop will provide greater capacity improvements and journey time savings for road users when compared to the Inner Links. These benefits will therefore be felt for longer into the future, as predicted traffic levels continue to grow.

The option we've selected was also widely supported during the public consultation, with over 67% of respondents preferring the Northern Loop.

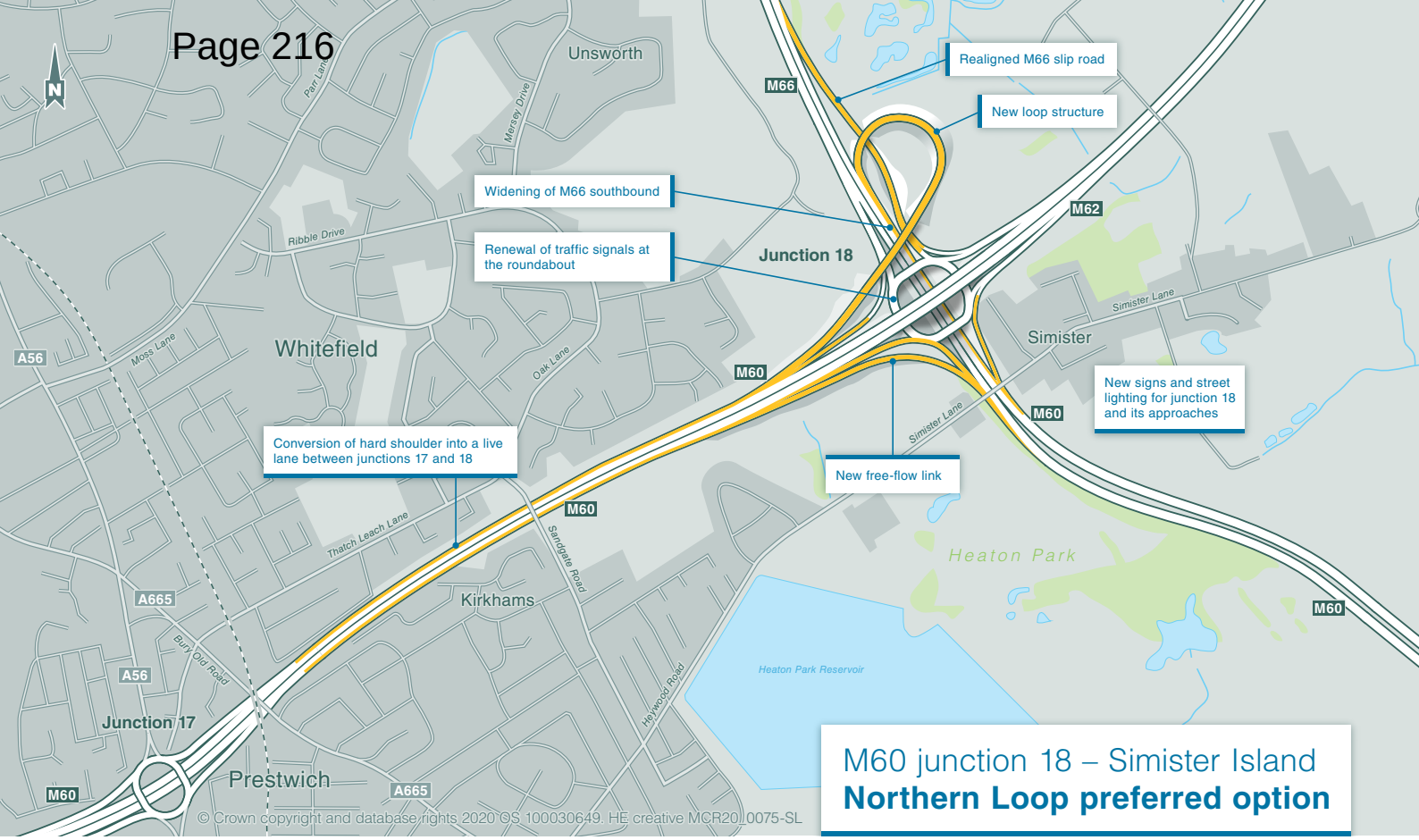
We do not expect to purchase any houses to build this option, although we will need to purchase some land, for example, to the north-east of the junction. This is required to build the new 'loop' structure. Most of the remaining construction is contained within the current highway boundary or immediately adjacent to it. This will help to minimise any further effects on the existing natural environmental.

Safety is another of our main considerations for developing this scheme. It is our first imperative as an organisation, and for that reason we're constantly reviewing driver safety when designing projects. Concerns were raised by the public during consultation about the Inner Links option, with many drivers worrying they would not feel safe using that proposed road layout.

Two other common concerns were raised with us about safety during our consultation in 2020. The first concern was about the conversion of the hard shoulder into a traffic lane. The safety of using the hard shoulder as a traffic lane was comprehensively reviewed by the government in its evidence stocktake report, published in March 2020. The review found that in most ways, roads upgraded to use the hard shoulder are as safe as or safer than conventional motorways. The review also included 18 actions to make them even safer. We'll incorporate the recommendations from the stocktake in our designs wherever appropriate.

The second common concern raised was the potential for confusion as drivers approach and navigate the junction. We'll keep this feedback in mind as we continue to develop our design, making it as clear as possible to navigate the junction. We could achieve this using several different solutions which we're currently exploring. This includes painted lane markings, different coloured reflective road studs or enhanced direction signage.

Although more expensive than the Inner Links option, the longer-term benefits offered by the Northern Loop makes this option better value for money.



M60 junction 18 – Simister Island
Northern Loop preferred option

The Northern Loop design

The most prominent feature of this option involves creating a new loop structure providing a free-flow link from M60 eastbound to M60 southbound (clockwise), including a new bridge over the M66 and junction 18 slip roads. We will also realign the M66 motorway as it heads south under junction 18, and introduce another lane to accommodate the merging traffic from the loop.

We will also build a new two-lane free-flow road from the M60 northbound to the M60 westbound to replace the existing single-lane, and widen the M66 southbound to four lanes through junction 18. The Northern Loop will mean less traffic has to travel through and stop at the roundabout because of the new free flow links.

We'll also convert the hard shoulder into a permanent traffic lane between M60 junctions 17 and 18, providing 5 lanes in both directions; this will provide benefit to the project by improving traffic conditions along the M60, and allow traffic joining and leaving at junctions 17 and 18 to avoid changing lanes as often.

We'll also introduce improved signage and signalling including:

- new signs and street lighting at junction 18 and its approaches
- new gantries on the M66 southbound, and between M60 junctions 17 and 18

The Northern Loop provides us with multiple construction challenges. To address these, we will plan the construction of this project to minimise disruption on residents and road users as far as possible, taking into account periods of high usage, such as Bank Holidays, large public or sporting events and other nearby roadworks.

As we continue to develop and refine our design, we'll carry out further environmental assessments in order that we deliver a solution which is considerate of the surrounding area and is compliant with national environmental policy.

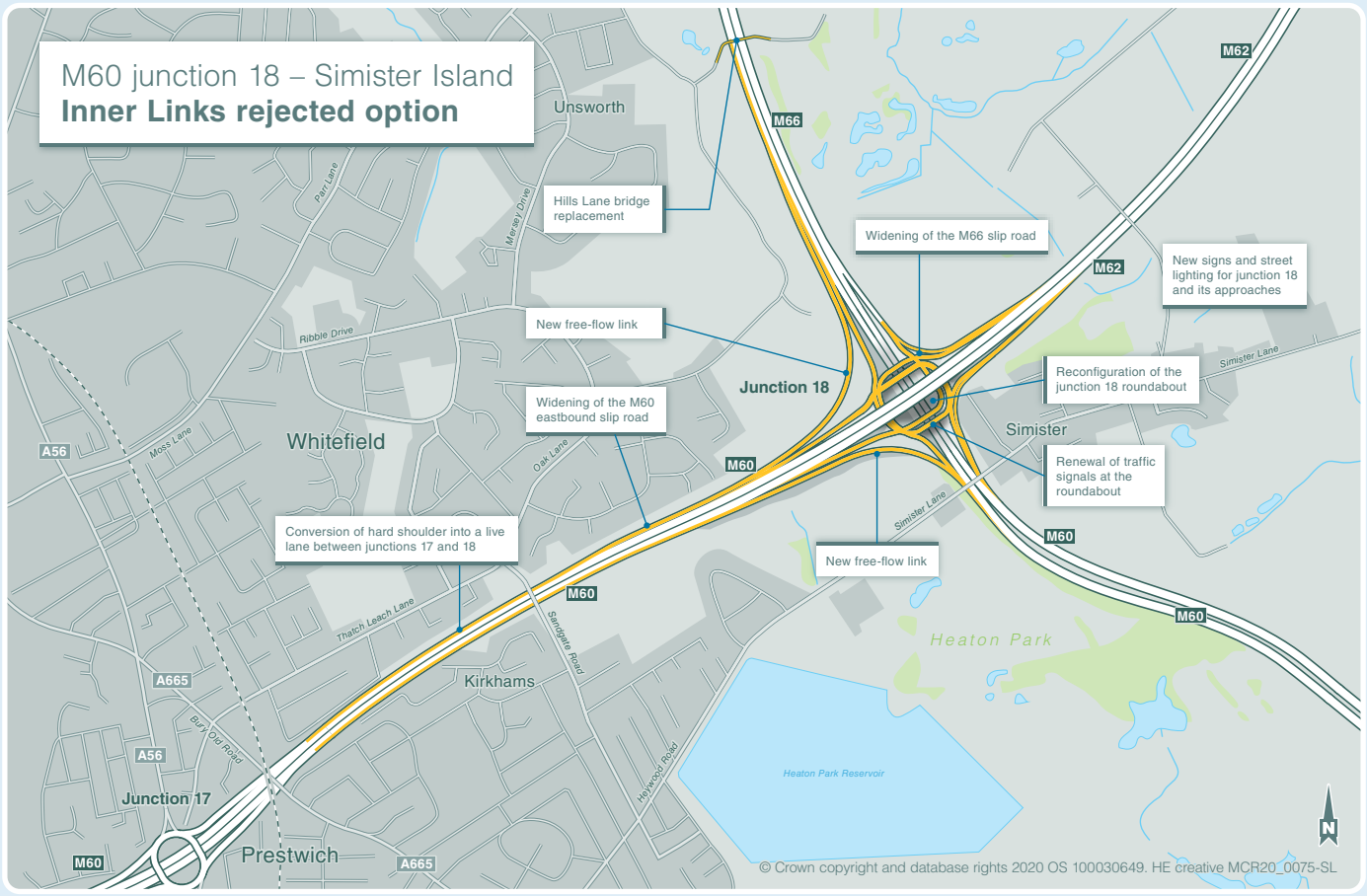
Inner Links rejected option

Although, both options align with our objectives, we haven't chosen Inner Links to develop further because it doesn't offer the same amount of longer term benefits, capacity and journey time improvements that the Northern Loop provides.

The Inner Links was not well supported during the consultation, with only 24% of respondents supporting the option.

Due to the complex design, the Inner Links would also be more challenging to build, and would require more traffic management and road closures during construction.

We acknowledge concerns raised during consultation that introducing additional lanes and signals on the roundabout could make the junction more confusing for drivers to navigate, leading to an increased risk of accidents. As the Northern Loop option removes the need for additional lanes and signals going through the junction, we believe that this option will be less confusing for drivers.



Responses from public consultation

We received 817 responses to the consultation, this includes responses from the Local Authorities, impacted land owners and local communities. We received responses from a number of Local Authorities, including Bury Council, Transport for Greater Manchester, Rochdale Borough Council, Salford Council, Rochdale Development Authority and Lancashire County Council. Each of these stakeholders expressed the need for improvements at Simister Island, with the majority favouring the Northern Loop option.

Pike Fold Golf Course, an impacted land owner, also expressed support for the Northern Loop option, and opposed the Inner Links.

We will continue to work with key stakeholders to refine the design of the improved junction.

Responses to the consultation showed a preference for Northern Loop over the Inner Links, with around three times as many respondents preferring the Northern Loop.

You can find more information about our consultation in the *Report on Public Consultation* which is available on our project webpage at **highwaysengland.co.uk/m60-j18-simister-island**

Further information

For more information on the scheme, please visit our project webpage at **highwaysengland.co.uk/m60-j18-simister-island**

On the webpage you can also find all of our 2020 options consultation materials.

You can also sign up for email alerts, which will update you whenever the page is updated.

If you have any questions about the project, please contact us by phone or email:

Phone: 0300 123 5000 (Customer Contact Centre)

Email: M60J18SimisterIslandInterchange@highwaysengland.co.uk

Next steps

During the next stage of the project, we'll carry out further surveys and assessments to allow us to develop the design of the preferred option.

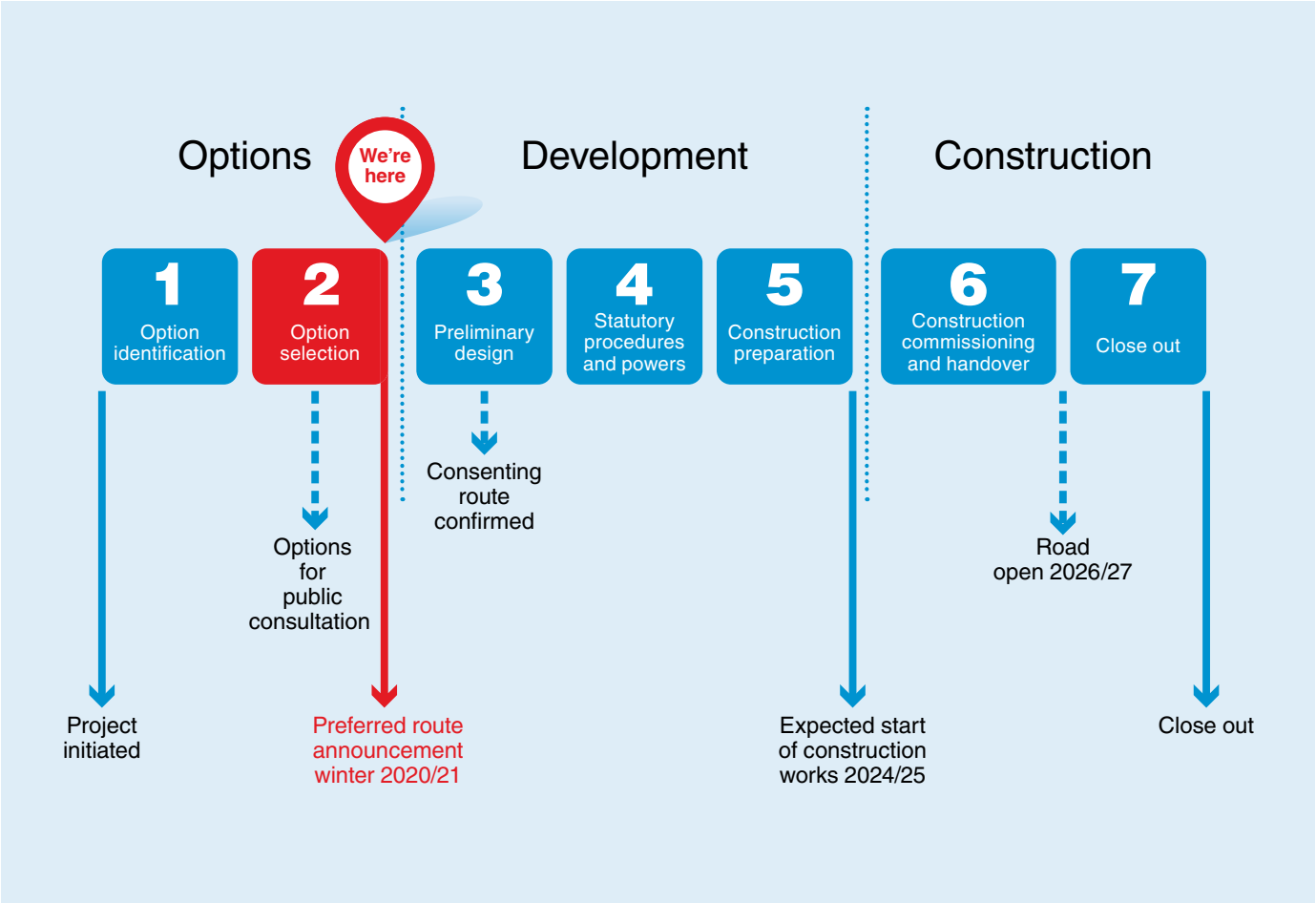
This scheme is classed as a Nationally Significant Infrastructure Project (NSIP) under the Planning Act 2008. As such we are required to make an application for a Development Consent Order (DCO) to obtain consent to construct it. The application will be made to the Planning Inspectorate who will examine the application in public hearings and then make a recommendation to the Secretary of State for Transport, who will decide whether or not the project will go ahead. We plan to submit our application for a DCO by winter 2021/22, and a decision is expected in summer 2023.

We'll be holding a statutory consultation ahead of our DCO submission, to inform our application. This is where we'll want your feedback on a more detailed design of the junction.

We are committed to engaging with local communities and road users during the development and construction of this project. We'll provide regular updates as the scheme develops, as well as providing advanced warning of any periods of impact during construction.

We currently expect work to start on site no later than March 2025.

The timeline below shows what will happen at each stage of the scheme. We are currently at the end of Stage 2 – Option Selection, which concludes with this preferred route announcement.



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Agenda Item 12

Classification:	Decision Type:
Open	Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Bury Council Finance - Future Leadership Arrangements	
Report of	Cabinet Member for Finance and Communities	

1. Introduction

1.1 This report sets out proposals in relation to the future substantive leadership of the Council's Finance function.

1.2 An Interim Executive Director of Finance was appointed to lead the production of the 24/25 budget in November 2023. It was agreed at that time that recruitment of a substantive successor would begin at pace once the challenging medium-term financial plan was produced.

1.3 The proposals set out below have been developed with the current Interim Executive Director and tested against arrangements in place elsewhere in the sector.

2.0 Recommendations

That Cabinet:

1. Recommend to Council that the vacant post of Deputy Chief Finance Officer (Band E, £93k - £102k) be redesignated as Director of Finance (Band F, £104k - £113k) and redesignated as the Council's Statutory Section 151 Officer. The Director of Finance will be a direct report to the Chief Executive with the Finance function becoming part of the Corporate Core Department under the Executive Director (Strategy & Transformation).

2. Note that following this appointment the Executive Director (Finance) role will be disestablished.

3. Recommend to Council that the post of Director of People & Inclusion (Band D, £84k - £91k) be re-graded at Chief Officer Band E (£93k - £102k) to reflect the post's expanded portfolio, as set out below. Delegate authority to the Chief Executive and the Cabinet Members for Finance and Communities and HR and Corporate Affairs, in consultation with the Monitoring Officer and S151 Officer, to consider responses received from the consultation and produce a final version of the structure as set out in recommendation 5.

4. Approve the redesignation and re-evaluation of the post of Chief Accountant (Band B, £69k - £75k) to Assistant Director (Finance) (Band D £84k - £91k) as a basis for consultation. This role will take on the duties of the Deputy S151 officer.

5. Agree in principle the commencement of consultation with affected staff in relation to the changes set out in this report and to delegate authority to the Chief Executive and the Cabinet Members for Finance and Communities and HR and Corporate Affairs, in consultation with the Monitoring Officer and S151 Officer, to consider responses received from the consultation and produce a final version of the structure.

3.0 Reasons for recommendation(s)

3.1 The proposal sets out the long-term plan for leadership of the Council's Finance function, following the appointment of the Interim Executive Director and within the context of the wider leadership structure within the Corporate Core.

3.2 In recommending options, consideration has been given to the overall leadership capacity and structure required for the function beyond the S151 role and the benefits of integrating Finance within the Corporate Core Department to ensure the full coordination of all Council back-office functions.

4.0 Alternative options considered and rejected.

4.1 It would be possible to maintain the current finance structure and seek to recruit to existing posts on a substantive basis, however the recruitment market has not supported this structure to date.

5.0 Background and Context

5.1 A fundamental review of the Council's Finance function took place during 2022 with implementation from January 2023. These changes addressed a range of long-standing challenges across the function and attempted to strengthen the existing structure. However, since that time, leadership of the function has seen a significant lack of stability with the former Deputy Chief Finance Officer leaving the Council in April 2023 and the Joint Executive Director of Finance departing in November 2023.

5.2 Whilst appropriate arrangements are now in place to cover the Executive Director role on an interim basis with experienced managers, substantive vacancies in these posts present an opportunity to reconsider the function's overall leadership model based on a number of emerging issues:

- The need to strengthen and align the Council's Corporate Core functions (particularly IT, Finance and HR) behind a clear transformation programme, as outlined by the Corporate Peer Challenge.

- The ongoing Financial Improvement Plan in place across the Council. This includes a continued focus on getting the basics right and building skills and succession planning within the function.

- The strong expertise present through the current Interim Executive Director and the opportunity this presents to support a managed and flexible transition to substantive arrangements and nurture internal talent.

- The current challenging market for senior finance professionals and need to effectively position Bury here in pursuit of the best possible financial leadership arrangements for the long term.

6.0 Proposals

6.1 Director of Finance

6.1.1 It is proposed that the vacant post of Deputy Chief Finance Officer (Band E, £93k - £102k) be redesignated as Director of Finance (Band F, £104k - £113k).

6.1.2 Following this appointment the post of the Executive Director (Finance) post will be removed from the Council structure and the Director of Finance will report directly to the Chief Executive. The Finance function will, however, form part of an integrated Corporate Core Department with accountability to the Executive Director (Strategy & Transformation). The integration of Finance as part of a unified Corporate Core under a single Executive Director will support the effective delivery of the Council's ongoing transformation and ensure the organisation's key support functions are fully aligned.

6.1.3 The interim Executive Director will remain in post in a strategic advisory capacity to ensure an appropriate handover and understanding of the 2024/25 budget and Medium Term Financial Plan.

6.2 Wider Leadership of the Finance Function

6.2.1 To support the appointment to the Director of Finance it is proposed that the post of Chief Accountant (Band B, £69k - £75k) be redesignated and re-evaluated as Assistant Director (Finance) (Band D £84k - £91k). The current post holder will move into this role in accordance with Council policy and will become the Council's Deputy S151 officer. The positioning and remuneration of this post has also been subject to market testing.

6.2.2 As well as responsibility for the Council's core accountancy and financial planning functions the proposal is that the Head of Revenues and Benefits moves to report to the Assistant Director and assumes responsibility for the Accounts Payable team. This will bring together the Council's core transactional finance functions under one head of service. The Assistant Director will also assume direct line management responsibility for the Finance Business Partners.

6.2.3 To ensure the Finance function has the capacity to deliver against its Improvement Plan, as part of the integration with the wider Corporate Core function responsibility for Payroll and Pensions will be transferred to the Director of People and Inclusion. This proposal should be set in the context of the imminent renewal of the Council's core HR and Payroll system and the need to ensure clear accountability and leadership of this process and system and to maximise the potential benefits to the Council.

6.2.4 To further provide additional capacity the finance function in this period, and as part of demonstrating the benefits of finance aligning with the Corporate Core, the Director of People and Inclusion will support the Finance Leadership team with the development of the Council's Procurement function on a temporary basis. At present, procurement is delivered through a combination of a in house staff and support through the STAR procurement service. A key priority of the Director of People & Inclusion will be to work with interim Executive Director (Finance) to agree future substantive arrangements for procurement across the Council. This will include development of the Council's approach to Social Value which will need to align with the Council's Inclusion Strategy and approach to supported employment, which are currently overseen by the Director of People & Inclusion.

6.2.5 To reflect the proposed changes set out above, the post of Director of People & Inclusion (Band D, £84k - £91k) has been re-evaluated to Band E (£93k - £102k). As part of this change in responsibility, the post will become a direct report to the Executive Director (Strategy & Transformation) and will continue to play a key role as part of the Council's Senior Leadership Team, working directly with Executive Directors and the Chief Executive to deliver transformation and workforce development.

6.2.6 Subject to the support of the recognised Trade Unions, the above changes would be subject to a period of consultation with affected post holders.

6.3 Current and proposed future leadership structures of the Finance function are appended.

7.0 Next steps

7.1 Subject to approval by Council, recruitment will progress for the new Director.

7.2 The wider changes set out will require consultation with affected staff which will, be progressed as soon as possible, subject to agreement from the recognised Trade Unions.

7.3 It is anticipated that implementation of the new structural arrangements would be in place prior to 1st April 2024.

Report Author and Contact Details:

Name: Kate Waterhouse
Position: Executive Director (Strategy & Transformation)
Department: Corporate Core
E-mail: k.waterhouse@bury.gov.uk

8.0 Links with the Corporate Priorities:

8.1 A change to the Finance Leadership is necessary to drive forward the improvement in the Council's financial accounting and monitoring to deliver the best for Bury. Alignment of Finance within the Corporate Core will support the delivery of the Council's overall transformation.

9.0 Equality Impact and Considerations:

9.1 These changes are being delivered within the Councils approved policy framework that has been subject to full equality analysis. No adverse service changes are anticipated to result from the proposals.

10.0 Environmental Impact and Considerations

N/A

11.0 Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Failure to recruit to posts within the new structure	Salaries are considered as competitive within the market, and management spans of control / portfolios reasonable and coherent.
Instability of leadership	Robust arrangements in place in respect of interim cover while the new arrangements take effect.

7.0 Legal Implications:

If Members are minded to agree to the recommendations a 30-day consultation will take place in accordance with legislation and the Council's consultation tool kit. The proposals will be reviewed following the consultation period. In accordance with the Localism Act 2011 the proposals set out at recommendations 1 & 3 will require Council approval.

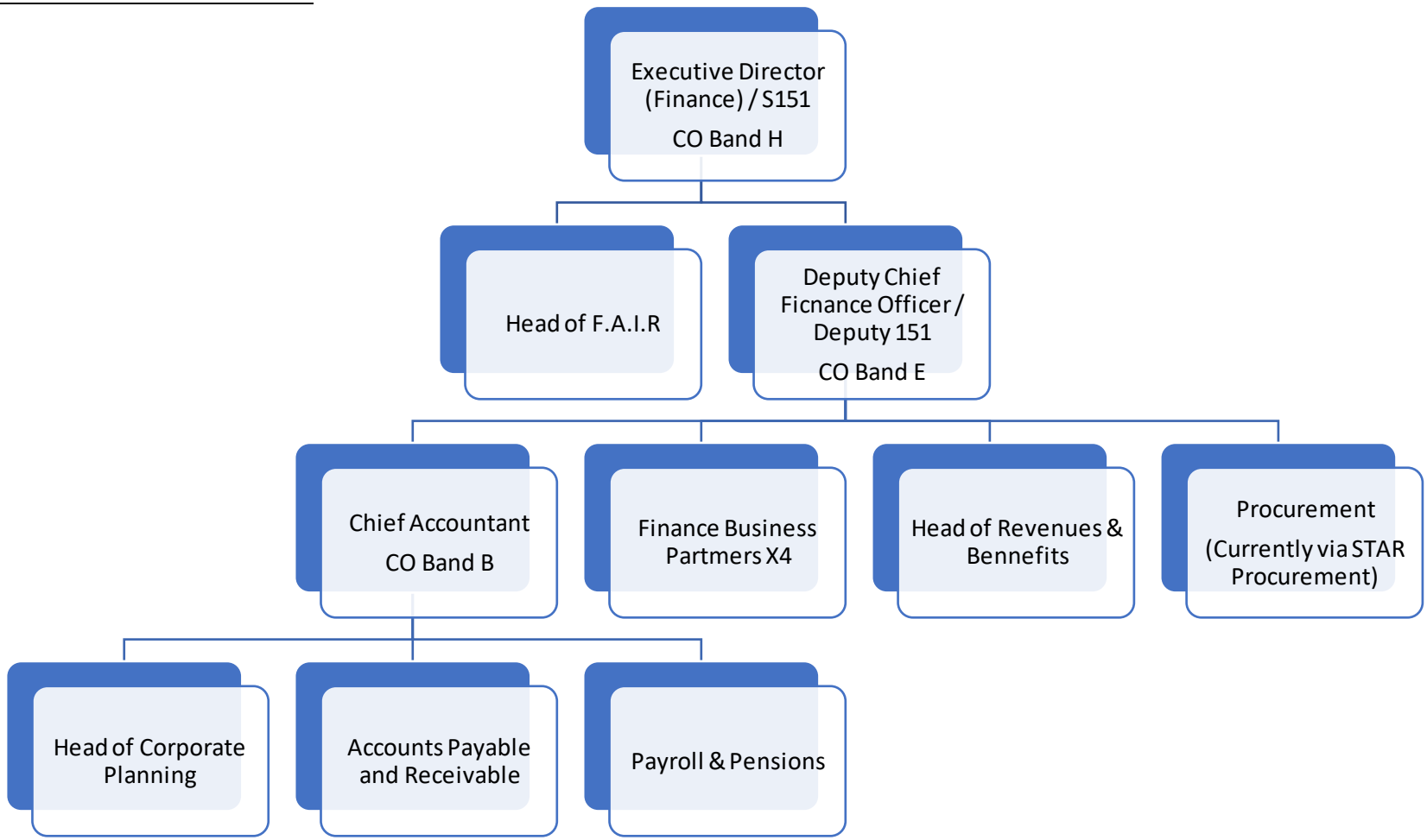
8.0 Financial Implications

When fully in place the proposed changes would represent a saving to the Council reflecting the deletion of the Executive Director (Finance) role and the proposed changes to other posts of circa £120K.

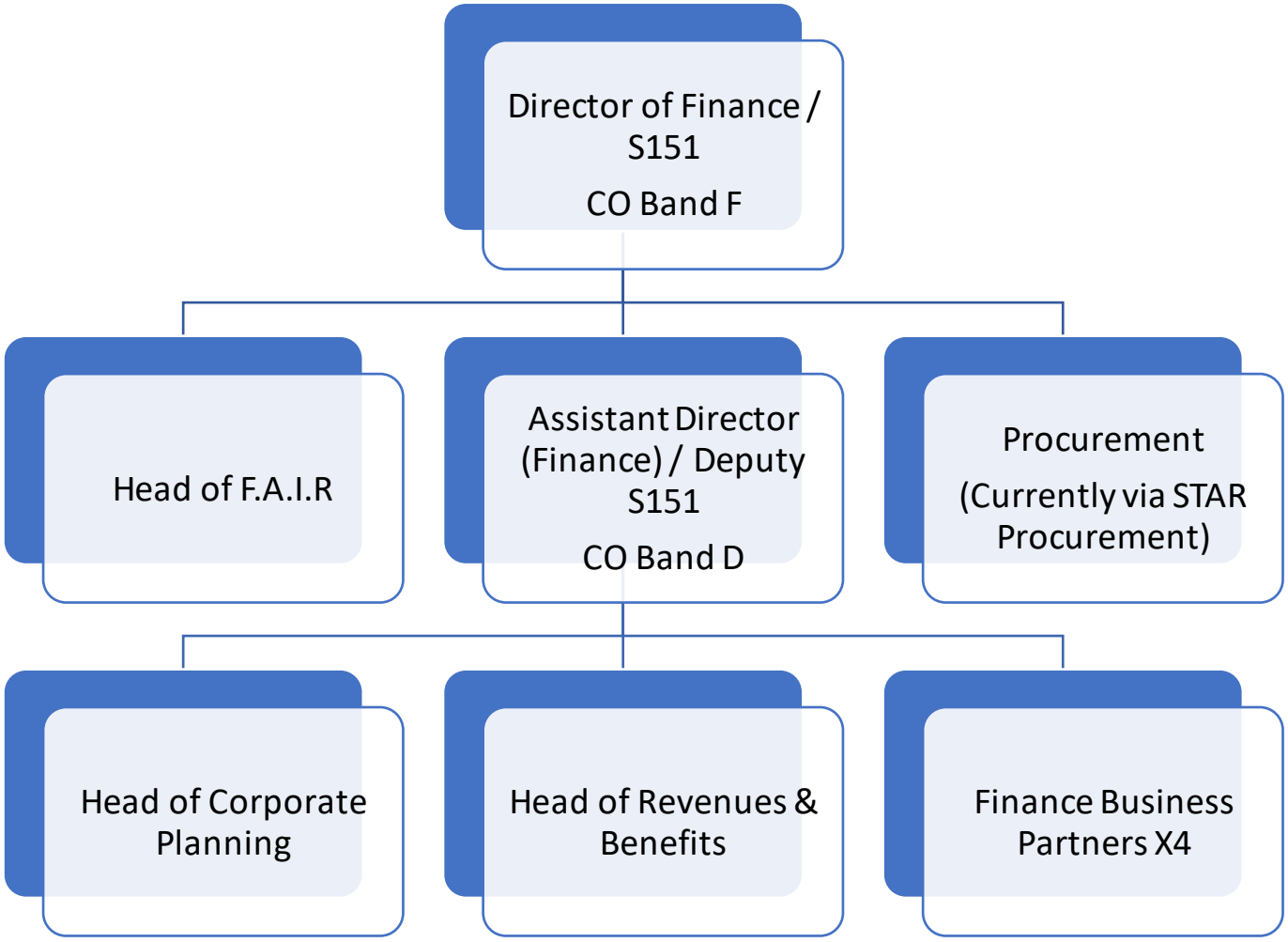
9.0 Background papers:

- Appendix A – Current Structure
- Appendix B – Proposed Structure

Appendix A: Current Structure



Appendix B: Proposed New Structure



Agenda Item 13

Classification: Open	Decision Type: Non-Key

Report to:	Cabinet	**Date:** 14 February 2024
Subject:	Appointments Update	
Report of	Cabinet Member for Corporate Affairs and HR	

Summary

This report sets out amendments to the appointments made at the Annual Meeting of the Council held on 24th May 2023.

Recommendation(s)

That: Cabinet notes the appointments and amendments to appointments made since the Annual Meeting of Council as set out at paragraph 2.

Reasons for recommendation(s)

N/A

Alternative options considered and rejected

N/A

Report Author and Contact Details:

Name: Julie Gallagher
Position: Head of Democratic Services
E-mail: Julie.gallagher@bury.gov.uk

Background

1. At the Annual Meeting of the Council held on 24th May 2023 the Council resolved, in respect of the various appointments made at that meeting, that the Chief Executive, in consultation with the Leaders of the political groups on the Council, be authorised to determine any appointments to bodies which remain to be filled and any changes in appointments or any new appointments to be made during the 2023/2024 Municipal Year and that any such appointments be reported to the Cabinet for information.

2. Since that meeting, the following appointments and amendments to appointments have been made:-

Committees:

- Housing Advisory Board –
  - Cllr Clare Cummins (Chiar)
  - Sean Thorpe
  - Cllr Debra Green
  - Cllr Babar Ibrahim

  - Cllr Russell Bernstein
  - One Radcliffe First Councillor (TBC)

- Standards Committee – Vacancy
- Audit Committee – Vacancy
- Employment Panel - Vacancy
- Health and Safety JCC – Cllr Mike Smith

Links with the Corporate Priorities:

N/A

Equality Impact and Considerations:

N/A

Environmental Impact and Considerations:

N/A

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
N/A	

Legal Implications:

Any changes in appointments subsequent to the Annual Council meeting are authorised to be determined by the Chief Executive in consultation with the Leaders of the political groups on the Council. These are reported to the Cabinet for information.

Financial Implications:

There are no financial implications.

Background papers:

Annual Appointments Report 2023/24

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

Term	Meaning

MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY HELD ON FRIDAY 15TH DECEMBER 2023 AT MANCHESTER TOWN HALL

PRESENT

Mayor of Greater Manchester	Andy Burnham (in the Chair)
Deputy Mayor (Police, Crime & Fire)	Kate Green
Bolton	Councillor Nicholas Peel
Bury	Councillor Eamonn O'Brien
Oldham	Councillor Arooj Shah
Manchester	Councillor Bev Craig
Rochdale	Councillor Neil Emmott
Salford	City Mayor Paul Dennett
Stockport	Councillor Mark Hunter
Trafford	Councillor Tom Ross
Wigan	Councillor Nazia Rehman

ALSO IN ATTENDANCE:

Bolton	Councillor Nadim Muslim
Tameside	Councillor Jacqueline North

OFFICERS IN ATTENDANCE:

Chief Executive Officer, GMCA & TfGM	Eamonn Boylan
GMCA Deputy Chief Executive	Andrew Lightfoot
GMCA Monitoring Officer	Gillian Duckworth
GMCA Treasurer	Steve Wilson
GMCA Director of Governance & Scrutiny	Julie Connor
Bolton	Sue Johnson
Bury	Lynne Ridsdale
Manchester	Joanne Roney
Oldham	Harry Catherall

Rochdale	Steve Rumbelow
Salford	Tom Stannard
Stockport	Caroline Simpson
Tameside	Julian Jackson
Trafford	Sara Todd
Wigan	Alison McKenzie-Folan
Office of the GM Mayor	Kevin Lee
TfGM	Martin Lax
TfGM	Steve Warrener
GMCA	Sylvia Welsh
GMCA	Lee Teasdale

GMCA 223/23 APOLOGIES

That apologies be received from Councillor David Molyneux (Wigan), Councillor Ged Cooney (Tameside) & Sandra Stewart (Tameside).

GMCA 224/23 CHAIRS ANNOUCEMENTS AND URGENT BUSINESS

Andy Burnham, Mayor of Greater Manchester, opened with an item of urgent business concerning the continued poor performance of Avanti West Coast Rail. The latest information available advised that 37 services serving Piccadilly had been cancelled and through the course of the week had been at a reliability level of 52%. In his viewthis was unacceptable at a time of year when many residents were seeking to travel, and it was also, again, inflicting severe damage upon the Greater Manchester economy at a key retail and hospitality moment in the year. He also suggested that in these circumstances, it was not acceptable that people were ‘crammed’ into the standard carriages whilst the first-class carriages remained quiet, and that trains departing Piccadilly and London Euston should be declassified when these reduced services were in place.

The recent good news that the English National Opera had chosen Greater Manchester as its new home as of 2029 was highlighted. Congratulations were expressed to the Culture teams at the GMCA, Manchester City Council and Salford

City Council who had put considerable work into making this a reality. This was a real vote of confidence in the cultural aspirations for the whole city region.

It was advised that a meeting of the Clean Air Administration Committee would be taking place the following week to consider the finalised plans for a non-charging investment led approach to a Clean Air Zone for the city region. It was stated that the approach being proposed would offer a fairer and more democratic approach for residents and would not punish them for not making changes that they could not afford to make. The approach would instead invest further into zero emission buses and taxis, with specific targeted interventions around traffic hotspots.

The Mayor of Greater Manchesteradded that it was also vital that continued lobbying took place with government regarding the closure of the current loophole that allowed Hackney Carriage licence holders, who obtained their licences in areas with looser restrictions on emissions and safety standards outside of Greater Manchester, to currently operate within the region.

The first meeting of the Employer Integration Board had taken place, which was overseeing the reform of technical education linked to the trailblazer devolution deal. It was an important week for this to have happened, as in the same week the House of Lords Education Select Committee had published a report, strongly endorsing the Greater Manchester Baccalaureate.

The Deputy Mayor for Police, Fire & Crime, Kate Green, provided an update on the launch event for the Greater Manchester Violence Reduction Strategy.

It was advised that the government had announced a forthcoming review of rail infrastructure and that this would be led by former GM Local Enterprise Partnership Member Juergen Maier.

The Mayor Mayor of Greater Manchester referenced the latest update on the development of the proposed Liverpool to Manchester rail line upgrades. It was suggested that the path to HS2 alignment favoured by the Liverpool City Region would also be the most appropriate favoured path for Greater Manchester, as any other paths would likely result in at least a ten-year delay. It was made clear that discussions with government would continue to reaffirm Greater Manchester’s position

that it should not contribute financially to a new rail station at Manchester Airport and reaffirm that the development of an underground station at Manchester Piccadilly was required.

RESOLVED /-

1. That the update on continued concerns around the performance of Avanti West Coast Rail be received.

2. That a request be made that all trains leaving, or travelling towards Manchester, fully declassify their 1st class carriages when offering a reduced service.

3. That the GMCA welcomes the vote of confidence shown in the city region's cultural aspirations with the announced relocation of the English National Opera to Greater Manchester from 2029.

4. That it be noted that the Clean Air Administration Committee would be considering the finalised plans for a non-charging investment led approach to a Clean Air Zone for the city region at a meeting on 20 December 2023, and, that with Government agreement, would offer a fairer and more democratic approach for all residents.

5. That a re-emphasis be placed on calls made to Government to ban 'out of area' working currently allowed on taxi licences to end the unfair and currently unmanageable approach to ensuring taxi emission standards were met within the region.

6. That the update on the House of Lords Education Select Committee's Report strongly endorsing the approach being taken to the development of the Greater Manchester Baccalaureate be received.

7. That the update by the Deputy Mayor for Safer and Stronger Communities on the launch of the GM Violence Reduction Strategy be received.

8. That the update on the forthcoming review of rail infrastructure, to be led by Juergen Maier, be received.

9. That the update on discussions around the development of a new northern powerhouse rail connection, that would align the Liverpool City Region's and Greater Manchester's favoured path to HS2 links be received.

10. That it be confirmed that all discussions with Government on rail links will reaffirm Greater Manchester's position that it should not contribute to a new rail station at Manchester Airport and reaffirm the development of an underground station at Manchester Piccadilly was required.

GMCA 225/23 DECLARATIONS OF INTEREST

RESOLVED /-

That there were no declarations of interest made in relation to any item on the agenda.

GMCA 226/23 MINUTES OF THE GMCA MEETING HELD ON 24 NOVEMBER 2023

RESOLVED /-

That the minutes of the GMCA meeting held on 24 November 2023 be approved as a correct record.

GMCA 227/23 MINUTES OF THE GMCA RESOURCES COMMITTEE MEETING HELD ON 24 NOVEMBER 2023

RESOLVED /-

That the minutes of the GMCA Resources Committee meeting held on 24 November 2023 be approved.

GMCA 228/23 MINUTES OF THE GMCA OVERVIEW AND SCRUTINY COMMITTEE MEETINGS HELD ON 22 NOVEMBER 2023

RESOLVED /-

That the minutes of the GMCA Overview & Scrutiny Committee meetings held on 22 November 2023 be noted.

GMCA 229/23 MINUTES OF THE BEE NETWORK COMMITTEE MEEETING HELD ON 23 NOVEMBER 2023

RESOLVED /-

That the minutes of the Bee Network Committee meeting held on 23 November 2023 be noted.

GMCA 230/23 APPOINTMENT TO THE GMCA OVERVIEW & SCRUTINY COMMITTEE

RESOLVED /-

That Councillor Ged Carter (Trafford) be appointed as a substitute member to the GMCA Overview & Scrutiny Committee.

GMCA 231/23 COST OF LIVING AND ECONOMIC RESILIENCE

Councillor Arooj Shah, Portfolio Lead for Equalities & Communities, and Councillor Bev Craig, Portfolio Lead for Portfolio Lead for Economy, Business and Inclusive Growth, introduced the latest update on the cost-of-living pressures being faced by residents and businesses in Greater Manchester, and some of the measures being put in place by the GMCA and partners to respond.

Residents were continuing to feel the pressure of the cost-of-living crisis. The latest surveys indicated that most people still felt worried about the state of their finances.

Three in every ten Greater Manchester residents were now considered to be financially vulnerable and more people than ever were having difficulties managing their debts, with significant increases being seen in loans. Continuing high energy costs would continue to make the impact worse over the winter period.

There was disappointment that the government currently maintained a position which would see the Household Support Fund ceasing in 2024. It was agreed that all ten Greater Manchester authorities, together with the GMCA, would write to the government asking that they extend the period of the Fund for those households in most need.

In terms of continued business impacts, high prices within supply chains and energy costs still caused significant concern. It was encouraging however, that in spite of the challenges being faced, businesses in the region were still signing up to become real living wage employers, and to the Greater Manchester Good Employment Charter.

RESOLVED /-

1. That the renewal of the latest assessment and emerging response and views given on the next steps in that response be noted.

2. That the signing of a letter drafted on behalf of all ten Greater Manchester Local Authorities to Government to extend the existing Household Support Fund offer for those most in need be agreed.

GMCA 232/23 GREATER MANCHESTER LOCAL TRANSPORT PLAN – RENEWING OUR VISION

Andy Burnham, Mayor of Greater Manchester, presented a report highlighting the development of a document, ‘Renewing Our Vision’ which set out how the GMCA was proposing to update its Local Transport Plan vision. This was a high-level document which would be used to engage with stakeholders during the development of the refreshed Local Transport Plan. One of the key elements of this was the ‘right mix’ target, which referred to journeys undertaken around the city region by public transport

or by active travel. There was a proposal to go further than previously, with the target now above 50%.

The importance of the establishment of Local Bee Network Committees was emphasised, this would aid in creating a collaborative approach to investing in the right places and more choices for residents.

Mayor of Greater Manchester, stated that in his position as the Chair of the Rail North Committee, he has made rail station accessibility issues a standing item at the top of every single agenda. Full commitment to lobbying government for devolved funding to allow the region to implement schemes improving disability access at rail stations was also reaffirmed.

Councillor Mark Hunter noted that the report did not contain a commitment to extend the Metrolink network to Stockport, but rather emphasised the maintenance of the current network. It was advised that the Rapid Transport Strategy was due for publication in the new year and that this would set out plans around potential Metrolink extensions. Any comments raised through the forthcoming round table between the Mayor of Greater Manchester and Stockport business leaders would aid in informing the development of the Strategy.

Councillor Nadim Muslim provided feedback on behalf of the Overview and Scrutiny Committee. The Committee emphasised that the right mix would mean different things in different areas and that a ‘one size fits all’ approach to this would not be appropriate, and that it would be important to take on board any lessons learnt from the implementation of recent infrastructural initiatives such as cyclops junctions when planning future infrastructure.

RESOLVED /-

1. That the development of a Greater Manchester’s transport vision as part of a refreshed Local Transport Plan be noted.

2. That the ‘Renewing Our Vision’ stakeholder engagement document be approved.

3. That the comments raised by Councillor Nadim Muslim on behalf of the Greater Manchester Overview & Scrutiny Committee be received and noted.

4. That Greater Manchester reaffirms its commitment to lobbying Government for devolved funding to allow the region to implement schemes improving disability access at rail stations.

5. That it be advised that the Rapid Transport Strategy due for publication in the new year would set out plans around potential Metrolink extensions, and that comments raised through the forthcoming round table with Stockport business leaders would aid in informing the approach.

GMCA 233/23 GMCA STATEMENT OF INTENT FOR DELIVERY OF GMCA ENERGY COMPANY OBLIGATION (ECO4) AND GREAT BRITISH INSULATION SCHEMES

Councillor Tom Ross, Portfolio Lead for Green City Region, provided an update on the progress made in delivering energy efficiency programmes to residents. Seeking approval for the latest GMCA Energy Company Obligation (ECO4) and Great British Insulation Scheme (GBIS) Flex Statement of Intent (SoI) Version 5 (V5) which set the Local Authority Flexible Eligibility criteria for these funding schemes in Greater Manchester.

RESOLVED /-

1. That the progress made to date in delivering ECO4, the Social Housing Decarbonisation Fund, and the Local Energy Advice Demonstrator Project in Greater Manchester be noted.

2. That the centralised management of ECO4 and GBIS Flex by the GMCA for the whole of Greater Manchester be approved.

3. That the GMCA ECO4 and GBIS Flex Statement of Intent V5 (Annex 1) be approved.

4. That authority be delegated to the Chief Executive Officer, GMCA & TfGM, to sign the Statement of Intent on behalf of the GMCA.

5. That the numerous long term significant positive impacts on health and wellbeing, jobs and skills, and carbon reduction, through an increase in home energy efficiency and a reduction in fuel poverty, identified in the Sustainability Assessment, be noted.

GMCA 234/23 UKSPF PROPOSAL FOR LOCAL BUSINESS INTERVENTION E23

Councillor Nazia Rehman presented a report outlining the background and proposal for a £0.5m proposal for experimental business support to directly tackle the inequalities element of E23. The report sought the approval for the strategic fit and deliverability of the proposal.

RESOLVED /-

1. That the proposal for the £0.5m experimental programme of business support to directly tackle inequalities be noted.

2. That it be agreed that the proposal was a strategic fit with the GM UKSPF Investment Plan and was deliverable, as set out in this report.

3. That authority be delegated to the GMCA Treasurer, in consultation with the Portfolio Lead for Economy and Inclusive Growth and Portfolio Lead for Resources and Investment, to agree the procurement method and subsequent award of contract(s) worth up to £0.5m.

GMCA 235/23 GREATER MANCHESTER INVESTMENT FRAMEWORK REQUEST FOR DELEGATION

Councillor Nazia Rehman presented a report seeking approval to delegate authority to the Chief Executive Office, GMCA & TfGM and the GMCA Treasurer, in consultation with the Portfolio Lead for Investment and Resources, to approve projects for funding and agree urgent variations to the terms of funding previously approved by the Combined Authority, for the period 16th December 2023 to 25th January 2024.

RESOLVED /-

1. That authority be delegated to the Chief Executive Officer, GMCA & TfGM and the GMCA Treasurer, in consultation with the Portfolio Lead for Investment and Resources, to approve projects for funding and agree urgent variations to the terms of funding in the period 16th December 2023 to 25th January 2024.

2. That it be noted that any recommendations approved under the delegation will be reported to the next available meeting of the GMCA.

GMCA 236/23 INVESTMENT IN NEW MECHANICAL SORTING INFRASTRUCTURE

Councillor Tom Ross, Portfolio Lead for Green City Region, presented a report that set out proposals for investment in recyclate sorting infrastructure that would meet the requirements of the national Resources and Waste Strategy for consistency of collections (now referred to as Simpler Recycling) and to enable the collection for recycling of additional materials at the kerbside.

RESOLVED /-

That the options appraisal be noted and the recommended approach for the future investment in recyclate sorting infrastructure be approved.

GMCA 237/23 PROVISION OF FUTURE WASTE DISPOSAL SERVICES

Councillor Tom Ross, Portfolio Lead for Green City Region, presented a report that made a number of recommendations for the future provision of waste disposal services from 2026.

Councillor Nadim Muslim was invited to provide feedback following the Overview & Scrutiny Committee's consideration of the item. Points raised included that the Committee recognised that the current contract was performing particularly well in terms of landfill diversion and household recycling rates, and that the Committee commended the social value of the renew hub at Trafford Park.

RESOLVED /-

1. That the contents of the report be noted.

2. That approval be given for the initiation of discussions with the current contractor to extend the WRMS and HWRCMS contracts in accordance with contract clauses.

3. That the comments raised by Councillor Nadim Muslim on behalf of the Greater Manchester Overview & Scrutiny Committee be received and noted.

GMCA 238/23 EXCLUSION OF THE PRESS AND PUBLIC

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

GMCA 239/23 PROVISION OF FUTURE WASTE SERVICES

Clerk's Note: This item was considered in support of the report considered in Part A of the agenda (minute 237/23)

RESOLVED /-

That the report be noted.

GMCA 240/23 LAND ACQUISITION – MANCHESTER

RESOLVED /-

That the recommendations in the report be approved.

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