



Classification	Item No.
Open	

Meeting:	Full Council
Meeting date:	24 February 2021
Title of report:	The Council's Revenue and Capital Budgets 2021/22 and the Medium Term Financial Strategy 2021/22 - 2024/25
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	Non-Key Decision
Ward(s) to which report relates	All

Executive Summary:

- 1.1 This report sets out the 2021/22 budget proposals and the framework for the longer term Medium Term Financial Strategy (MTFS) 2022/23 – 2024/2025. It makes available the latest financial information that will underpin the 2021/22 budget and the MTFS. The report also sets out the basis on which the budget and the calculation of the Council tax requirement will be made.
- 1.2 The information presented in this report is structured over the following areas:
 - The financial context within which the budget and the MTFS will be agreed
 - The summary revenue budget position 2020/21
 - Developing the Medium Term Financial Strategy
 - The options proposed to deliver a balanced budget in 2021/22
 - The robustness of the budget and the adequacy of reserves
 - The residual financial risks and uncertainties
 - The financial framework
- 1.3 In setting the budget, consideration of the Housing Revenue Account and the Schools budget have been taken into account.

Recommendation(s)

That Cabinet:

- Approve the medium-term financial strategy and the assumptions regarding resources and spending requirements;
- Note the Council Tax base at 53,828 on which the Council Tax funding has been calculated as approved by Cabinet on 16 December 2020;
- Approve the net revenue budget of £169.247m for 2021/22 and note that this includes an assumed increase in the council tax of 1.94%;
- Note the further option of a 3% social care levy and that this is not reflected the strategy;
- Approves the Council Tax Requirement and related calculations as set out in Appendix 8;
- Approve the permanent spending allocations of £25.211m in 2021/22;
- Note the budget gap of £20.388m in 2021/22;
- Approve the budget reductions of £21.898m over the 4 years of which £8.056m applies to the 2021/22 financial year;
- Approve the use of reserves of £12.332m in 2021/22 and note the planned use of reserves of £14.355m in 2022/23;
- Note the forecast position on reserves;
- Note the Directorate cash limits;
- Note the significant financial risks for funding, income and demand pressures in future years and for the impact of Covid to impact on the strategy;
- Approve the Dedicated Schools Grant Budget for 2021/22 at £190.923m and approve the allocations between the 4 funding blocks;
- Approve the Schools and Academies 2021/22 funding unit values as recommended by Schools' Forum and detailed at Appendix 6;
- Approve the 2021/22 hourly rates for all early years providers as follows:
 - £4.44 per hour for 3 and 4 year olds, and;
 - £5.36 per hour for 2 year olds.
- Approve the capital strategy 2021/22 – 2023/24;
- Approve the capital programme of £73.957m for 2021/22 and the associated funding arrangements;
- Note the indicative capital programme for 2022/23 and 2023/24 and that this will be subject to decision making in future years.

Key considerations

Background

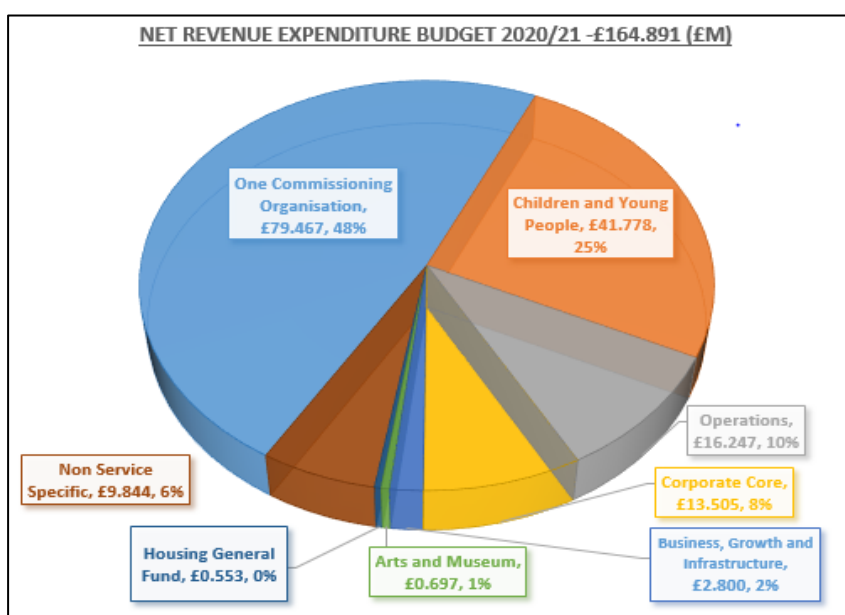
2 FINANCIAL CONTEXT AND BACKGROUND

- 2.1 This year the context in which financial planning is being undertaken is perhaps the most complex and difficult of recent times. When the Council's 2020/21 budget was set uncertainties around Government policy and funding through the Comprehensive Spending Review, Local Government Finance Settlement, the Fairer Funding Review, the Business Rates Retention Review and potentially other major reforms including Social Care funding existed. Whilst a challenging situation, the emergence and impact of the Covid-19 pandemic brings even greater uncertainty and financial risk for some time to come.

- 2.2 The economic reality is fast changing and challenging and the extent of how long the effects of the pandemic will continue cannot be predicted with any great certainty. It is however inevitable that it will bring additional pressures in demand for the services provided by the Council and our partners. The significant financial impact of Covid-19 cannot be understated and as the economic impact of Waves 1 and 2 are still unfolding the potential for an even greater impact beyond is one which the Council needs to consider and plan for. In response to this, the Council has developed a plan for living with Covid-19 as part of a two year corporate plan. This corporate plan aligns to the first two years of the proposed budget strategy.
- 2.3 Over recent months the Council has been reviewing and reporting on its financial position and in November 2020 Cabinet received a financial planning document and financial framework within which its 2021/22 budget was to be developed and which would form the basis of the budget for future years. In providing a framework, it was recognised that there were still some significant uncertainties, particularly with the funding assumptions for future years which remain unknown largely due to the fact that Local Authorities continue to work with one year only settlements. Since then the Local Government Finance Settlement has been announced. Some of the granularity on the settlement is still emerging and the strategy is being updated as new information emerges. The detail set out in the report is based on the most up to date position but may change before the final budget is presented to Full Council on 24 February.
- 2.4 In October 2020, the Council launched a public consultation on the Bury 2030 strategy and it is essential that budget planning aligns to the vision and priorities set out in the strategy. The final Bury 2030 strategy proposes an ambitious reform agenda to improve outcomes for people in Bury through the following principles:
- A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes
 - Harnessing the enterprise of local people and businesses to drive economic growth, and ensuring every resident has the opportunity to connect to the opportunity of this growth through their skills, networks and scope for meaningful work
 - A new collaborative approach to delivering together with communities, to share ownership of issues and opportunity and combine all resources
 - A strengths-based approach to public service delivery, to build on the resources people have to solve issues and target resources on the gaps rather than taking a deficit-based view
- 2.5 Underpinning the strategy is a commitment to internal transformation, the objectives for which include:
- the need to drive internal improvements across core key functions within the partnership such as organisation strategy; programme delivery and IT/Digital infrastructure;
 - a requirement to develop the internal capabilities to deliver vision of Bury 2030 outcomes;
 - public service reform to support more integrated working practice and enhanced partnership working in order to reduce demand.
- 2.6 It is within this context and underpinned by the Council's capital strategy that the Council's approach to setting the 2020/21 budget has been developed. Over recent months Cabinet and the Executive Team have been involved in detailed discussions

on how the Council's budget may be reshaped and transformed to deliver the services and outcomes that are needed but within a reduced funding envelope. The outcome of this work forms the basis for the rest of the report. The One Commission Organisation and Pooled Budget with Bury CCG has been central to the work on budget options and to our single response to Covid-19. The largest proportion of savings proposed so far in the budget process are with the Health and Social Care partnership as set out in section 5 of this report.

- 2.7 The Council's 2020/21 budget was set to remove ongoing reliance on short term and one-off reserves funding, 'rebalance' budgets to where the funding was needed, remove historic savings targets that were unachievable and these were replaced with savings options that had been robustly challenged and were considered achievable at that time. At the same time the Council's reserves were starting to be replenished and funding to support the wider transformation of the Council was available. The 2020/21 financial year, whilst challenging, was considered to be deliverable and has been significantly affected by Covid and this is likely to impact for some time to come.
- 2.8 In understanding the budget proposals it is useful to understand the financial envelope within which the Council operates. The net controllable budget for the Council (excluding schools) is £164.891m and the allocation of the budget across the services is set out below:



- 2.9 Since 2010 the Government has reduced the funding for Local Government as part of its efforts to reduce the fiscal deficit and as part of austerity measures. This has resulted in the need for significant savings over recent years.
- 2.10 Alongside reductions in funding, Local Authorities have had to deal with growth in demand for key services, most notably adults and children's social care and this demand is expected to continue. Other pressures have also been faced including higher national insurance contributions, inflationary pressures on goods and services, the apprentice levy and the National Living Wage. The Council also has priorities that require capital investment and the revenue requirements to fund these are included in the strategy.

- 2.11 The cost to the Council of the Covid-19 pandemic and the expected ongoing financial pressures have also added to the savings requirement for 2021/22 and beyond. The Government has provided one-off funding throughout 2020/21 to help Local Authorities manage in in-year position and impact of Covid. This funding has largely covered the cost in year but is however one-off and the longer-term impacts of Covid currently need to be managed within the financial strategy.

Local Government Finance Settlement

- 2.12 The Council continues to work with a one year only Local Government Finance Settlement. The anticipated 3-year funding settlement for Local Authorities and the outcome of the Fair Funding Review and Business Rates Retention Scheme have been delayed further as a result of the Covid pandemic. The pandemic itself has also placed significant pressure on the Council's financial position both now and in future financial years and the uncertainty that all of this presents and continues to present is a key risk in the strategy overall.
- 2.13 Such significant uncertainty must be considered in deciding the Council Tax increase position as part of the budget setting process. Within this context, the council needs to achieve a balance of ambition, prudence and resilience in setting its medium term financial strategy.
- 2.14 The 2020/21 Local Government Finance Settlement was announced on 17 December 2020. The settlement confirmed the following national amounts:
- proposals for Council Tax referendum limits for 2020/21 and the option to extend the Adults Social Care levy;
 - The continuation of the existing £2.5bn of existing Social Care grants into 2020/21 including the Improved Better Care Funding, Winter Pressures Grant and Social Care Support Grant;
 - Additional funding of £300m for social care;
 - £670m for a Local Council Tax Support grant to fund authorities for the expected increase in local council tax support in 2021/22;
 - £1.55bn Covid funding to fund expenditure and income losses to the middle of 2021/22;
 - £750m for rough sleepers of which £165m relates to the Troubled Families programme;
 - £4bn levelling up fund focusing on town centre regeneration and culture. This is capital monies for which Local Authorities can bid for in the future.
 - £622m allocations of the New Homes Bonus;
 - £11m Lower Tier Services Grant Allocation;
 - Confirmation of the Dedicated Schools Grant in line with the previously announced 3 year settlement;
- 2.15 The Government has also stated that it will seek to find a new consensus for broader reforms for local government including the Fair Funding Review and the Business Rates Retention Scheme when the post-COVID future is clearer. The Government has also announced a commitment in the Health and Care Bill announced in February 2021 for adult social care reform later this year. For planning purposes, no changes in have been assumed.

- 2.16 The settlement is largely a 'roll over' settlement with some inflationary increases and specific increases for social care and one-off monies to reflect additional costs of the Covid-19 pandemic. The settlement has been highlighted by the government as providing a 4.5% increase to local authorities. The largest proportion of the Spending Power increase is however from locally raised council tax which is the subject to local decision making.
- 2.17 The Council must ensure it has a robust financial base and also holds sufficient reserves to mitigate against planned or unplanned expenditure and other risks. Reserves can only be spent once and therefore a strategy that does not rely on the one-off use of reserves to support was a key feature on which the 2020/21 budget was based. The impact of the pandemic has however meant that reserves are needed to support some of the anticipated short term financial impacts on the council. This is in line with the Council's strategy.
- 2.18 Table 1 sets out the base revenue forecasts through to 2024/25. By 2024/25 the council is estimated to have £176.360m revenue resource. These figures assume a 2% council tax increase in each year. An increase for the social care levy is not assumed in the figures however would generate a further £2.2m in 2021/22 if the full 3% increase was applied. The setting of the council tax precept is one for full council after taking advice from officers and information available at that time.
- 2.19 The assumptions underpinning the figures in Table 1 below are:
- 2% annual increase in council tax for each financial year
 - No impact of the anticipated Fair Funding and Business Rates Retention Schemes;
 - The Better Care Fund, the main element of the Improved Better Care Fund and other longstanding government grants continue to be received at their current levels over the medium term.
 - The new Social Care Grant is assumed as one-year only grant for 2021/22.

Table 1

Revenue Resource Forecasts 2021/22 – 2024/25				
	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Council Tax	87.992	91.975	96.094	99.501
Business Rates	59.204	60.551	62.073	63.649
Better Care Grant and core i-BCF	7.405	7.405	7.405	7.405
Lower Tier Grant	0.252	0.000	0.000	0.000
Social Care Grants	4.770	4.770	4.770	4.770
New Homes Bonus	0.253	0.035	0.000	0.000
Covid-19 Grant	5.330	0.000	0.000	0.000
Local Council tax Support Grant	2.080	0.000	0.000	0.000
New Social Care Grant	0.926	0.000	0.000	0.000
Other Government Grants	1.035	1.035	1.035	1.035
TOTAL	169.247	165.771	171.377	176.360

Council Tax and Business Rates

- 2.20 Incorporated in the resource forecasts is an assumption that the council tax increases available to the council as part of the Local Government Finance Settlement are taken. Not only does this approach ensure the council's financial sustainability over the medium term, it is also assumed in the Government's estimates of the funding available to local authorities. At this stage the Adults Social Care levy is not included although there is an assumption from government that it will be taken by Local Authorities.
- 2.21 Collection rates for both Council Tax and Business Rates have been significantly impacted during 2020/21 and assumptions have been made for future years. The collection fund is forecasting a deficit position as a result of Covid and new accounting arrangements have been approved that enables Council's to spread the impact on the 2020/21 deficit over 3 financial years. The spread of the deficit is included in the funding assumptions. The calculation of the Council Tax base 2020/21 is set out in Appendix 1.
- 2.22 Assumptions for future years have been made on the latest available information and reflect lower collection rates than have been assumed in previous years. There is a risk that the actual collection rates may be lower still than that assumed – the ending of the government's furlough arrangements and the ability of our businesses to recover economically are likely to be significant factors in collection rates. The full impact is only likely to emerge during the year and the position will be closely monitored.
- 2.23 With many local authorities forecasting substantial reduction in rates revenue for 2021/22 and higher thresholds in calculating when Government would support any losses, the 12 members of the Greater Manchester and Cheshire Pool have agreed to dissolve the current business rates pool from 2021/22. Whilst this means that Bury will now be considered as an individual authority for the purposes of the business rates retention scheme, Bury will still remain part of the Greater Manchester 100% retention scheme.
- 2.24 The provisional Local Government Finance Settlement set out the maximum level of council tax that can be raised in 2020/21. SR2020 committed the Government to allowing a 2% increase in the core council tax and an extension to the ability to raise a further 3% adult social care levy.

Adult Social Care Levy

- 2.25 In addition to taking the maximum increase in council tax income, the council has a further option of extending the adult social care levy for a further year. No assumptions on the adults social care levy have been assumed in the financial information set out in the report. The 3% adults social care levy would generate an additional £2.2m of funding in 2021/22 and this would also be available in future years as recurring income.

3 FORECAST OUTTURN POSITION 2020/21

- 3.1 It is important that the current year's position is taken into consideration and that any trends and information available are reflected on. Monitoring at the end of the third quarter, December 2020, shows that the council is forecasting a small underspend of

£0.053m which is broadly a break-even position. Whilst overall this is a positive position there are a number of significant risks within the budget that are currently being offset by short term government grant funding which is not guaranteed beyond the current financial year. This remains a significant risk for future years. Table 2 below provides a summary of the forecast position based on information available at the end of December 2020.

Table 2

2020/21 Forecast Revenue Out Turn Position – as at 31 December 2020			
Directorate	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
One Commissioning Organisation	79.498	79.385	(0.113)
Children and Young People	41.778	43.255	1.477
Operations	16.247	24.059	7.812
Corporate Core	13.473	13.680	0.207
Business, Growth and Infrastructure	3.397	3.777	0.380
Arts and Museum	0.697	0.719	0.022
Housing General Fund	0.553	1.116	0.563
Non Service Specific	9.247	(1.153)	(10.400)
TOTAL	164.891	164.838	(0.053)

- 3.2 The budget remains under regular review by the Chief Executive and the Executive Team and is reported on a quarterly basis to Cabinet. The potential for the position to change as a result of the Covid pandemic remains a risk and will continue to be managed and monitored carefully for the remainder of the year. A separate report on the Council's financial position at the end of December 2020 is set out as a separate report to the Committee. The main variances in Table 2 reflect loss of income in the Operations Directorate and additional grant income received from the government which is shown in the Non-Service specific line.

4 DEVELOPING THE MEDIUM TERM FINANCIAL STRATEGY AND THE 2020/21 BUDGET

- 4.1 The spending needs of the council have been developed alongside the resource forecasting. In developing spending need, consideration has been given to ensuring the budget:
- delivers investment in projects and programmes that will support the ambitions and objectives set out in the Bury 2030 plan;
 - reflects the response and recovery to the Covid pandemic;
 - delivers the long-term financial sustainability of services and the council as a whole;
 - ensures financial resilience in the medium term;
 - continues to drive forward the implementation of the council's change agenda to ensure core services, infrastructure and resources can be used flexibly and effectively to meet future challenges and deliver for residents, businesses and communities.

Permanent Spending Need

- 4.2 The additional permanent allocations proposed total £45.119m over the 4 year period and are set out in Appendix 2 to the report and are summarised in Table 3. It is important to note that the allocations for 2022/23 onwards are only indicative and will be updated and refreshed at regular intervals. The key areas are:

Decisions made in-year and full year effect (£2.115m in 2021/22)

- 4.3 During the year, some decisions have been made that have a permanent impact on the Council's budget. This includes a decision made earlier in the year to provide a loan to Manchester Airport Group which is a key strategic investment for the Council. Additionally, some decisions were made in the 2020/21 budget that have a full year effect in 2021/22 including the funding of the approved capital programme and increase in corporate capacity.

Pay Inflation (£0.250m in 2020/21)

- 4.4 A pay freeze has been assumed in 2021/22 and this is based on government announcements and its intention to freeze public sector pay. A 'catch up' element to reflect the higher than budgeted for pay award from April 2020 has however been factored in. The pay bill is driven by the national pay agreement and is therefore outside of the control of the council. Should a pay award be announced, the cost of this will have to be managed within service budgets in 2021/2. Pay awards of 2% per annum have been assumed for all later years of the strategy.

Contractual Inflation (£4.125m in 2020/21)

- 4.5 The council has a range of contracts to which there is a contractual commitment to increase by an inflationary amount each year. This has been built into the budget and includes the increases in the national living wage that needs to be reflected in payments to care providers.

Demand (£4.361m in 2020/21)

- 4.6 The council is experiencing increases in demand for some services as a result of demographic change. The main areas are:
- Adult social care including the number of people accessing services as well as an increase in the complexity of need;
 - Placements for the support for children who are looked after, at risk and children with disabilities;
 - Costs of children transitioning to adults services;
 - realignment of costs previously funded from the Dedicated Schools Grant.

Fall Out of Time Limited Funding (£0.723m)

- 4.7 Some adult social care services have been funded from time limited resources over the past few years included health transformation funding. As there remains a strong alignment with the council's key objectives and outcomes it is proposed that the funding for these services is put on a sustainable basis going forward.

Unachieved Savings (£1.110m)

- 4.8 The recent monitoring is showing that a significant number of savings agreed in previous financial years are not considered to be deliverable. It is not considered prudent or sustainable for services to carry forward savings targets that realistically cannot be achieved and it is proposed that these be added back into the budget.

Some of the unachieved savings in 2020/21 directly relate to Covid however those relating to the Corporate Landlord model and the Architects Service are considered to be undeliverable in the long term. There may be an opportunity for some costs to be reduced over time as part of the transformation programme.

Budget Realignment (£2.295m)

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

Borrowing to Support the Capital Programme (£2m over 2021/22 and 2022/23)

- 4.10 The council's capital strategy and draft capital programme has been developed. Delivering the capital programme will require investment that can only be supported through borrowing. A total of £2m has been built into the financial strategy to support the borrowing costs needed to deliver the priority projects identified including the Radcliffe Regeneration Framework and the Council's regeneration ambitions. This approach is considered prudent and ensures that the council has a sustainable basis on which its capital programme is built.

Income Losses (£9.233m in 2021/22)

- 4.11 The Covid pandemic has impacted significantly on the Council's income assumptions. This includes the dividend and loan repayment interest that the Council receives from its investment in Manchester Airport Group and also income from car parking and leisure services. For planning purposes, it is assumed that all income losses will be short term and will be recovered by the 2023/24 financial year. This is a planning assumption and will be kept under review.

Summary Spending Position

- 4.12 Bringing all of these elements together indicates that the council has a spending need of £190.102m in 2020/21 increasing to £210.010m in 2024/25. A breakdown of this is shown in the Table 3.

Table 3

Summary Forecast Spending Requirement 2021/22 – 2024/25				
	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
<i>Budget/Spending Requirement Brought Forward</i>	164.891	190.102	199.865	200.484
Decisions Made in Year and full year effect	2.115	0.000	0.000	0.000
Pay Inflation	0.250	1.865	1.870	1.904
Contractual Inflation	4.125	5.771	5.988	6.254
Demand	4.361	1.534	1.448	1.362
Fall-Out of Time Limited Funding	0.723	0.132	0.007	0.007
Unachieved Savings	1.110	0.000	0.000	0.000
Budget Re-alignment	2.295	0.000	0.000	0.000
Borrowing to Support Capital Programme	1.000	1.000	0.000	0.000
Income Losses	9.233	(0.539)	(8.694)	0.000
Sub Total	25.211	9.763	0.619	9.526

TOTAL FORECAST ONGOING SPENDING REQUIREMENT	190.102	199.865	200.484	210.010
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5 PROPOSALS FOR BALANCING THE BUDGET

- 5.1 Comparing the forecast resources to the forecast spending needs shows that there is a funding gap that needs to be addressed. The gap in 2021/22 is £20.388m and is significantly higher than previously anticipated due to Covid. Some of the gap is resulting from increased demand that will have a long-term impact and some of it relates to a short-term income loss. To avoid unnecessary long term budget reductions, a balanced approach using a combination of budget reductions and the use of one-off reserves is proposed.
- 5.2 Savings options totalling £8.056m for 2021/22 increasing to £21.298m by 2024/25 have been developed and full details are set out in the Appendix 3 and 4 to the report. All of the options have been subject to a corporate assurance process to ensure they are deliverable. Cabinet are recommended to approve these options. In addition to the budget option, planned use of reserves of £12.332m is proposed in 2021/22.
- 5.3 In the longer term a further planned use of reserves totalling £14.355m is proposed with an ongoing savings requirement of £10.950m remaining in the last 2 financial years. The position will change over time as the MTFS is updated to reflect changes in demand, legislation and funding frameworks and will be reported to Cabinet at regular intervals. A summary of the financial gap is set out in Table 4 below.

Table 4

Forecast Financial Gap 2021/22 - 2024-25				
	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Forecast Spending Requirement	190.102	199.865	200.484	210.010
Savings from prior years	(0.467)	(0.802)	(0.802)	(0.802)
Savings from 20/21 process in future years	0.000	(8.056)	(18.937)	(21.398)
Forecast Resources	(169.247)	(165.771)	(171.377)	(176.359)
FUNDING SHORTFALL/(SURPLUS)	20.388	25.236	9.368	11.450
Efficiency Proposals	(4.053)	(3.711)	(0.500)	(0.500)
Service Reduction Proposals	(4.003)	(7.170)	(1.961)	0.000
Planned Use of Reserves	(12.332)	(14.355)	0.000	0.000
Sub Total	(20.388)	(25.236)	(2.461)	(0.500)
CUMULATIVE SHORTFALL/(SURPLUS)	0.000	0.000	6.907	10.950
IN YEAR SHORTFALL/(SURPLUS)			6.907	4.043

Efficiency Proposals

- 5.4 Appendix 3 sets out the detail on efficiency options totalling £4.053m in 2021/22 which increase to £8.764m in 2024/25. These options are deemed to have no impact on service delivery and the majority of which reflect budget reductions to reflect actual expenditure. Others include a review of contracts with external providers and

additional income growth as a result of the Council's investment in the economic regeneration and housing agenda. A removal of staffing budgets to reflect staffing in the Children and Young People's Directorate is also included. Efficiency savings will be challenged and reviewed throughout the lifetime of the strategy.

Transformation

- 5.5 When the Council's budget for 2020/21 was set in February 2020, the need for transformation was central to the strategy going forward and, in recognition of this, a one-off fund of £5.8m was created to support transformation with the expectation that long term, recurring savings would be delivered. In managing the gap, it is proposed that a total of £5m ongoing savings be delivered through transformation in the first two financial years and the fund will be used to provide capacity to drive the agenda forward and make long term change.
- 5.6 Transformation projects will be pursued that improve service outcomes and can deliver efficiency savings as well. Initial areas of focus are set out in Table 5 below:

Table 5

Transformation Workstream	Proposed savings option
Leadership	Agile Working model – improvement in staff productivity and reduction in Council owned and occupied buildings and operating costs. This will also create carbon reductions.
Process	A council Customer service strategy - channel shift opportunity to extend the Council's reach to communities and secure economies of scale by streamlining all customer contact into a coherent corporate function
	A joint business support review to establish a modern and cost-effective service which reduces cost through: <ul style="list-style-type: none"> • Simplified and standardised support process, enabled by MS Teams collaborative tools • An expectation of user self-service through digital capabilities via i-Trent and MS Teams and corporate behaviours such as open diaries • An agile working model which removes the need to arrange and manage meeting rooms • Paperless meetings without the need for printing, postage and filing
Workforce	Management efficiencies within the Council through consistent and efficient spans of management control and organisational hierarchy

- 5.7 The options above are expected to make a significant contribution to the £5m target but more options are likely to be required to balance the budget over the next two years. Work is underway to engage a partner to lead a piece of "Design and Discovery" analysis, as follows:
- Assess the Council's costs, resources and delivery arrangements against sector best practice generally and public service reform in particular. Deliverables from the initial discovery phase during this financial year will be required as follows:

- A future operating model proposed based on strength based, community first principles.
 - Cost and use of resources analysis using benchmarks from across local government and other appropriate comparators.
 - Financial modelling using a range of techniques to reassess current allocation.
 - Proposal of a series of further potential budget options to reduce costs and maintain / improve outcomes.
- 5.8 As part of the Council's relationship with Microsoft a piece of digital design and discovery analysis is also underway, without additional cost, to assess systems requirements and opportunity across the strands of:
- The Bury 2030 Strategy and Corporate Plan.
 - Customer services related to the specific budget option proposed.
 - Data expectations and potential.
- 5.9 The output of this analysis will be advice on the digital journey including an indication of timescale and business-case based investment requirements.
- 5.10 In developing the transformation plan, it is essential that the rigour and the governance is in place to ensure that the plan remains on track and that overall cost of the business is reduced. To enable this to happen, a Delivery Unit was established in the September 2020 Cabinet report, comprised of a small team of programme and project managers which operate within the Corporate Core but work organisation-wide to establish and deliver all budget options and corporate transformation activity as a single programme of work. This Unit will create:
- an overarching programme plan for all transformation activity including all corporate budget savings options;
 - a consistent delivery methodology;
 - regular update reports to Members;
 - corporate "check and challenge" of proposed options to ensure a consistent approach to such issues as stakeholder consultation;
 - risk management and the use of resources to ensure, for example, that savings in one part of the organisation do not create costs in another.
- 5.11 The Delivery Unit will be directed by the Corporate Core Leadership team, specifically the Deputy Chief Executive (Corporate Core); the Executive Director Financial Transformation and the Chief Information Officer, supported by wider members of the Corporate Core Management Team. The Transformation Strategy will be included within the Leader's portfolio and regular updates provided to Cabinet.

Budget Reductions

- 5.12 A set of budget reductions are set out in Appendix 4 and are summarised as follows:

Transformation and Innovative Commissioning

- 5.13 The Council seeks to commission services for adults and children in a way that secures the transformation and innovation in the way those services are delivered. The Council will work with providers to engage differently with people – recognising and building on people's strengths, connecting people to communities and ensuring all care is outcome focused. The Council's vision for Learning Disabilities (LD)

services in Bury is an all-age service, which would remove the need for transitions providing one smooth pathway for customers. It is recognised that current practice to support people through the transitions process could be better therefore we are focussing on transitions planning, in particular those young people transitioning to adult's services in the coming 24 months. We will work jointly with Persona to reshape the existing provision, transforming services and developing new ways of working to realise efficiencies, and in some cases, this may mean the reduction or closure of services.

- 5.14 The Council will focus on those transitioning from Children and Young Peoples services at an earlier age, ideally 13/14 years, this will enable more appropriate support of the individual and their family to be put in place. This will better manage expectations of the transitions process and potential reduction in support packages preventing less upset and chaos for those involved.
- 5.15 The Council will need to prevent out of borough placements where possible, therefore we will work collaboratively with partners to improve our local offer i.e. education, housing, respite thus allowing individuals to remain part of their community and improve equity for all Bury customers. Achieving this will realise savings in reduction in care package values relevant to aspired outcomes that are more suitable, encourage independence, choice and control for our young adults.

Adult Social Care Personalisation and Transformation

- 5.16 The Council will be moving from our traditional approach of social care assessment and support planning to a more personised approach, recognising the strength of our residents and ensuring community, family and carer support options are fully explored before providing additional support. The support provided will focus on how we enable the person to achieve their outcomes rather than providing or doing it for or to them. There is extensive research to show working this way delivers outcomes for people and reduces demand and a transformation programme is being developed.

Development of Assistive Technology

- 5.17 Assistive Technologies is a range of equipment designed to prompt and assist people with everyday activities which have become difficult. They support people to stay safe and independent in their own home for as long as possible. Often called personalised technology because it is not about the technology, but the people and how providers can enhance lives. Solutions include anything from telecare equipment and environmental controls, to mobile technology and communication aids. The gadgets and equipment selected will meet someone's daily needs, whether at home, out and about in the community or at work.
- 5.18 A review of other local authorities has highlighted opportunities that not only deliver better outcomes for people and services but also significant savings. The initial findings suggest the amount of savings is dependent on a number of factors, willingness to invest to save, dedicated leadership/ team, innovation to continually develop, buy in from health and social care staff and an appetite to mainstream Assistive Tech across Social Care.

Improved Housing Options for people with disabilities

- 5.19 The links between housing and social have never been more important and these are set out in the draft Housing Strategy approved by Cabinet for consultation on 14 October 2020. It is our intention to better utilise properties available, ensure they are of good quality, value for money, fit for purpose for the intended client groups and used in the best way possible. To achieve this involves improving existing stock and exploring new ways to develop local specialist housing options.

To enable us to achieve this the Council needs to;

- Increase our shared lives scheme to deal with increased demand for the service that will come from a range of customers including reducing those in supported living.
- Develop the aspirational 'own front door' concept of a number of individual self-contained units as currently many people live in accommodation with shared facilities i.e. kitchens, bathrooms. With onsite support available 24/7, the costs of sharing support arrangement will realise savings and provide better quality of life for customers.
- Reconfigure and/or realign current specialist housing stock to reduce increasing voids costs to the council and providers. Develop connections between housing and social care system to provide improved accommodation options in borough.
- Reduce number of high cost out of borough placements through increasing adequate local accommodation opportunities.
- Decommission empty properties/spaces that have financial implications and work with providers to better use their available stock to prevent (where possible) market destabilisation.

Effective and Efficient Commissioning of Adult Care Services

- 5.20 A number of areas have been prioritised to strengthening our approach to the effective commissioning of adult care services: -
- Working with Bury CCG to review and refine the operation of the Continuing Health care arrangements,
 - More effective and efficient payment of Care at Home,
 - Continuation of the work in respect of effective market management of care services in borough ensuring the right mix of services available to reflect future demand and transformed services
 - More effective management of personal budgets
- 5.21 The proposals in adult social care are in line with the transformation programmes articulated in the Locality plan for Health and Care 2019-2024 which highlighted the potential of a health and care system wide gap in funding and the scale of the transformation required by the health and care system as a whole. The implementation of the proposals will be managed as part of the health and care recovery and transformation programme and specifically the community programme of work.

Packages of Care Reviews

- 5.22 Extensive research shows there are better outcomes for people when done 'with' the person rather than 'to' or 'for' the person. Alongside the transformation Bury is leading a programme of workforce development that will bring about:
- Strength and asset based approach
 - Personalised conversations
 - New quality assurance framework
 - Providing social care with the tools and information to work differently
- 5.23 This workforce development will ultimately lead to behavioural change of the social care workforce that overtime will reduce the reliance on traditional care.
- 5.24 Service delivery will continue with a different vision and new ways of working, considering alternative options for people, in most cases better options. This may result in some packages of care being reduced following a review process. In these instances best interest outcomes will be considered whilst ensuring statutory requirements are met. This work is not about irrationally removing support packages but rather developing alternative options that may not have been available at the point of assessment due to new ways of transformational working.

Operations

Civic Venues

- 5.25 The Council operates a number of civic venues some of which operate at a loss and are also in need of significant investment in future years. It is proposed that the civic venues do not reopen and in doing so, this will generate an ongoing saving as well as avoid the cost of future capital investment. Future opportunities for the venues will be considered as part of regeneration plans.

Waste Review and Vehicle Rationalisation

- 5.26 This will involve continuation of the vehicle rationalisation programme, optimising waste collection rounds and street cleansing litter rounds as well as looking at opportunities to increase household waste recycling rates beyond 60% through:
- A comprehensive, sustained communications campaign which would require recruitment of additional staff and ongoing engagement with residents.
 - Potential to enforce recycling, involving residents who do not put 'the right stuff in the right bin'.
 - Collection of a wider range of recyclables e.g. plastic pots, tubs and trays; textiles; batteries; small Waste Electrical and Electronic Equipment.
 - Promotion of home composting, with an offer of subsidised compost bins to residents.

Dimming of Street Lights

- 5.27 A street lighting column replacement programme is already underway in Bury. As a result of this programme, approximately 3,500 street lighting columns across Bury will be equipped with energy efficient LED lanterns which are able to be dimmed.
- 5.28 It is proposed to dim these lanterns between 00:00hrs and 06:00hrs, which will realise a reduction in carbon output and energy consumption in the region of 80

tonnes and £40,000 per annum respectively, therefore supporting a lower carbon economy, greater resilience to climate change and cleaner growth.

- 5.29 The proposed dimmed lighting levels will remain in line with the current British Standard Specification whilst providing adequate levels of lighting on the highway. It is important to note that the public will notice very little change in lighting quality from streetlights being dimmed. A number of pilots have already taken place across Bury, with no negative feedback being received.
- 5.30 If implemented, the changes will enable the Council to reduce light pollution, and its negative effects on residents' sleep patterns, certain nocturnal animals, plant species and people's enjoyment of the night sky.

Children and Young People

- 5.31 Wider transformation of the children and young people's service is envisaged and to support this a further diagnostic piece of work which will commence towards the end of the year to consider what opportunities may be available in the future. This piece of work will focus on a whole system analysis to ensure that practice in family support and prevention is robust in all areas of service delivery and is front loaded to ensure that the best evidence-based interventions are available at the earliest opportunity without unnecessary reference to referral and thresholds. Avoiding escalation to costly care options, particularly out of borough placements, is the most effective way to reduce spending. The analysis will provide modelling and close monitoring of the relationship between early help in the form of locality, and settings-based family work in close alignment with all locality-based delivery partners and reduction in the need for statutory intervention. This is in line with the neighbourhood model of the public service integration proposed in the Bury 2030 strategy. The analysis will provide for a challenging comprehensive narrative to be developed and shared, which will raise expectations for families from their Council, their schools and their health services, particularly in respect of inclusivity, co-production and family self-efficacy. This requires a whole system focus on some agreed principles and ways of working, including focusing money where it has most impact, ensuring most work with families is undertaken in community settings, empowering communities to act to prevent escalation to statutory services and reducing dependency on costly and sometimes ineffective provision. It requires helping people to receive and exit statutory services when needed as rapidly as possible.
- 5.32 The Council has made a good start on this journey with its commitment to Early Help and locality-based working and has made some progress in reducing the number of school placements in out of borough Independent Non Maintained Sector. Additionally, the Council is engaging with the Department of Education who are working with local authorities with significant deficit balances on their Dedicated Schools Grant. The opportunity to consider the relationship between funding and expenditure will be explored at the time. In the meantime, the Council continues to manage its relationship with increasingly autonomous schools, maintaining a focus on its statutory and strategic role in promoting high quality education, skills and training and ensuring that the needs of the most vulnerable children and those with additional needs are met.
- 5.33 The Children & Young People Directorate will work on joint strategies such as the All-Age Learning Disabilities Strategy referenced below, making sure that opportunities to work as a whole system are maximised.

Fees and Charges

- 5.34 The budget assumes an inflationary increase in the Council's fees and charges.

Cash Limits

- 5.35 Proposed cash limits for each Directorate are set out at Appendix 5

6 RESERVES

- 6.1 The proposals for the 2021/22 budget creates a reliance on one-off reserves. When the 2020/21 budget was set the reliance on one-off reserves was removed and an ongoing planned contribution to reserves of £0.567m was built in. At the same time the surplus on the collection fund was released and £10m applied to the general reserves in order to boost financial resilience. A review of provisions and reserves was also carried out as part of the 2019/20 closure process and reserves aligned to strategic risks. As a final measure, a reserves strategy that has introduced greater governance, transparency and controls over the use of reserves was approved by Cabinet in July 2020.
- 6.2 This approach has served the Council well and has ensured that as much financial resilience as possible has been factored into the strategy. The Covid pandemic and the short-term impact on income means that the Council is proposing to use some of the earmarked and general reserves to manage the position both in 2021/22 and 2022/23. In total this amounts to £26.687m. Whilst the position for 2022/23 is likely to change the proposed approach creates a significant dependency on reserves and regular monitoring and mitigating actions will be needed should there be any other emerging issues or risks that need to be managed.

7 ROBUSTNESS OF THE BUDGET AND THE ADEQUACY OF RESERVES

- 7.1 Section 25 of the Local Government Act 2003 requires that, in giving consideration to budget proposals, members must have regard to the advice of the Council's Chief Finance Officer on the robustness of the estimates and the adequacy of the Council's reserves.
- 7.2 The basis on which the budget has been prepared, as in previous years, relies on the forecast of activity and the impact of changes in policy previously agreed by the Council. These forecasts are kept under review as part of the budget monitoring process and actions identified to address financial risks arising from the changes in the forecast as they occur.
- 7.3 The Council holds reserves for a number of reasons:
- To enable the Council to manage variations in the demand for services which cause in year budget pressures.
 - To fund specific projects or identified demands in the budget.
 - To enable the Council to deal with unexpected events such as flooding or destruction of a major asset.
- 7.4 Setting an appropriate level of reserves is a matter of judgement taking into account:
- The level of risk evident within the budget as set out above.
 - A judgement on the effectiveness of budgetary control within the organisation;
 - and;

- The degree to which funds have already been set aside for specific purposes which will reduced the need for general reserves.
- 7.5 Based on the budget proposals set out in the report and taking account of the current forecast out turn position, the Council will see a reduction in its general reserves from a projected £26.814m at the end of 2020/21 to £23.149m at the end of 2021/22. The projected reserves position takes this into account:
- One-off release from the collection fund 2019/20 (£10m)
 - Higher than budgeted contribution to the pooled fund in 2020/21 by the Clinical Commissioning Group to offset the lower than budgeted contribution in 2019/20 that was met from the Council's general reserves (£10.5m);
 - Planned annual contribution to reserves from 2020/21 onwards (£0.567m).
- 7.6 The Covid pandemic and the impact on income means that reserves will be needed to balance the budget in at least the first 2 years of the financial strategy. The robustness and resilience of reserves is key and will be monitored on an ongoing basis.
- 7.7 As part of the budget setting process, the Council's S151 statutory officer is required to assess the adequacy of the Council's reserves in light of risks both known and unknown at that time. If it is the S151's opinion that that reserves are not adequate and are below an adequate level to reflect the risks and therefore the setting of a balanced budget was at risk then further statutory responsibilities under S114 of the Local Government Finance Act exist and a formal report to Council would have to be issued.
- 7.8 The Ministry of Housing, Communities and Local Government (MHCLG) are liaising with all local authorities to identify those at risk of a S114 and to establish what exceptional support could be given. Based on what is known, Bury's reserves remain adequate for the 2021/22 financial year although it is recognised that the situation will need to be carefully monitored during the year and as part of the development of the 2022/23 budget and beyond. To improve the governance and management of reserves, a reserves policy was approved by Cabinet in July 2020.
- 7.9 A forecast of reserves has been carried out and is set out in Table 6 below.

Table 6

Forecast Position on Reserves - Assumes all ongoing savings delivered				
	2019/20	2020/21	2021/22	2022/23
General Reserves	6.989	26.814	23.149	16.955
Corporate Reserves	7.794	6.794	5.794	4.794
Transformation Reserve	0.000	4.800	2.300	0.000
Directorate Reserves	0.992	0.742	0.492	0.242
Fiscal and Risk Management Reserves	34.174	30.174	22.074	14.480
External/Grant Funded Reserves	17.522	2.716	1.216	0.000
Capital Reserves	3.272	3.272	0.000	0.000
Sub Total	70.743	75.312	55.025	36.471
DSG Reserve	(20.067)	(25.544)	(25.607)	(24.991)
TOTAL FORECAST RESERVES	50.676	49.768	29.4187	11.480

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

Table 7

Financial Risk in the MTFS	
	Potential Full Year Impact
	£m
Pay (1%)	0.986
Price inflation (1%)	1.500
Council Tax Collection Rate	0.879
Business Rates Collection Rate	0.592

- 7.11 Other key risks that will need to be factored and reflected in the ongoing monitoring throughout the year include:
- the economic uncertainty resulting from Covid and the potential impact of Brexit. The impact of the pandemic is already emerging through increased demand and loss of income but the wider economic impact on the ability of businesses to survive and/or pay business rates will be a key factor. Demand for welfare services when the furlough and other support schemes available come to an end is also likely;
 - the financial regime within which the Clinical Commissioning Groups operate is uncertain and unknown. The relationship of health and social care funding through the pooled fund and transformation funding is a central part of the Council's budget;
 - the future of grants, particularly those in relation to social care, is unknown. Social Care grants, including the Better Care Fund, equate to £9.2m in 2021/22. A 1% change in these is £0.920m;
 - pay awards have not yet been finalised. The pay bill is driven by the national pay agreement and changes above and that assumed in the MTFS will need to be managed as a risk in year;
 - the lack of a long-term national strategy to fund the increasing costs of social care is a significant risk. The ability for councils to continue to try and manage demand within their existing budgets is not sustainable and is placing increasing risk on councils.
 - The deficit on the Dedicated schools Grant that is currently forecast to be £25m by the end of the 2020/21 financial year and which is currently offset by the Council's reserves. The Council is currently working with the Department for education on a recovery plan as part of the Safety Valve project and it is anticipated that some of the financial pressure will be reduced as an outcome of this work.

- 7.12 Budgetary control processes are in place to manage in year expenditure. Effectiveness of budgetary control is a combination of systems and processes as well as the risk environment within which the Council is operating. It therefore remains an essential requirement that the Council continues to ensure that processes are effective in maintaining a grip on in year expenditure and also that there is a clear focus on delivering a balanced and sustainable budget.
- 7.13 In response to the Covid pandemic, the Council introduced some accounting principles intended to provide greater financial grip in responding to the financial impact of the pandemic. The principles agreed are still in place and are as follows:
- The Council will continue to spend where need exists on the COVID-19 response and all decisions will be taken under existing governance arrangements and will focus on value for money;
 - The Council will seek to maintain services as far as possible and, in doing so, minimise the loss of income;
 - The Council will seek to maximise the delivery of its savings plan;
 - The Council will:
 - Use the government grant funding in the first instance to fund additional COVID-19 related costs and loss of income;
 - Consider opportunities for stepping down or deferring the return of some services where resources can be deployed to emerging priorities;
 - Consider the use of reserves as a means of funding any residual financial gap subject to the approval and governance arrangements set out in the Council's reserves strategy.

8 FINANCIAL FRAMEWORK

- 8.1 The Council has previously adopted four 'Golden Rules' as part of its long-term approach to financial management and overall financial framework and these have been met in the current financial year. These 'Golden Rules' are as follows:
- The level of General Fund balances retained by the Council to meet unexpected changes in the budget or to fund events that cannot be foreseen will be based on an assessment of the risks faced by the Council.
 - Use of one-off options to support the on-going revenue budget must be in the short term only and supported by a robust strategy to address underlying pressures in the Council's cost base.
 - Prudential borrowing can be undertaken to support capital spending relating to regeneration/growth initiatives and commercialisation/transformation of council services. All proposals to be subject to robust business cases assessing prudence, sustainability and affordability.
 - Pressures and savings will be assessed on a 3 year, rather than a one year basis through a revised medium term financial strategy.

Dedicated Schools Grant

- 8.2 Attached at Appendix 6 is separate report on the Dedicated Schools Grant (DSG) that has been considered by both the Overview and Scrutiny Committee and the Council's Cabinet. This report sets the schools budget for 2021/22 and also the hourly rates for the early years education. The report also sets out the position the

DSG deficit relating to high needs and information on the recovery plan and the DfE's Safety Valve Project which the Council is currently part of.

Capital Strategy

- 8.3 The Capital Strategy is prepared in accordance with the latest Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential and Treasury Management Codes of Practice. The strategy provides a framework within which the Council's capital investment plans will be delivered. These plans are driven by the Council's objectives and are linked to the development of the Bury 2030 strategy.
- 8.4 The proposed capital strategy and programme 2021/22 – 2023/24 also takes the essential elements of previous year's strategies and programmes and moves them forward to the forthcoming year. Capital spending is a key determinant of future revenue commitments and the capital programme and revenue budget are interlinked and have been developed as integrated strategies. The Council's capital programme 2021/22 and capital strategy 2021/22 – 2023/24 is set out in Appendix 7.
- 8.5 The ability for the Council to deliver its ambitions relating to capital will to some extent be affected by the Council's ability to afford the borrowing costs associated with this. A closer alignment of the revenue and capital budget is currently being developed and it is anticipated that the financial strategy in future years will be a fully integrated one that includes revenue, capital and growth and investment strategies. The co-dependency and inter dependencies of the strategies is becoming more evident as the Council set out its longer-term plan and ambitions in both the Bury 2030 Strategy and the Corporate Plan.

Treasury Management Strategy

- 8.6 The treasury management strategy is prepared in accordance with the CIPFA Prudential and Treasury Management Codes of Practice. The strategy sets out the Council's approach to managing investments, cash flows, money market and capital market transactions. The strategy provides a framework for the effective control of risks associated with these activities.
- 8.7 The Treasury Management strategy for 2021/22 will be updated to reflect the Council's final capital expenditure plans as set out in the capital strategy. The strategy also sets out the position in relation to the prudential indicators arising from the Council's capital expenditure plans. As well as borrowing and investment strategies, the Treasury Management strategy also covers the current treasury position, economic outlook and interest rates forecasts, risk and creditworthiness. Finally the strategy also includes the council's policy on borrowing in advance of need and the Minimum Revenue Provision (MRP) policy statement. No changes to the MRP policy or the treasury management strategy are proposed although some updates will be made and the strategy for 2021/22 will be presented to Full Council in March 2021.

Housing Revenue Account

- 8.8 A separate Housing Revenue Account report has been prepared and considered by Overview and Scrutiny and the Council's Cabinet and is set out as a separate report on the agenda. This report sets out the recommended dwelling and non-dwelling rents and service charge increase to be applied from April 2021. The report is a key element of the Council's overall medium term financial strategy.

Local Taxation and Benefits Discretionary Policies

- 8.9 Annually the Council reviews and updates policies covering discretionary Council Tax discounts, discretionary business rates relief, local welfare provision and discretionary housing payments. These policies provide support to local businesses and some of the poorest and most vulnerable residents within the borough. These policies operate within a legislative framework determined by various Local Government Acts of Parliament. During 2020/21, the welfare policies have been updated and criteria expanded to reflect new and emerging groups of residents within the borough in need of welfare support. Some one-off grant funding has been provided to support our most vulnerable residents and it is likely that demand for support will continue to grow, particularly as the economic impact of the pandemic unfolds and some of the temporary support mechanisms come to an end include mortgage and debt holidays, furlough etc. The financial impact of these policies is currently being managed within the financial strategy, but more costs may need to be built in should demand continue to grow.

Counter Fraud and Corruption

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

CIPFA Financial Management Code

- 8.11 CIPFA's Financial Management Code was published in October 2019. The objectives of the code are 'to support good practice in financial management and to assist Local Authorities in demonstrating their financial sustainability'. The code is based upon a series of principles which will be supported by specific standards of practice which CIPFA consider necessary for a strong foundation. The foundation being the ability to:
- Financially manage the short, medium and long-term finances of a Local Authority
 - Manage financial resilience to meet foreseen demands on services
 - Financially manage unexpected shocks in their financial circumstances
- 8.12 Local Authorities are expected to comply with the requirements of the code by 1 April 2020 as a shadow year and full compliance from 1 April 2021. The Code will therefore provide Local Authorities with a platform for good financial management throughout 2020/21. Work is underway within the finance service to ensure compliance with the Code and an update will be provided to the Audit Committee. It is fully expected that the Council will be fully compliant with the code by 2021/22.

9 OTHER RISKS/OPPORTUNITIES

CCG Funding

- 9.1 Funding of the Clinical Commissioning Groups remains uncertain and the financial regime and framework has yet to be agreed. There is the potential for this to impact on the Council's budget particularly reflecting the relationship with the pooled fund and integrated care and commissioning. In recognition of the co-dependency of outcomes from NHS spend in the borough with Council spend, and the alignment of strategic vision, a proportion of council budget operates as an 'integrated' budget with Bury CCG, including a proportion that is formally pooled. Work is ongoing to understand the 2021/22 financial allocation to the CCG and the financial regime in the NHS, and the opportunity to jointly invest and benefit from system wide health and care transformation will continue to be pursued.

Traded Services

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

10 COUNCIL TAX REQUIREMENT AND STATUTORY REQUIREMENTS

- 10.1 The Local Government Finance Act 1992, as amended by the Localism Act 2011, requires councils to make the following calculations:
- An estimate of the Council's gross revenue expenditure – Section 31A(2)
 - An estimate of anticipated income – Section 31A(3)
 - A calculation of the difference between (i) and (ii) above (i.e. net revenue expenditure) – Section 31A(4) – this is known as the Council Tax Requirement.
 - A calculation of the council's 'relevant basic amount' of Council tax, calculated by dividing the Council Tax requirement by the council tax base (expressed in Band D equivalents).
- 10.2 The calculations are set out at Appendix 8.

11 CONSULTATION

- 11.1 The Council commenced a budget conversation in November 2020 and this is continuing until mid-February 2021. Engagement with key stakeholders on the Bury 2030 strategy and priorities for the Council, has also provided an opportunity for future resourcing and the allocation of spending to be considered. The findings of this engagement has been factored into the budget setting process and is summarised at Appendix 9. Where required individual consultation on proposals will be carried out prior to implementation and this is set out in the individual budget proposals set out at Appendix 4.
- 11.2 As proposals are developed for implementation, detailed consultation with relevant stakeholders including trade unions will be undertaken. For efficiency options this includes consultations with staff and trade unions.
- 11.3 The Council's Overview and Scrutiny Committee and the Strategic Commissioning Board have been consulted on the proposals.

Community impact / Contribution to the Bury 2030 Strategy

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

Equality Impact and considerations:

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

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

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

Equalities Duty

In considering the budget for 2021/22, Members must consider the Public Sector Equality Duty under s149 Equality Act 2010. The Council must, when exercising its functions, have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' under the Act and those who do not share a protected characteristic. A 'protected characteristic' is defined in the Act as age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. Members must consider how the decision will contribute to meeting these duties in light of other relevant circumstances such as economic and practical considerations.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
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The Council has a statutory duty to set a legal budget for the following financial year. This report sets out an approach that enables this to be achieved within the required timescales.	The report sets out an approach for setting the 2021/22 budget taking into account all known factors and includes an assessment of risk.
Financial considerations are not reflected in decision making.	The financial outlook for the Council provides a financial framework which will support effective decision making.

Consultation:

Role of Overview and Scrutiny committee in budget process

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

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

Consultation

Some of the proposed savings will be subject to separate decision making processes (either by Officers, Cabinet or Council). Some of the proposed savings require a consultation process to be undertaken and the product of consultation (together with the equality analysis) must be conscientiously taken into account in finalising any decisions. In addition, the Local Government Finance Act 1992 requires the Council to consult business representatives on the Council's budget proposals.

Members will note that the Council has engaged in public and business consultation as part of the 2021/22 budget process as set out earlier at paragraph 10 of the report under the heading "Consultation". In considering this matter, Members must genuinely and conscientiously consider the feedback from this and have proper regard to it when making any decision in relation to the subject matter of that consultation. Members should carefully consider the results of the consultation.

Employee and Trade Union Consultation

The report recognises that notwithstanding efforts to reduce impacts on staff resulting from the level of funding cuts imposed, there may be staff reductions during the financial year 2021/22. Since the Budget Strategy Report was approved last year engagement has been ongoing with the Trade Unions to discuss budget saving implications. The Council will consult with Trade Unions about the 2021/22 budget proposals and the likely impact on staff, if posts become at risk of redundancy.

Legal Implications:

The Local Government Finance Act 1992 (LGFA 1992) requires the Council to set a balanced budget, including the level of the Council tax. This means that income from all sources must meet all proposed expenditure. Best estimates must be employed to identify all anticipated expenditure and resources.

The approval of the Council's Budget and Council Tax, and the adoption of a final strategy for the control of the Council's borrowing or capital expenditure are matters reserved, by law, to full Council. However, the Cabinet has responsibility for preparing, revising and submitting to Council estimates of the various amounts which must be aggregated in making the calculations required in order to set the budget and the Council tax; and may make recommendations on the borrowing and capital expenditure strategy.

The Council must decide every year how much income they are going to raise from Council Tax. This decision must be based on a budget that sets out estimates of what the Council plans to spend on services. As the Council Tax must be set at the start of the financial year and cannot be increased during the year, consideration must be given to risks and uncertainties, and allowances made in funds for contingencies and reserves.

The budget and the Council Tax must be set by 11th March in the preceding financial year. A failure to comply with the time limit will leave the Council open to challenge by way of judicial review.

When the Council is considering its budget, it must have regard to the Section 151 Officer's report on the robustness of the estimates and the adequacy of the reserves in the budget proposals (section 25 of the Local Government Act 2003). This ensures that Members make their decision on the basis of authoritative advice. Members should provide clear reasons if they disagree with the professional advice of the Section 151 Officer.

Capital Expenditure

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).

Cap on Council tax Rises

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 2021/22 published in December 2020, announced that a referendum must be held if council tax for general spend is to be increased by 2% or more. Council tax for general spending requires a referendum if it rises by 2% or more alongside a maximum 3% adult social care precept.

Housing Revenue Account and Rents

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, 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 Council is under a duty to prevent a debit balance on the HRA which is ring-fenced. There are restrictions in the way in which the account can be operated and the proposals in this report must comply with these accounting requirements to ensure that the rent should be set so as to ensure that the Council is able to comply with its duty to prevent a debit balance arising on the HRA.

Charging

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

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

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

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

General

Section 106 of the Local Government Finance Act 1992 bars a councillor from voting on the Council’s budget if he or she has an outstanding council tax debt of over two months. If a councillor is present at any meeting at which relevant matters are discussed, he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence

All decisions taken by or on behalf of the Council must:

- Be within the legal powers of the Council and of the body or person exercising powers on behalf of the Council.
- Comply with any procedural requirement imposed by law.
- Be undertaken in accordance with procedural requirements imposed by the Council e.g. procedure rules.
- Be fully and properly informed.
- Be properly motivated (i.e. for an appropriate, good and relevant reason).
- Be taken having regard to the Council’s fiduciary duty to its taxpayers as elected members are trustees of the public interest and of its statutory purposes for which public powers are conferred on them. This general duty requires the

Council to act prudently and in good faith in the interests of those to whom the duty is owed.

- Otherwise, be reasonable and proper in all the circumstances

Financial Implications:

The financial implications are set out in the report.

Report Author and Contact Details:

Lisa Kitto

Interim Director of Financial Transformation (S151 Officer)

Background papers:

The Council's financial position as at 30 December 2020

The Council's financial position as at 30 September 2020

The Councils 2021/22 Budget and the Medium-Term Financial Strategy

Setting the Council Tax Base 2021/22

Appendices included in the report:

Appendix 1 Calculation of Council Tax base

Appendix 2 Proposed Permanent Spending Allocations to Budget 2021/22

Appendix 3 Efficiency Savings Options

Appendix 4 Other Savings Options

Appendix 5 Cash Limits by Directorate

Appendix 6 The Dedicated Schools Grant and setting the Schools Budget 2021-22

Appendix 7 Capital Strategy 2021/22 – 2023/24 and Capital Programme 2021/22

Appendix 8 Statutory Calculation of the Council Tax requirement

Appendix 9 Consultation Summary

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

Term	Meaning

Appendix 1

Calculation of Council Tax Base 2021/22 (Based on all properties)										
Bands	A Reduced	A	B	C	D	E	F	G	H	TOTAL
Total Number of Dwellings on the valuation list	0.00	30,366.00	18,565.00	17,304.00	9,185.00	5,496.00	1,853.00	1,275.00	178.00	84,222.00
Total Number of Exempt and Disabled Relief dwellings on the Valuation List	51.00	19.00	15.00	-25.00	-10.00	-31.00	10.00	-8.00	-21.00	0.00
Less: estimated discounts, exemptions and disabled relief	2.50	4,815.50	2,051.25	1,502.75	682.75	281.75	104.75	62.25	-3.00	9,500.50
Total Equivalent number of dwellings after discounts, exemptions and disabled relief	48.50	25,569.50	16,528.75	15,776.25	8,492.25	5,183.25	1,758.25	1,204.75	160.00	74,721.50
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	0.00
Band D equivalent	26.94	17,046.33	12,855.69	14,023.33	8,492.25	6,335.08	2,539.69	2,007.92	320.00	63,647.25
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments	7.55	4,165.42	1,338.86	738.85	263.55	118.68	37.04	16.01	0.31	6,686.27
Additional Net Dwellings in 2020/21 based on known regeneration with the Borough and reductions in levels of discounts and exemptions										0.00
Total after LCTSS and Other Adjustments	19.40	12,880.91	11,516.84	13,284.48	8,228.70	6,216.41	2,502.65	1,991.90	319.69	56,960.98
Multiplied by estimated collection rate	0.945	0.945	0.945	0.945	0.945	0.945	0.945	0.945	0.945	
BAND D EQUIVALENTS	18.33	12,172.46	10,883.41	12,553.84	7,776.13	5,874.50	2,365.01	1,882.35	302.11	53,828.13

Band D Equivalent assuming 1.94% increase	£1,643.31
Total Tax Yield £'000	£88,456.39

Appendix 2

Proposed Permanent Spending Allocations to Budget 2021/22 (Indicative 2022/23 - 2024/25)					
Directorate	Description	2021/22	2022/23	2023/24	2024/25
		£m	£m	£m	£m
Decisions Already Made					
Corporate	Employee Assistance Programme	0.015	0.000	0.000	0.000
Non-Service Specific	Borrowing Costs – Strategic Investment	1.100	0.000	0.000	0.000
Non-Service Specific	Borrowing to Support 2020/21 Capital Programme	0.500	0.000	0.000	0.000
Non-Service Specific	Corporate Capacity	0.500	0.000	0.000	0.000
TOTAL		2.115	0.000	0.000	0.000
Pay Inflation					
All	Pay Inflation	0.250	1.865	1.870	1.904
TOTAL		0.250	1.865	1.870	1.904
Contractual Inflation					
Corporate	Utilities	0.077	0.080	0.083	0.086
Corporate	Rent/Rates	0.039	0.040	0.042	0.043
Corporate	ICT Contracts	0.024	0.025	0.026	0.027
Children and Young People	Residential Care (including living wage)	0.597	0.626	0.663	0.700
Children and Young People	External Fostering Placements	0.178	0.188	0.200	0.212
Children and Young People	Fostering, Adoption and Leaving Care Allowances	0.329	0.347	0.367	0.389
Children and Young People	Support Packages and Direct Payments	0.093	0.097	0.102	0.106
Children and Young People	Premature Retirement Costs	0.011	0.012	0.012	0.012
One Commissioning Organisation	Community Care and Other Contracts	1.395	1.424	1.452	1.481
One Commissioning Organisation	Persona Contract	0.277	0.287	0.300	0.310
One Commissioning Organisation	Residential care (Including living wage)	0.911	2.399	2.493	2.638
Housing	Housing Contracts	0.000	0.050	0.050	0.050
Non Service Specific	GM transport Authority	0.194	0.196	0.198	0.200
TOTAL		4.125	5.771	5.988	6.253

Proposed Permanent Spending Allocations to Budget 2021/22 (Indicative 2022/23 - 2024/25)

Directorate	Description	2021/22	2022/23	2023/24	2024/25
		£m	£m	£m	£m
<i>Demand</i>					
Finance	Debt Collection Costs	0.050	0.050	0.050	0.050
Business, Growth and Infrastructure	Executive Post	0.175	0.000	0.000	0.000
Business, Growth and Infrastructure	New Homes Bonus Grant Adjustment	0.597	0.000	0.000	0.000
Corporate	Legal Costs	0.300	0.000	0.000	0.000
Corporate	Moderation	0.120	0.000	0.000	0.000
Children and Young People	Foster Placements	0.039	0.000	0.000	0.000
Children and Young People	Home to School Transport	0.441	0.000	0.000	0.000
Children and Young People	Increase in Looked After Children Placements	0.452	0.000	0.000	0.000
Children and Young People	Special Guardianship Orders	0.020	0.000	0.000	0.000
One Commissioning Organisation	Care in the Community	0.827	0.000	0.000	0.000
One Commissioning Organisation	Adults Demographics	1.000	0.960	1.000	1.000
One Commissioning Organisation	Transition from Children's Services	0.259	0.524	0.398	0.312
Operations	Winter Maintenance	0.082	0.000	0.000	0.000
TOTAL		4.361	1.534	1.448	1.362
<i>Fall Out of Time Limited Funding</i>					
One Commissioning Organisation	Transformation Funding	0.723	0.132	0.007	0.007
TOTAL		0.723	0.132	0.007	0.007

Proposed Permanent Spending Allocations to Budget 2021/22 (Indicative 2022/23 - 2024/25)					
Directorate	Description	2021/22	2022/23	2023/24	2024/25
		£m	£m	£m	£m
Unachieved Savings					
Operations	Corporate Landlord	0.585	0.000	0.000	0.000
Operations	Architects	0.525	0.000	0.000	0.000
TOTAL		1.110	0.000	0.000	0.000
Budget Re-Alignment					
Children and Young	Costs previously charged to the Dedicated Schools Grant	2.295	0.000	0.000	0.000
TOTAL		2.295	0.000	0.000	0.000
Capital Programme					
Non-Service Specific	Borrowing Requirement to fund the capital programme	1.000	1.000	0.000	0.000
TOTAL		1.000	1.000	0.000	0.000
Income Losses					
Non-Service Specific	Airport Dividend	5.900	0.000	(5.900)	0.000
Non-Service Specific	Airport Loan Interest	2.256	0.000	(2.256)	0.000
Operations	Income Loss	1.077	(0.539)	(0.539)	0.000
TOTAL		9.233	(0.539)	(8.695)	0.000
GRAND TOTAL		25.211	9.763	0.619	9.526

Appendix 3

Directorate	Proposal Description	Proposed Budget Reduction			EIA Required	Consultation Required
		2021/22	2021/22	2022/23		
		£m	£m	£m		
Full Year Effect of Previously Agreed Efficiencies						
Children and Young People	Early Help Model Co-ordinated and streamlined management of buildings and increase in usage of the facilities.	(0.034)	0.000	0.000	Yes	Yes
Operations	Procurement Review of Contracts Review of supplier contracts across the service.	(0.083)	0.000	0.000	No	No
All Services	Supplier Review of Contracts Review of supplier contracts across the Council	(0.300)	(0.265)	0.000	No	No
Operations	Review of Highway Fees	(0.050)	(0.070)	0.000	Yes	No
TOTAL		(0.467)	(0.335)	0.000		
New Efficiencies Proposed						
Children and Young People	Removal of budget for vacant posts and reduced travel and expense costs.	(0.696)	0.309	0.000	No	No
Children and Young People	Contract Reviews for services provided by external agencies	(0.220)	(0.100)	0.000	No	No
Children and Young People	Reduced transport costs as a result of fewer out of borough placements.	(0.300)	(0.120)	0.000	No	No
Public Health	Reduced cost of external contract relating to substance misuse services	(0.040)	0.000	0.000	No	No
Corporate	Reduce budget for contributions to the pension fund	(0.075)	0.000	0.000	No	No
Corporate	Reduce central Apprentice Levy to reflect previously agreed internal funding mechanism	(0.239)	0.000	0.000	No	No
Corporate	Reduce central Apprenticeship Corporate budget to reflect previously agreed internal funding mechanism	(0.530)	0.000	0.000	No	No

Directorate	Proposal Description	Proposed Budget Reduction			EIA Required	Consultation Required
		2021/22	2022/23	2023/24		
		£m	£m	£m		
Corporate	Reduce Corporate Management Initiatives budget in line with expenditure	(0.200)	0.000	0.000	No	No
Corporate	Reduce Bury MBC Townside Fields budge in line with expenditure	(0.058)	0.000	0.000	No	No
Corporate	Reduce Car Leases Salary Sacrifice scheme in line with expenditure	(0.025)	0.000	0.000	No	No
Operations	Remove vehicle and equipment leasing costs to reflect approved borrowing through the capital programme	(0.170)	(0.300)	0.000	No	No
Business, Growth and Infrastructure	Assumed growth in the Council Tax base as a result of the investment in regeneration and housing	0.000	0.000	(0.500)	No	No
All	Transformation Agenda	(1.500)	(3.500)	0.000	Yes*	Yes*
TOTAL		(4.053)	(3.711)	(0.500)		
Proposed Budget Reductions						
One Commissioning Organisation (MTFS001)	Innovative Commissioning	1.050	1.750	0.200	Yes	Yes
One Commissioning Organisation (MTFS002)	Personalisation and Transformation	0.000	1.000	1.000	No	Yes
One Commissioning Organisation (MTFS003)	Development of Assistive Technology	0.000	0.500	0.000	Yes	Yes
One Commissioning Organisation (MTFS004)	Improved Housing Options	0.000	0.050	0.050	No	Yes
One Commissioning Organisation (MTFS005)	Effective and Efficient Commissioning	1.487	1.780	0.100	No	Yes
One Commissioning Organisation (MTFS006)	Review of Care Packages	0.797	2.055	0.611	No	Yes
Operations (MTFS007)	Closure of Civic Centres	0.132	0.000	0.000	Yes	No

Directorate	Proposal Description	Proposed Budget Reduction			EIA Required	Consultation Required
		2021/22	2022/23	2023/24		
		£m	£m	£m		
Operations (MTFS008)	Review of Waste Services and Fleet Rationalisation	0.237	0.025	0.000	No	No
Operations (MTFS009)	Street Light Dimming	0.020	0.010	0.000	Yes	No
Finance (MTFS010)	Closure of Prestwich Cash Office	0.030	0.000	0.000	No	Yes
Corporate Core (MTFS011)	Housing	0.250	0.000	0.000	No	Yes
TOTAL		4.003	7.170	1.961		

*It is envisaged that consultation and EIA maybe required for some aspects of the transformation agenda. As yet the detail is not known but these will be a consideration as transformation savings options are put forward.

APPENDIX 4

Reference	MTFS001
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO – Adult Social Care
Budget Option Description	Innovative Commissioning

Budget Reduction Proposal – Detail and Objectives

We currently commission a significant number of services for adults with social care needs across all customer groups. The current budget for care packages for clients with Learning Disabilities in Bury is £16,584,400.00. In 2019/20 we supported 605 people with LD in Bury, to date this year we are supporting 556 people. In addition, £12,393,409 is spent with Persona, the Council's own trading company, which also provides social care to customers across a range of customer groups.

Our vision for Learning Disabilities (LD) services in Bury is an all-age service, which would remove the need for transitions providing one smooth pathway for customers. To do this we will work differently recognising people's strengths, ensuring all care is outcome focused, so all customers are aware that it's individual first not their disability. It is recognised that current practice to support people through the transitions process could be better therefore we are focussing on transitions planning, in particular those young people transitioning to adult's services in the coming 24 months. We will focus on those transitioning from Children and Young Peoples services at an earlier age, ideally 13/14 years, this will enable more appropriate support of the individual and their family to be put in place. This will better manage expectations of the transitions process and potential reduction in support packages preventing less upset and chaos for those involved.

We need to prevent out of borough placements where possible, therefore we will work collaboratively with partners to improve our local offer i.e. education, housing, respite thus allowing individuals to remain part of their community and improve equity for all Bury customers. Achieving this will realise savings in reduction in care package values relevant to aspired outcomes that are more suitable, encourage independence, choice and control for our young adults.

We will jointly reshape the existing Persona provision, transforming services and developing new ways of working to realise efficiencies, and in some cases, it will mean the potential reduction or closure of services;

We will also undertake a review of contracts in shared accommodation to analyse shared hours in a given property and comparing this to the hours described in individual customer support plans, removing any duplication with no detriment to service delivery.

In all initiatives, this is not solely about savings however working differently around the person to ensure, independence, rich social connections, links to the community and innovative solutions centred on the person.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	1.050	1.750	0.200
Council Staffing Reduction (FTE)	0	0	0

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

Section B

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

Property
No property impacts.
Service Delivery
There should not be any impact on service delivery within the Council, but there is potential impact on wider partners.
Organisation (Including Other Directorates/Services)
Local Authority Provider Relationship Team to undertake review of core hours Local Authority LD social care team – assisting core hours review Providers – where there will be a reduction in funding
Workforce – Number of posts likely to be affected.
Potential job reductions within the social care provider market, including Persona
Communities and Service Users
Service users should still have outcomes met in line with their individual support plan
Other Partner Organisations
External providers and Persona

Section C**Key Risks and Mitigations**

Risks	Mitigations
Staff capacity to undertake the reviews and negotiations needed	<ul style="list-style-type: none">• Team managers to manage workload and priorities based on capacity• Flag up challenges/ issues to senior management
Savings are not achievable or are swallowed up by new demand	<ul style="list-style-type: none">• The figures offered are realistic figures based on benchmarking and previous reviews;• Work Programme in place and monthly monitoring to be undertaken of savings and new demand
Service users negatively impacted by change in service offer	<ul style="list-style-type: none">• Consideration and advice on alternative, suitable services;• A communications & engagement plan to be developed;• Appropriate consultation and engagement to be undertaken as required.• Clear, consistent messaging around all savings and transformation.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Individual plans worked up for each saving element and confirmed	December 2020
Matrix review and liaison with providers starts	October/ November 2020
Governance in place to review on a monthly basis progress and barriers	November 2020
Feedback on any concerns, challenges or barriers to savings along with any alternative budget options	January 2021

Section D

Consultation Required?	Yes
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E: *Financial Implications and Investment Requirements*

Investment requirements – Revenue and Capital
None

Reference	MTFS002
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO Adult Care Services
Budget Option Description	Personalisation and Transformation

Budget Reduction Proposal – Detail and Objectives

There are currently 2,017 people in Bury receiving some form of care package via the Integrated Neighbourhood Teams.

The spending forecast in year according to protocol is as follows (please note this excludes out of borough placements):

Integrated Neighbourhood Team	Spend	Percentage of overall INT spend	Number of clients	Average spend per person
Bury East	£6,063,361.13	26%	432	£14,036
Bury West	£5,956,544.57	26%	468	£12,728
Bury North	£4,306,492.06	19%	359	£11,996
Prestwich	£3,964,605.57	17%	321	£12,351
Whitefield	£2,640,485.21	12%	250	£10,561
Total:	£22,931,488.54			

In Bury, data shows we are good at giving people information and advice and deflecting people away from the front door in terms of social care services, in line with prevention strategies. However, at the point of social care assessment we have a higher conversion rate into long term care of 12%, compared to GM neighbours where the average is only 7%. This demonstrates that Bury is not as effective as other areas in using community, asset-based approaches to support social care needs. Therefore, our social care teams need to work towards reducing the level of conversion from assessment into long term care.

Given the current level of spend across the INTs it is suggested that a savings target of £1,000,000 in 2021/22 and a further £1,000,000 in 2022/23 is distributed across the five INTs, this should be done proportionately based on spend therefore the suggested split is:

- Bury East £260,000 (26%)
- Bury West £260,000 (26%)
- Bury North £190,000 (19%)
- Prestwich £170,000 (17%)
- Whitefield £120,000 (12%)

We will be moving from our traditional approach of social care assessment and support planning to a more personalised approach, recognising the strength of our residents and ensuring community, family and carer support options are fully explored before providing additional support. The support provided will focus on how we enable the person to achieve their outcomes rather than providing or doing it for or to them. There is extensive research to show working this way delivers outcomes for people and reduces demand. Alongside the transformation and savings work the Principal Social Worker in Bury will lead a programme of workforce development that will bring about:

- Strength and asset-based approach
- Ethnographic thinking
- Personalised conversations

- New quality assurance framework
- Providing social care with the tools and information to work differently

This workforce development will ultimately lead to behavioural change of the social care workforce that over time will reduce the reliance on traditional care. This programme of development will be rolled out across the coming 12 months, it should be recognised that this will take some time to bed in and will need constant reinforcing from management.

Given there is work underway to change social care in Bury, it would be reasonable to cement this with a savings target. Having a realistic savings target will focus the mind of social care staff to understand this way of working is not tokenistic but a transformational change to working practice.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.000	1.000	1.000
Staffing Reduction (FTE)	0	0	0

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

Section B

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

Property
No impacts – this saving element is about new ways of working with customers in Bury and reviewing existing care packages of care.
Service Delivery
Service delivery will continue with a different vision and new ways of working, considering alternative options for people, in most cases better options. This may result in some packages of care being reduced following a review process.
Organisation (Including Other Directorates/Services)
INT teams – undertaking new assessments and reviews Providers – negotiating care and support innovatively Wider VCF sector in terms of reviewing the support they can offer to work with clients with low level support needs.
Workforce – Number of posts likely to be affected.
No impacts – this saving element is about new ways of working and reviewing packages of care.
Communities and Service Users
Positive impacts on communities and service users in that the work will be undertaken in a person-centred way, a move of social care practice towards more personalised conversation and strength and asset based working. Supporting clients to live independently with choice and control. Also where possible designing/ redesigning services in co-production and involving people with LD their family and carers at every opportunity.
Other Partner Organisations
None

Section C:Key Risks and Mitigations

Risks	Mitigations
Staff capacity to deliver savings	<ul style="list-style-type: none">• INT staff to understand the new ways of working, workforce development plan in place• Savings and progress would need to be monitored monthly to ensure on track and undertake any remedial actions
Savings are not achievable	<ul style="list-style-type: none">• Clear work programme in place describing how savings will be achieved.• Monthly reporting on progress to savings targets, flagging up any issues or concerns
New assessments do not meet the expectations of customers	<ul style="list-style-type: none">• Clear communication throughout the process, move towards personalised and strength asset-based conversations. Ensuring all work remains Care Act compliant.
Increased demand for services	<ul style="list-style-type: none">• Using data we have projected demand and needs, working with providers to help shape the market place to meet the current and future needs.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Individual plans worked up for each saving element (Team managers would need to devise a bespoke plan for their team)	December 2020
Governance in place to review on a monthly basis progress and barriers	November 2020
Feedback on any concerns, challenges or barriers to savings along with any alternative budget options	January 2021

Section D

Consultation Required?	No
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	Yes
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E: *Financial Implications and Investment Requirements*

Investment requirements – Revenue and Capital
None, other than costs already factored into workforce development and the reviewing team capacity

Reference	MTFS003
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO Adult Social Care
Budget Option Description	Assistive Technology: Pushing the boundaries in Bury

Budget Reduction Proposal – Detail and Objectives

Assistive Technologies (AT) is a range of equipment designed to prompt and assist people with everyday activities which have become difficult. They support people to stay safe and independent in their own home for as long as possible. Often called personalised technology because it is not about the technology, but the people and how technology can enhance lives. Solutions include anything from telecare equipment and environmental controls, to mobile technology and communication aids. The gadgets and equipment selected will meet someone's daily needs, whether at home, out and about in the community or at work.

Whilst Bury has a long-standing telecare support service in place known as 'Carelink', there is evidence in other areas of the country, including Nottingham, Liverpool Southend, Knowsley and Hampshire that further use of AT can support customers with social care needs, and generate savings from social care budgets.

Potential savings for Bury Council have been estimated as £500,000 based on the savings generated in other areas of the country.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.000	0.500	0.000
Staffing Reduction (FTE)	0	0	0

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

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

Property
Potential positive impact in innovatively adapting properties in Bury using AT.
Service Delivery
Service delivery will continue with a different vision and alternative AT options for people, in most cases better options. This may result in some packages of care being reduced following a review process. This work is not focused on removing support, rather considering alternative options that may not have been available at the point of the original assessment due to new ways of transformational working.
Organisation (Including Other Directorates/Services)
Health and Social Care, potential care providers, housing providers and AT providers.
Workforce – Number of posts likely to be affected.
No impacts
Communities and Service Users

Positive impacts on communities and service users in that the work will be undertaken in a person-centred way, a move of social care practice towards more personalised alternative AT support. Supporting clients to live independently with wider choice and control. Also where possible designing/ redesigning services in co-production.
Other Partner Organisations
None

Section C:Key Risks and Mitigations

Risks	Mitigations
Savings are not achievable	<ul style="list-style-type: none"> Clear work programme in place describing how savings will be achieved. Monthly reporting on progress to savings targets, flagging up any issues or concerns
Reviews reduce or remove care that is not accepted by service user, family or carer	<ul style="list-style-type: none"> Clear communication throughout the process, move towards personalised and strength asset based conversations. Ensuring all work remains care act compliant.

Key Delivery Milestones

Milestone	Timeline
Put forward as idea	Oct 2020
Individual plans worked up for each saving element	December 2020
Governance in place to review on a monthly basis progress and barriers	November 2020
Feedback on any concerns, challenges or barriers to savings	January 2021

Section D

Consultation Required?	Yes – around future AT developments and ideas	
	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact: *Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?*

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	Yes
Groups with particular faiths and beliefs	No

EIA Required?	yes
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Section E: *Financial Implications and Investment Requirements*

Investment requirements – Revenue and Capital
AT development will likely need investment of: <ul style="list-style-type: none"> Resource/ capacity of a team to lead and drive work Potential capital costs in buying equipment/ Technology to trial

Reference	MTFS004
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO Adult Social Care
Budget Option Description	Improved Housing Options

Budget Reduction Proposal – Detail and Objectives

The links between housing and social care have never been more important. The contribution of housing to the ambitions of social care is well understood, although in practice, housing and social care have often existed in silos.

It is important when the authority has properties to utilise, that they are of good quality, value for money, fit for purpose of intended client groups and are used well.

Empty spaces in properties for social care customers have financial implications, especially when we have high cost out of borough placements that can be adequately accommodated and supported in the borough.

In order to ensure that housing options for social care customers are effectively managed, a number of steps have been implemented:

- Reinstating the Living Options Group (LOG), to manage housing needs of social care customers;
- Void management programme established;
- Reconfigure or realign current housing stock
- Review current Service Level Agreements with housing providers ensuring value for money
- Work with providers to ensure quality homes for the future
- Monitoring of provider housing provision in contractual arrangements

The savings attached to the void management programme may appear low however, the voids management programme is an enabler to wider system savings.

A monthly highlight report will capture (using the LOG tracker) the outcomes/ outputs of the LOG and wider work. This will include any direct savings, cost avoidance and or other efficiencies.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.000	0.050	0.050
Staffing Reduction (FTE)	0	0	0

Is the proposal One-Off or Ongoing?	Ongoing process to manage Voids better
Which Budget Principle does the option relate to?	Demand Reduction & Internal Transformation

Section B

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

Property

As part of the LOG work there may be a requirement to de-commission or repurpose unsuitable property in Bury for our department's cohorts.

Service Delivery
Service delivery will continue with a different vision, new ways of working and trying to find alternative options for people, in most cases better options. This may result in some existing placements being changed following a review process. In these instances, best interest outcomes will be considered whilst ensuring statutory requirements are met.
Organisation (Including Other Directorates/Services)
Social Work Teams Childrens Services especially in respect of transitions Housing colleagues Persona
Workforce – Number of posts likely to be affected.
No impacts – this saving element is about managing voids better.
Communities and Service Users
Positive impacts on communities and service users in that the work will be undertaken in a person-centred way, a move of social care practice towards more personalised conversation and strength and asset based working. Supporting clients to live independently with choice and control in their community.
Other Partner Organisations
Wider housing providers

Section C

Key Risks and Mitigations

Risks	Mitigations
Staff capacity to deliver savings for placement reviews	<ul style="list-style-type: none"> • Social care teams would need to commit to this work, with managers managing workload appropriately • The LOG group will speed up discussions and decisions
Savings are not achievable	<ul style="list-style-type: none"> • Clear work programme in place describing how savings will be achieved. • Monthly reporting on progress to savings targets, flagging up any issues or concerns
Reviews reduce or remove placements that is not accepted by service user, family or carer	<ul style="list-style-type: none"> • Clear communication throughout the process, move towards personalised and strength asset-based conversations. Ensuring all work remains care act compliant.
Social Care Development of workforce take longer than planned, this element of savings is highly reliant on the social care workforce undertaking new assessments and reviews in a different way	<ul style="list-style-type: none"> • Quality assurance framework developed along with training and development support for workforce.
Increased demand	<ul style="list-style-type: none"> • Using data we have projected demand and needs, working with providers to help shape the market place to meet the current and future needs.

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

Milestone	Timeline
List of voids – priority for review	October 2020
Individual plans worked up for each saving element	December 2020
Governance in place to review on a monthly basis progress and barriers	November 2020
Feedback on any concerns, challenges or barriers to savings along with any alternative budget options	January 2021

Section D

Consultation Required?	No
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E: Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None currently known

Reference	MTFS005
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO – Adult Social Care
Budget Option Description	Effective and Efficient Commissioning

Budget Reduction Proposal – Detail and Objectives
<p>Commissioning services for adults with social care needs costs the council approximately £55m per year, working with a large number of providers, with whom we have positive relationships. A number of key approaches are adopted to ensure effective commissioning which generate financial efficiencies.</p> <p>The focus of high quality, effective and innovative commissioning is on people, health and wellbeing, achieving good outcomes with using evidence, local knowledge, skills and resources to best effect. This means working in partnership across the health and social care system to promote health and wellbeing and prevent, as far as is possible, the need for health and social care.</p> <p>Every person using health and social care services deserves the highest quality care and support, and the maximum opportunity to influence how that support is arranged and managed. Effective commissioning plays a central role in driving up quality, enabling people to meaningfully direct their own care, facilitating integrated service delivery and making effective use of available resources.</p> <p>Commissioning is the Councils cyclical activity to assess the needs of the local population for care and support services, then designing, delivering, monitoring and evaluating those services to ensure person-centred and outcomes-focused delivery. In addition, good commissioning ensures a vibrant, diverse and sustainable market to deliver positive outcomes for people and communities, actively encouraging and promoting investment and innovation in the market in partnership care providers.</p> <p>A number of areas have been prioritised to consider and test our approach to deliver effective and innovative commissioning:-</p> <ul style="list-style-type: none"> • More effective and efficient payment of Care at Home, • Continuation of the work in respect of effective Market management in borough • More effective management of personal budgets • Working with Bury CCG to review and refine the operation of the Continuing Health Care arrangements.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	1.487	1.780	0.100
Council Staffing Reduction (FTE)	0	0	0

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

Section B

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

Property
No property impacts.
Service Delivery
There should not be any impact on service delivery within the Council, but there is potential impact on wider partners.
Organisation (Including Other Directorates/Services)
No impact
Workforce – Number of posts likely to be affected.
If we spend less within the social care market, there may be potential job reductions within the social care provider market
Communities and Service Users
Service users should still have outcomes met in line with their individual support plan
Other Partner Organisations
External providers and Persona

Section C

Key Risks and Mitigations

Risks	Mitigations
Savings are not achievable or are swallowed up by new demand	<ul style="list-style-type: none"> The figures offered are realistic figures based on benchmarking; Work Programme in place and monthly monitoring to be undertaken of savings and new demand

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Individual plans worked up for each saving element and confirmed	December 2020
Fee setting process and liaison with providers starts	October/ November 2020
Governance in place to review on a monthly basis	November 2020

progress and barriers	
Feedback on any concerns, challenges or barriers to savings along with any alternative budget options	January 2021

Section D

Consultation Required?	No
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	Yes
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
No investment requirement

Reference	MTFS006
Executive Director	Will Blandamer
Cabinet Member	Cllr Andrea Simpson

Section A

Service Area	OCO Adult Social Care
Budget Option Description	Review of Care Packages

Budget Reduction Proposal – Detail and Objectives

The council spends £55m on packages of support for people with social care needs.

Care packages should be regularly reviewed to understand if a person's needs and outcomes aspired have changed also to consider if possible new support mechanisms and alternative options for people may have evolved.

Therefore, we will be undertaking a large-scale review programme of those people in Bury who receive a care package or placement of care, across all care needs, (Learning Disabilities, Physical Disabilities, Mental Health and Older People). This will ensure the care offered is:

- Right for the person
- Takes advantage of all available mechanisms of support
- Is person centred
- Identifies and builds on people's strengths
- Promotes prevention and independence and as far as possible supports integration with health
- Provides parity across all customers and involves family and carers.

For some this may mean a change or a reduction in care packages, in these instances best interest outcomes will be considered whilst ensuring statutory requirements are met.

Reviewing placements will generate efficiencies and will focus on:

- Reducing high-cost placements/care packages, replacing with alternative and more cost-efficient services and support
- Where possible bringing clients that are out of borough back in borough
- Considering where the VCF sector and community groups should or could offer support (in particular for lower-level needs such as befriending, peer support, life skills etc.). These services and support are more person centred and often cheaper than traditional support packages.
- Consideration if social prescribing is an option for individuals, in particular new clients coming through
- Ensure packages of care only meet the outcomes required from assessment and therefore are care act compliant.
- Ensure the consideration of the family and carers roles and how they can play in actively supporting the individual (if willing and able to do so). Making sure to link the carer up to available carer services.
- Guarantee all care conversations are personalised with a strength and asset-based focus.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.797	2.055	0.611
Staffing Reduction (FTE)	0	0	0

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

Section B

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

Property
No impact
Service Delivery
Service delivery will continue with a different vision around all age thinking and alternative options for people, in most cases better options. This may result in some packages of care being reduced following a review process. This work is not focused on removing support rather considering alternative options that may not have been available at the point of assessment due to new ways of transformational working.
Organisation (Including Other Directorates/Services)
Ensuring reviews are prioritised
Workforce – Number of posts likely to be affected.
No impacts – this saving element is about reviewing care placements.
Communities and Service Users
Positive impacts on communities and service users in that the work will be undertaken in a person-centred way, a move of social care practice towards more personalised conversation and strength and asset-based working. Supporting clients to live independently with choice and control. Also, where possible designing/ redesigning services in co-production and involving their family and carers at every opportunity.
Other Partner Organisations

Section C

Key Risks and Mitigations

Risks	Mitigations
Savings are not achievable	<ul style="list-style-type: none"> • Clear work programme in place describing how savings will be achieved. • Monthly reporting on progress to savings targets, flagging up any issues or concerns
Clients out of borough cannot be brought in borough as there is no provision to meet their needs.	<ul style="list-style-type: none"> • Use this learning to develop future service to prevent those going out of borough in future • Working with providers in particular

	<p>persona to see is reshaping service provision could be undertaken to meet needs in various ways.</p> <ul style="list-style-type: none"> Consider developing more home front door provision for the future cohort of clients
Reviews change, reduce or remove care that is not accepted by service user, family or carer	<ul style="list-style-type: none"> Clear communication throughout the process, move towards personalised and strength asset-based conversations. Ensuring all work remains care act compliant.
Social Care Development of workforce take longer than planned, this element of savings is highly reliant on the social care workforce undertaking new assessments and reviews in a different way	<ul style="list-style-type: none"> Quality assurance framework developed along with training and development support for workforce.
Increased demand for some services	<ul style="list-style-type: none"> Using data we have projected demand and needs, working with providers to help shape the market place to meet the current and future needs.
Shared Lives scheme does not recruit enough carers for long term care	<ul style="list-style-type: none"> Persona have a recruitment drive and PR work planned Consider other providers if not suitable to sit with persona

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Individual plans worked up for each saving element	December 2020
List of high cost placement (over £50k in Supported Living) – priority for review	November/ December 2020
Governance in place to review on a monthly basis progress and barriers	November 2020
Feedback on any concerns, challenges or barriers to savings along with any alternative budget options	January 2021
Review phase starts	March 2021

Section D

Consultation Required?	No
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
No investment requirement

Reference	MTFS007
Executive Director	Donna Ball
Cabinet Member	Cllr. David Jones

Section A

Service Area	Commercial Services
Budget Option Description	Closure of Civic Venues

Budget Reduction Proposal – Detail and Objectives

The Civic Venues within Bury consist of The Elizabethan Suite, based at Bury Town Hall, The Longfield Suite, Prestwich and Ramsbottom Civic Hall. Due to the COVID19 emergency, all Civic Venues have been closed until January 2021 with a proposed review in October / November 2020.

Prior to Covid the Civic Venues required a high level of subsidy (£515k per annum). Despite the best efforts from the Civics Team the level of subsidy has remained for many years and the worsening financial position of the Council means that a subsidised Civics Service can't be sustained. In addition, the Civic Venues struggle to remain competitive with private operators in the area.

Covid will have a further direct impact on Civics. The post-COVID income level is very unlikely to return to pre-COVID levels until late 2021 or beyond. This is due to issues of venue capacity caused by social distancing, and potential further local lockdown measures. Operating costs continue to increase causing the continued loss within the service. It is unlikely that many of the regular events within the Longfield Suite and Ramsbottom Civic Hall will return, creating a larger budget variance and traded loss.

The Longfield Suite is in a poor state of repair and requires large investment to return it to an operational state but is also involved in the wider regeneration plan for Prestwich. The Elizabethan Suite is also in need of major investment due to long term cuts in maintenance budgets.

Ramsbottom Civic Hall is currently being considered for a COVID testing centre with a view to continue this until March 2021.

At present all Civic Venue staff are continuing to be redeployed to the Community Hubs, assisting the Markets team with stewarding and supporting the Waterfold COVID testing site. This arrangement will need to be reviewed following a decision in respect of the potential closure of the Civic Halls.

Due to the continued increasing costs to operate the Venues and historic overspend of the service, it is proposed to close all three Venues permanently and hand the management of the sites to the Estates Team or the Administration Buildings Team to maintain the maintenance and health and safety requirements. Full savings will not be achieved until the existing Civics buildings are either disposed of, redeveloped or the asset transferred.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.132	0.000	0.000
Staffing Reduction (FTE)	11.5		
Is the proposal One-Off or Ongoing?	Ongoing		
Which Budget Principle does the option	Internal Transformation		

relate to?	
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Section B

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

Property
Closed buildings to be handed to estates as part of the wider estate work. Sale of sites could create additional capital for investment into new development areas with a view to generate income to contribute to the overall budget.
Service Delivery
The Service would be closed resulting in no Civic Venue offering within Bury.
Organisation (Including Other Directorates/Services)
Options to be considered and determined.
Workforce – Number of posts likely to be affected.
11.5 FTE permanent staff and 50 casual members of staff. (Reduction in casual staff does not create any saving as the expenditure is covered by event income).
Communities and Service Users
It may be feasible for some events to be driven to the Private sector, and other similar offerings across Bury. Closure of Ramsbottom Civic Hall would impact directly on the Friends of Ramsbottom Civic Hall (FORCH).

Other Partner Organisations

Section C

Key Risks and Mitigations

Risks	Mitigations
Ongoing Income loss / current impact of COVID	Full closure. Any deposits currently held by the Service would need to be returned.
Liability of current state of buildings (Corporate Landlord) / carbon agenda (Climate targets 2030)	Closed buildings to be handed to estates as part of the wider estate work. Sale of sites could create additional capital for investment into new development areas with a view to generate income to contribute to the overall budget.
Civic Functionality / community impact	It may be feasible for some events to be driven to the Private sector, and other similar offerings across Bury.

Friends of Ramsbottom Civic Hall (FORCH)	Closure of Ramsbottom Civic Hall would impact directly on the Friends of Ramsbottom Civic Hall (FORCH).
Timescale to dispose of buildings.	Ensure plans re: disposal are a priority.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Cabinet Decision	November 2020

Section D

Consultation Required?	Yes
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	Start Date	End Date
Staff	November / December 2020	March 2021
Trade Unions	November / December 2020	March 2021
Public	December 2020	March 2021
Service User	December 2020	March 2021
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	None
Particular Ethnic Groups	None
Men or Women (including impacts due to pregnancy/maternity)	None
People who are married or in a civil partnership	None
People of particular sexual orientation	None
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	None
People on low incomes	None
People in particular age groups	None
Groups with particular faiths and beliefs	None

EIA Required?	No
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Ongoing costs associated with retaining the buildings until they are disposed of.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
Assumption is that all activity will cease and therefore the budget can be removed. Allowance has been made for budget to be transferred to manage the buildings. Timing of savings is dependent on relevant HR processes being completed such that there is no call on the service to pay staff from 1 st April 2021.

Reference MTF5008

Executive Director

Cabinet Member

Section A

Service Area	Waste & Transport
Budget Option Description	Review of Waste Services – Fleet Rationalisation

Budget Reduction Proposal – Detail and Objectives

The following options will be given due consideration:-

Review of Waste Services

A range of options to be considered including: -

- Balancing of waste collection rounds
- Street cleansing litter bin rounds and sweeping schedules
- Waste collection service redesign i.e. consideration to 4 over 5 day working, commercial waste review etc

(Please note these options do not include reducing the frequency of waste collections).

Increasing household waste recycling rate

Via the public re-using and recycling, there is a direct positive link with the carbon and climate agenda, where significant carbon savings can be achieved. Options to be considered to achieve a recycling rate well above 60% which could significantly reduce disposal costs/GMWDA levy contribution, include: -

- A comprehensive, sustained communications campaign which would require recruitment of additional staff and ongoing engagement with residents.
- A weekly food waste collection service. This would require a new fleet of bespoke collection vehicles and recruitment of additional operational staff.
- Collection of a wider range of recyclables e.g. plastic pots, tubs and trays; textiles; batteries; small WEEE.
- A separate weekly or fortnightly collection of absorbent hygiene products e.g. disposable nappies and incontinence pads.
- Promotion of home composting, with an offer of subsidised compost bins to residents.

Fleet rationalisation

Confidence in the ability of round optimisation to make the above savings on waste collection is undermined by the impact of COVID. From April to end of Aug this year, relative to last, grey bin tonnages are up 14%, blue bins 22%, green bins 5% and brown bins 13%. This is as a result of lockdown and more people working from home. If the move to more home working becomes permanent this will make efficiencies (in terms of less vehicles and staff required to deliver the service) more difficult to achieve.

Optimisation within the street cleansing service is an unknown, with no indication at this stage of what, if any, efficiencies can be achieved. It is hoped that vehicle requirements could be reduced in respect of mechanical sweepers.

Savings related to caddy liners can be achieved but any changes could lead to reduced

food waste recycling rates leading to more food being placed in the residual waste stream, increasing disposal costs.

The unfreezing of the increase in annual fees and charges will generate an increase in income from the sale of recycling bins and commercial waste services.

Fleet rationalisation – every service that identifies a requirement for new vehicle/s must produce a business case for Exec Director / Cabinet Member approval accordingly. Replacement programme is very much in its infancy, so it is not known at this stage if a saving is possible.

It is to be noted that the options cited above are just options at this stage, and engagement with the public will be undertaken.

	2021/22	2022/23
Budget Reduction (£)	0.237	0.025
Staffing Reduction (FTE)		

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

Section B

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

Property
None.
Service Delivery
New ways of working. Increased efficiencies.
Organisation (Including Other Directorates/Services)
Services that require new vehicles as part of the replacement programme.
Workforce – Number of posts likely to be affected.
Workforce of circa 65 on Waste Collection and 30 on Street Cleansing. 5 Operations Managers/Supervisors. Commercial Waste Officer. All posts potentially affected. A small number of operational posts may be lost if efficiencies are realised.
Communities and Service Users
Every household in borough impacted by waste collection and street cleansing services.
Other Partner Organisations
GMCA – Waste & Resources Team

Section C

Key Risks and Mitigations

Risks	Mitigations
Public reaction to reduced collection frequency and restricted issue of caddy liners.	Robust business case
Workforce 'buy-in'	Effective communications strategy, TU consultation.
DEFRA Resources & Waste Strategy	Any cost implications should be funded by Government.

Section D

Consultation Required?	Yes
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	
Particular Ethnic Groups	
Men or Women (including impacts due to pregnancy/maternity)	
People who are married or in a civil partnership	
People of particular sexual orientation	
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	
People on low incomes	
People in particular age groups	
Groups with particular faiths and beliefs	

EIA Required?	
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Ongoing costs associated with retaining the buildings until they are disposed of.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
Assumption is that all activity will cease and therefore the budget can be removed. Allowance has been made for budget to be transferred to manage the buildings. Timing of savings is dependent on relevant HR processes being completed such that there is no call on the service to pay staff from 1 st April 2021.

Reference	MTFS009
Executive Director	Donna Ball
Cabinet Member	Cllr Lucy Smith

Section A

Service Area	Streetscene (Street Lighting)
Budget Option Description	Dimming Street Lighting

Budget Reduction Proposal – Detail and Objectives

Dimming of Street Lighting.

A street lighting column replacement programme is already underway in Bury. As a result of this programme, approximately 3,500 street lighting columns across Bury will be equipped with energy efficient LED lanterns which are able to be dimmed.

It is proposed to dim these lanterns between 00:00hrs and 06:00hrs, which will realise a reduction in carbon output and energy consumption in the region of 80 tonnes and £40,000 per annum respectively, therefore supporting a lower carbon economy, greater resilience to climate change and cleaner growth.

The proposed dimmed lighting levels will remain in line with the current British Standard Specification whilst providing adequate levels of lighting on the highway. It is important to note that the public will notice very little change in lighting quality from streetlights being dimmed. A number of pilots have already taken place across Bury, with no negative feedback being received.

If implemented, the changes will enable the Council to reduce light pollution, and its negative effects on residents' sleep patterns, certain nocturnal animals, plant species and people's enjoyment of the night sky.

Partner agencies (i.e., Police) are involved in the development of the proposals.

	2021/22	2022/23	2023/24
	£m	£m	£m
Budget Reduction (£)	0.020	0.010	0.000
Staffing Reduction (FTE)	0	0	0

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

Section B

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

Property
No impact.

Service Delivery
Initial reduction in energy costs. However, it is to be noted that over time the savings that are forecast may diminish due to the potential of energy companies increasing their unit cost.
Organisation (Including Other Directorates/Services)
No impact.
Workforce – Number of posts likely to be affected.
No impact.
Communities and Service Users
The proposed dimmed lighting levels will remain in line with the current British Standard Specification whilst providing adequate levels of lighting on the highway.
The hours at which streetlights will be dimmed will be between 0:00hrs and 06:00hrs.
Other Partner Organisations
No impact

Section C

Key Risks and Mitigations

Risks	Mitigations
It is likely that cost savings will be eroded over time as the unit price of energy increases	Potential future investment to save to roll out dimming across entire street lighting stock, achieving further energy and carbon reductions.
Resistance is likely from elected members and the public	Community engagement and communications should highlight the carbon reduction and associated environmental benefits
Personal and transport safety	The proposed dimmed lighting levels will remain in line with the current British Standard Specification whilst providing adequate levels of lighting on the highway.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
Street lighting energy is charged as an unmetered supply which is assessed annually. Milestones will therefore be annual as submissions to our energy supplier are made.	The programme was originally programmed to be delivered over 5 years (20/21 to 24/25), however efforts are being made to deliver by 23/24.

Section D

Consultation Required?	No
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	Yes (limited)
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	Yes (limited)
Groups with particular faiths and beliefs	No

EIA Required?	Yes
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
Proposal can be achieved with existing budgets.

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
Timing of savings will be dependent on the programme of fitting the necessary equipment

Appendix 5

Proposed Cash Limits By Directorate 2021/22								
	Children and Young People	One Commissioning Organisation	Corporate Core	Business, Growth and Infrastructure	Operations	Non-Service Specific	Housing General Fund	Total
	£m	£m	£m	£m	£m	£m	£m	£m
2020/21 Budget	41.778	79.498	14.170	3.397	16.247	9.247	0.553	164.891
Previously Agreed Budget Changes	0.000	0.000	0.015	0.000	0.000	2.100	0.000	2.115
Pay Award	0.051	0.052	0.057	0.013	0.073	0.003	0.000	0.250
Inflation	1.214	2.593	0.018	0.007	0.099	0.194	0.000	4.125
Demand	1.102	2.196	0.170	0.175	0.082	0.597	0.000	4.322
Income Losses	0.000	0.000	0.000	0.000	1.077	8.156	0.000	9.233
Realignment of DSG Costs	2.295	0.000	0.000	0.000	0.000	0.000	0.000	2.295
Fall Out of Time Limited Funding	0.123	0.600	0.000	0.000	0.000	0.000	0.000	0.723
Undeliverable Savings from previous years	0.000	(0.111)	0.150	0.000	1.110	0.000	0.000	1.149
Full Year Effect of Prior Year Savings	(0.034)	0.000	(0.300)	0.000	(0.133)	0.000	0.000	(0.467)
Borrowing to support the capital programme	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000
Planned Use of Reserves	0.000	0.000	0.000	0.000	0.000	(12.332)	0.000	(12.332)
Total Additional Budget	4.752	5.329	0.110	0.196	2.308	(0.283)	0.000	12.412
Efficiencies	(1.216)	(0.040)	(0.605)	0.000	(0.170)	(2.022)	0.000	(4.053)
Budget reductions	0.000	(3.334)	(0.280)	0.000	(0.389)	0.000	0.000	(4.003)
Total Budget Reductions	(1.216)	(3.374)	(0.855)	0.000	(0.559)	(2.022)	0.000	(8.056)
2021/22 Budget	45.314	81.454	13.395	3.593	17.996	6.942	0.553	169.247

The Dedicated Schools Grant and setting the Schools Budget 2021-22

Executive Summary:

- 1.1 The Dedicated Schools Grant (DSG) is the ring-fenced grant from Government that provides each local authority with an allocation of funding for schools and services for pupils.
- 1.2 The DSG contains 4 blocks determined by a separate national funding formula which calculates the total funding due to Local Authorities. In considering how the DSG is allocated it is necessary to consider each block separately. This report sets out recommendations in relation to the Schools Budget for approval by Cabinet. The details set out in the report has been discussed, and agreed, by the Schools Forum.
- 1.3 Under the Council's Constitution, the Overview and Scrutiny Committee is required to advise and consider the Cabinet's budget and council tax proposals and report to Cabinet on the outcome of its deliberations before the matter is referred to Council.

Recommendation(s)

That Council:

- Approve the Dedicated Schools Grant Budget for 2021/22 at £190.923m and approve the allocations between the 4 funding blocks;
- Approve the Schools and Academies 2021/22 funding unit values as recommended by Schools' Forum and detailed at Appendix 1;
- Approve the 2021/22 hourly rates for all early years providers as follows:
 - £4.44 per hour for 3 and 4 year olds, and:
 - £5.36 per hour for 2 year olds.

Key considerations

Background

2 Dedicated Schools Grant

- 2.1 In September 2019, the Chancellor of the Exchequer presented the 2019 Spending Round (SR19) to Parliament and this included notification that, nationally, schools funding would increase by £2.6bn in 2020/21, £4.8bn in 2021/22 and £7.1bn in 2022/23. The Government also advised that the high needs funding for schools would increase by £700m nationally. This 3-year funding allocation has helped with financial planning for our schools and has remained largely unchanged and forms the basis for the 2021/22 budget to schools.
- 2.2 For schools this means that the minimum per primary school pupil amount has increased from £3,500 in 2019/20, £3,750 in 2020/21, and will increase to £4,180 for 2021/22. The Secondary minimum per pupil amount has increased from £4,800 in

2019/20, £5,000 in 2020/21, to £5,415 for 2021/22. For Bury, an additional £13.281m has been allocated over and above the 2020/21 allocation.

2.3 The allocations for Bury are set out in the following table.

Dedicated Schools Grant	2020/21 £m	2021/22 £m	(Increase)/ Decrease £m's
Schools Block	129.940	139.599	(9.659)
Central Schools Services Block	0.774	0.952	(0.178)
Early Years Block	13.869	14.064	(0.195)
High Needs Block	33.059	36.308	(3.249)
Total DSG	177.642	190.923	(13.281)

2.4 The 4 blocks that make up the DSG are:

- ***The Schools Block***

This provides funding for individual mainstream schools and academies as well as growth funding for any planned growth in schools. It is the responsibility of the Council to propose and decide any changes to the formula which is used to allocate Schools Block DSG to all primary and secondary schools. The Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

- ***The High Needs Block***

This provides funding for the education of pupils subject to Education, Health and Care plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and council centrally retained expenditure for high needs support and inclusion. It is the responsibility of the local authority to propose and decide the allocation of High Needs Funding. The Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

- ***The Early Years Block***

This provides funding for two-year olds, early years funding in schools and in the Private, Voluntary and Independent (PVI) sector as well as centrally retained expenditure for under 5s. Local Authorities must pass through a minimum of 95% of funding for the universal 15-hour entitlement for 3- and 4-year olds and the additional 15 hours entitlement for 3 and 4 year old children of eligible working parents directly to settings. This means that up to 5% can be retained by the Council to contribute to early years functions delivered by education services, for contingency to allow in-year funding to be provided to providers for increased early years pupil participation and for Early Years SEND inclusion funds.

It is the responsibility of the local authority to propose and decide on the allocation of early years funding. The Schools Forum and all early year's providers are consulted annually and given an opportunity to give their view on the proposals.

- **The Central Schools Service Block**

This provides funding for the local authority to carry out central functions on behalf of pupils in both maintained schools and academies. The local authority proposes the spending allocations funded from the Central Services block but the final decision is made by the Schools Forum. Central Schools Services includes the admissions service, schools forum administration, school improvement and other statutory and regulatory duties.

- 2.5 There is limited flexibility for councils to transfer funding between the 4 blocks. For 2021/22 the Education and Skills Funding Agency (ESFA) has limited the movement between blocks to 0.5% of the total Schools Block allocation but only with the agreement of the Schools' Forum. Any proposed increase on this is subject to approval by the Secretary of State.
- 2.6 For 2021/22, Bury's Schools' Forum has unanimously approved a transfer of 0.2% from the Schools' Block to help support the pressures being faced on the High Needs Block. This equates to £0.254m contribution to help sustain the recovery of the High Needs deficit.

3 DSG Allocation

Schools Block National Funding Formula Allocation

- 3.1 The Schools Block allocation for 2021/22 is £139.599m. This is an increase of £9.659m from the 2020/21 allocation.
- 3.2 In September 2017, the National Funding Formula (NFF) for Schools and Central Schools Services was introduced. Following consultation with all schools and academies, Bury applied the NFF with effect from 1 April 2018 with the Secondary Schools opting to move to this immediately and Primary Schools taking a 3 year phased approach. From 2020/21, the national funding formula has been applied to all schools in Bury as previously agreed. The 2021/22 funding factors continue to comply with the national funding formula values
- 3.3 The Schools Forum has considered the allocation of the Schools Block and have made their recommendations. These have been applied to the formula used to determine individual school allocations and ensure full compliance with statutory requirements.
- 3.4 It should be noted that the funding increase to the Schools Block includes the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. To ensure schools can continue to meet the cost of increased pay and pensions for teachers, the schools' delegated budgets are enhanced through an increase to the per-pupil Basic Entitlement funding.
- 3.5 A full summary of the funding formula factors is set out at Appendix 1 and these are recommended for approval by Cabinet.
- 3.6 In addition to the Schools Block funding, additional external funding is available directly for schools and academies. It should be noted that these are estimated figures, based on 2020/21 actuals and are subject to pupil census and other data updates. A summary is set out in the following table.

Estimated external Funding available to schools and academies in 2021/22	
	£m
Pupil Premium Grant	8.786

Universal Infant Free School Meals Grant	2.211
Primary PE and Sport	1.123
Covid Catch Up Grant – Summer Term 2021	0.986
Devolved Formula Capital	0.532
TOTAL	13.638

- 3.7 During 2020/21 schools were also provided with additional funding to support them through the coronavirus pandemic and any additional costs incurred as a result of schools' compliance to Government lockdown guidance. This included the Covid Exceptional Costs Reimbursement Scheme, Covid Catch-Up Grant (Autumn 2020 and Spring 2021), and the Workforce Fund. There is no guarantee these grants will be provided to contribute to any ongoing costs faced by schools in 2021/22.

Early Years Block National Funding Formula Allocation

- 3.8 The Early Years Block allocation for 2021/22 is £14.064m. This is an increase of £0.195m from the 2020/21 allocation.
- 3.9 Early Years funding to providers is based on hourly rates for eligible 2-, 3- and 4-year olds accessing their entitlement to free early education. The hourly funding rate applied to 3- and 4-year olds must also meet a minimum level of an average across all providers of at least £4.22 per hour.
- 3.10 The hourly rate determined must include a universal base rate and a mandatory supplement for deprivation applied to all providers. Any supplements must not be more than 10% of the total hourly rate funding to providers.
- 3.11 Up to 5% of the 3- and 4-year old funding may be retained by the Council to contribute to central early years functions, contingency for in-year increases to early years pupil participation in settings and for Early Years SEND Inclusion Fund.
- 3.12 The 2-year-old funding rate allocated is higher in order to contribute to funding the greater staffing ratios required and associated costs of supporting 2-year-old children. The 2 year old aspect does not include any mandatory supplements and is not subject to the 95% pass-through requirement.
- 3.13 The Early Years block for 2021/22 continues to include the Maintained Nursery School (MNS) funding protection which is allocated as an additional lump sum outside of the universal hourly rates used.
- 3.14 The 2021/22 hourly rates proposed ensure the full increased funding provided through the Early Years Block of 8 pence per hour for 2-year olds and 6 pence per hour for 3- and 4-year olds is allocated directly to all Early Years providers through their funding allocations based on actual numbers on roll and hours of pupil participation in their settings.
- 3.15 Bury's 3- and 4-year-old hourly rate for early years provision is higher than the minimum set out by the Government. It is however proposed that the additional allocation in the settlement, equivalent to £0.06 be added to the 2021/22 rate. In accordance with the statutory requirements Council is required to approve the hourly rates applicable with effect from 1 April 2021, as recommended by Schools' Forum. These are set out in the tables below.

Table 1

Early Years Allocation for 3- and 4-year olds - Funding Per Hour

Factor	2021/22 Allocation Per Hour (£)
Universal rate allocated to all providers	4.14
Deprivation Supplement (average)	0.16
Central Provided Services (3%)	0.14
Total for 3 and 4 year olds	4.44

Note: The deprivation allocation above is an average and may vary to individual settings as their actual amount is determined according to the latest deprivation indices for all children on roll according to their home postcode.

Table 2

Early Years Allocation for 2-year olds - Funding Per Hour	
Factor	2021/22 Allocation Per Hour (£)
Universal rate allocated to all providers	5.36
Deprivation Supplement	n/a
Total for 2 year olds	5.36

- 3.16 Early Years settings may also receive additional funding for eligible pupils through the Early Years Pupil Premium Grant (EYPPG) at £0.53 per hour, and/or Disability Access Fund (DAF) at £615 per eligible child.

High Needs DSG Budget Allocation

- 3.17 The 2021/22 allocation for High Needs DSG is £36.308m. This represents a £3.249m increase from the 2020/21 allocation.
- 3.18 High Needs funding is based on SEND pupil numbers as of October 2020 in mainstream, special and resources provision maintained schools and academies, and SEND pupil numbers at January 2021 in independent provision.
- 3.19 Of the total allocation of £36.308m, the ESFA will allocate around £1.002m direct to Further Education (FE) establishments for high needs places. The funding remaining for the Council to manage is therefore £35.306m to fund all in-borough and out-borough provision and specialist support delivering SEND and inclusion priorities. From the £35.306m the ESFA will also allocate £2.784m direct to Bury's Academies with specialist places.
- 3.20 It should be noted that the funding increase to the High Needs Block also includes the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. To ensure Bury's Special Schools and Pupil Referral Unit (PRU) can continue to meet the cost of increased pay and pensions for teachers, the statutory place funding has been inflated by £660 to £10,660 per place.

Central Schools Services Block (CSSB) DSG Budget Allocation

- 3.21 The allocation of the Central School Services DSG (CSSB) block is £0.952 in 2020/21, this represents an increase of £0.178m from the 2020/21 allocation. The use of the CSSB is one for the Schools Forum to decide based on proposals from the council in respect to funding ongoing responsibilities and central functions undertaken on behalf of schools and academies.

- 3.22 It should be noted that the funding increase to the CSSB also includes the transfer of the Teachers Pay and Pension Grants into the DSG from 2021/22. This is to meet the cost of increased pay and pensions for centrally employed teachers.

4 DSG HIGH NEEDS RECOVERY PLAN

- 4.1 Costs of high needs have exceeded the available budget for a number of years and the position on the DSG reserve is a cumulative deficit of £20.067m at the end of 2019/20. The deficit has accrued for a number of reasons including increasing volumes of pupils receiving Education, Health and Care Plans (EHCPs), increasing complex needs, increasing costs of provision, increased numbers of pupils in out of borough placements, as well as investment made into in-borough inclusion.
- 4.2 The DfE has announced the removal of the link between the council's general reserves and DSG deficit balances although the statutory override that is required to do so is still awaited. Until then, the DSG deficit is offset by the Council's own reserves.
- 4.3 The DfE want to ensure that DSG deficits are recovered and have set up a DSG Safety Valve Project team to work with the councils with the greatest deficits to develop an agreed recovery plan.
- 4.4 Bury has one of the largest deficits on the Dedicated Schools Grant (DSG) in the country and has been selected along with 5 other Local Authorities to work with the Department for Education (DfE) in respect to developing and agreeing a recovery plan.
- 4.5 Bury met with the DfE Safety Valve Project team in December 2020 for an initial introduction and outline of the DfE expectations and detail about the recovery plan process and requirements.
- 4.6 A transformation plan aimed at recovering the position has been developed and, if approved by the DfE, will be presented to the Secretary of State in March 2021 at which point the outcome, including potential funding, will be known.
- 4.7 The transformation plan has involved intensive input from SEND and Finance colleagues and will be completed in accordance with the DfE timeframe by the end of January 2021 so they can scrutinise it in February prior to reaching the expected agreement and approval of the Secretary of State prior to 31 March 2021.
- 4.5 The DfE have acknowledged the considerable progress made since their initial visit in December 2020 in producing an action plan that will see the recovery of the deficit through a robust, comprehensive, and manageable delivery plan incorporating key milestones and performance indicators.
- 4.6 The DfE recognise the Council may need additional support to recover the deficit in full and they will consider how they can support Bury with increased revenue and capital funding and with any other professional expertise, advice and guidance they can provide.
- 4.7 The determination of any additional financial support is subject to acceptance of Bury's recovery plan and will be provided in this, and next financial year if confirmed.

Community impact / Contribution to the Bury 2030 Strategy

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

Equality Impact and considerations:

26. *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 -

- (d) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (e) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - (f) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
27. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*
-

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The Council has a statutory requirement to set its annual budget before 1 March 2021. Failure to approve the budget would mean that schools and early years providers do not have their funding allocations for 2021/22.	All proposals have been discussed with the Schools Forum and are based on the latest financial information.

Consultation:

The Schools Forum has been consulted on the proposals set out in the report and the recommendations are supported by them.

Legal Implications:

The Council has a continuing responsibility for financial regularity in schools and the Section 151 Officer has set out the necessary arrangements for local financial and management controls in accordance with legislative provisions and guidance.

Financial Implications:

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

Report Author and Contact Details:

Lisa Kitto

Interim Director of Financial Transformation (S151 Officer)

Background papers:

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

Term	Meaning
DSG	Dedicated Schools Grant

Appendix 6 - Appendix 1

Funding Unit Values recommended to Cabinet by the Schools Forum			
Factor	Sub-level	2020/21 Per Pupil	2021/22 Per Pupil
		£	£
Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary	2,873	3,123
	Key Stage 3	4,040	4,404
	Key Stage 4	4,586	4,963

Deprivation – Amount Per Pupil			
Factor	Sub Level	2020/21 Per Pupil	2021/22 Per Pupil
		£	£
Free School Meals - Ever 6	Primary	563	575
	Secondary	819	840
Free School Meals	Primary	452	460
	Secondary	452	460
Income Deprivation Affecting Children Indices (IDACI) - Primary (Amount Per Pupil)	IDACI F	211	215
	IDACI E	251	260
	IDACI D	377	410
	IDACI C	407	445
	IDACI B	437	475
	IDACI A	603	620
Income Deprivation Affecting Children Indices (IDACI) - Secondary (Amount Per Pupil)	IDACI F	302	310
	IDACI E	407	415
	IDACI D	538	580
	IDACI C	583	630
	IDACI B	628	680
	IDACI A	845	865
Funding Unit Values recommended to Cabinet by the Schools Forum			
Factor	Sub-level	2020/21 Per Pupil	2021/22 Per Pupil

Additional Education Needs Factors – Amount Per Pupil			£	£
Low cost, high incidence SEND	Low Prior Attainment		1,071	1,095
			1,619	1,660
English as an Additional Language (EAL)	Primary		541	550
	Secondary		1,448	1,485
Mobility	Primary		880	900
	Secondary		1,257	1,290

School-Led Factors		Amount per School	
		2020/21	2021/22
		£	£
Lump Sum	Primary	120,000	117,800
	Secondary	115,023	117,800

Capital Strategy 2021/22 – 2023/24 and Capital Programme 2021/22

Executive Summary:

- 1.1 In line with good practice, the Capital Strategy forms part of the council's strategic and financial planning framework and provides a framework within which the Council's capital investment plans will be delivered. The capital strategy 2021/22 – 2023/24 has been prepared to cover a 3-year period initially though it is expected that this will be extended to a 5-year time frame in line with the council's medium term financial strategy. The current approach recognises the uncertainty, especially in relation to funding in future years.
- 1.2 The format of the Capital Strategy reflects the Prudential and Treasury Management Codes issued by CIPFA in 2017 which require councils to prepare a capital strategy and include specific information within it. The strategy therefore includes:
 - A high-level, long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed;
 - The implications for future sustainability
 - The proposed capital programme 2021/22 – 2023/24
 - Financing the capital programme
- 1.3 The Capital Strategy is prepared to ensure members are fully aware of the overall long term capital investment objectives, capital strategy requirements, governance arrangements and risk appetite. The strategy cannot be viewed in isolation and links directly to the medium-term financial strategy, the treasury management strategy, the school's capital strategy, the ICT and digital strategies and the asset management plan.

Recommendation(s)

That Council:

- **Approve the capital strategy 2021/22 – 2023/24;**
- **Approve the capital programme of £73.957m for 2021/22 and the associated funding arrangements;**
- **Note the indicative capital programme for 2022/23 and 2023/24 and that this will be subject to decision making in future years.**

Key considerations

2 BACKGROUND

- 2.1 The Council is committed to an integrated approach that develops a capital programme to reflect the priorities with an organisation-wide approach rather than being determined by individual services. This approach aims to ensure our scarce resources are used in the most effective way and support our corporate priorities as set out in the proposed Bury 2030 strategy:
 - A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes
 - Harnessing the enterprise of local people and businesses to drive economic

growth, and ensuring every resident has the opportunity to connect to the opportunity of this growth through their skills, networks and scope for meaningful work

- A new collaborative approach to delivering together with communities, to share ownership of issues and opportunity and combine all resources
- A strengths-based approach to public service delivery, to build on the resources people have to solve issues and target resources on the gaps rather than taking a deficit-based view

Capital Resources

- 2.2 When assessing the level of planned capital investment to undertake we make a judgement about the level of capital resources that are likely to be available over the period of the programme. Our main capital resources are service specific grants, third party contributions, capital receipts, lease finance and borrowing.
- 2.3 Historically the Capital Programme has not required any additional borrowing by the Council. This is no longer considered a sustainable position and borrowing is likely to be a key source of funding for new schemes in the future. There are revenue consequences of this as the Council must incorporate the associated borrowing and minimum revenue provision in its revenue budget. At the same time, the grant funding opportunities that are emerging from central government as part of the 'Levelling Up' programme as well as other opportunities including the UK Shared Prosperity Fund and the National Home Building Fund will provide some funding opportunities and these will be maximised as part of the overall approach. In developing the capital programme, any revenue costs needed to support potential borrowing have been identified and reflected in the Council's Medium Term Financial Strategy.
- 2.4 The new funds being made available by the Government are subject to competitive bidding rounds and to maximise the opportunity that these present, the Council needs to ensure it has the required resources to develop these bids.

Central Government Allocations and External Grants and Contributions

- 2.5 Some capital projects are financed through the allocations received directly from the Government Departments or external grants and contributions which are mostly specific to projects and cannot be used for other purposes. Examples of these would include the allocations for schools, highway maintenance or Disabled Facilities grants from Central Government.
- 2.6 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.
- 2.7 The Council will continue to explore cost effective opportunities for grants from external bodies. However support through grants cannot be accurately predicted and therefore the Council recognises that it cannot depend on this source entirely. The Council will also ensure that exit strategies are prepared in the case of on-going projects funded through external support, in the event of the support being withdrawn.

Capital Receipts

- 2.8 The Council generates capital resources through the sale of surplus land and buildings. The short to medium term asset sales are forecast to be minimal and as result, the ability of the Council to fund investment from within its own funding remains limited. Cabinet has approved an accelerated land disposal programme aimed at generated significant capital receipts for the Borough. The completion of the programme will generate c£8m of receipts over a 3-year period which can be

used to support the Council's capital ambitions.

- 2.9` The Council will continue to pool both Housing and General Capital Receipts to reflect its commitment to a priority-led approach to the allocation of resources and continue to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or service areas. However, it does recognise that exceptionally there will be instances in which it will be necessary to earmark receipts to particular schemes and if earmarking is necessary then a report will be taken to the Cabinet for consideration of the specific circumstances.
- 2.10 From April 2016 the government introduced the flexibility for capital receipts to be used to fund revenue expenditure which meets certain criteria. The ability for councils to do this was extended in February 2021 when the final Local Government Finance Settlement was approved. To meet the qualifying criteria the revenue expenditure needs to relate to activity which is designed to generate ongoing revenue savings or to transform a service which results in revenue savings on improvements in the quality of service provision. Local authorities are only able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use the existing stock of capital receipts to finance the revenue costs of service reform. There are no proposals to use capital receipts to fund transformation at this stage though it is important that the option to do so is acknowledged.

Borrowing

- 2.11 From 1 April 2004 authorities have had the discretion to borrow in line with the CIPFA Prudential Code which is known as 'Unsupported Borrowing' and outside the Government's control who will no longer support Authorities with a provision in the Revenue Budget to meet the capital financing costs that arise from this level of borrowing.
- 2.12 The Council can make use of the opportunity for the Prudential Borrowing where it is most cost effective and as long as its capital investment plans are affordable, sustainable and prudent. It hence makes a choice on whether revenue resources are used to fund direct service delivery or reserved to finance costs of borrowing for capital investment.
- 2.13 The Council will consider the use of unsupported borrowing in two particular circumstances:
- Discretionary unsupported Schemes – where individual services can meet the full borrowing, and other revenue, costs from within existing resources and where the related expenditure meets with Council ambitions/priorities and would not be able to proceed through and other funding source. Any such schemes must be specifically approved by the Cabinet or Council and be supported by a detailed Business Case.
 - Invest to Save schemes – where pump priming assistance is required but overall, costs are met from additional revenue/capital income or savings generated by the scheme. Pump priming can be funded from unsupported borrowing or from slippage/internal resources. Again, the specific approval of the executive will be needed before any such schemes proceed.
 - Strategic Investment – Where strategic investment to support the Borough's economy is required, subject to a detailed business case.

Revenue Contributions and Reserves

- 2.14 The Council can also use revenue resources to fund capital projects, although revenue budgets have come under increased pressure over recent years and the

ability to use revenue is restricted. The proposed capital programme requires borrowing and the cost of borrowing to support the 2021/22 has been factored into the 2020/21 and 2022/23 budget. Any requirements beyond this will need to be factored into the MTFS. The Council may also finance some capital schemes from reserves such as S106 set asides.

Lease financing

- 2.15 The Council has traditionally used funding by way of leases to mainly acquire or use vehicles and grounds maintenance equipment where the revenue budget did not allow for a full capital repayment and there was a robust business case for the option of leasing to be considered.
- 2.16 By 2022 the Council will need to replace all of its vehicles and equipment held currently on operational leases and a strategy to cover replacement was agreed as part of the 2020/21 capital programme the phasing of which is over several financial years. The replacement strategy has been approved by Cabinet and is currently being implemented.

3 CAPITAL SPEND PROPOSALS

- 3.1 The Council's capital programme 2021/22 – 2023/24 is set out at Appendix 1. The proposed programme takes account of the latest monitoring position on the 2020/21 capital programme including any identified rephasing that has been agreed for carry forward into the 2021/22 financial year. It should be noted that there could be more re-phasing and this will be reported as part of the out-turn position that will be reported to future Cabinet. Any further re-phasing will be added to the programme at that time. A number of new schemes reflecting the Council's priorities are proposed and are included in the draft programme.
- 3.2 The proposed capital programme is focused on some main themes that align to the Council's objectives and outcomes including:
- Regeneration of key areas within the borough
 - Strategic Investment to support economic growth
 - Sport and Leisure
 - Operational Fleet
 - Housing
 - Highways
 - Children and Young People, including schools
 - ICT and Digital
 - Carbon Neutrality
 - Estate Management
- 3.3 The key areas of investment proposed for 2021/22 are:

Existing Commitments

- **Replacement of the vehicle fleet.** This is the continuation of the programme that was agreed as part of the 2020/21 capital programme. A vehicle replacement strategy was approved by Cabinet in July 2020 and the procurement of the vehicles is anticipated to take place over a 3-year period. A total of £10m was approved in 202/21 and have been phased over 3 financial years.
- **Highways** Continued investment in highways services and is a phasing of the works that have previously been approved. A Highways Strategy was approved by Cabinet in September and showed that the funds available would be spent over 3 financial years. The draft capital programme reflects the agreed Highways Strategy.

- **Cycle Ways** The council has been provided with grant from the Greater Manchester Combined Authority to support greater use of cycle ways and to promote greater use. The funds have been phased to take account of the anticipated expenditure profile.
- **Education and Schools** Anticipated grant income for schools related expenditure has been assumed for the funding that is known. Capital allocations are still awaited and will be reflected in the strategy as and when the information becomes available.
- **Sports and Leisure** Investment in external sites, including parks, as well as leisure centre is assumed within the capital programme to promote healthier lifestyles and wellbeing. Some of the schemes are grant funded. A parks strategy (Phase 1) was approved by Cabinet in December 2020.
- **Housing** Use of the housing revenue account to promote housing growth has been assumed, all of which will be funded from within the HRA. The Council has also approved use of its own funding to develop the potential of 5 strategic sites and has also been awarded some Brownfield Land Fund grant which has been built into the 2020/21 capital programme.

New Schemes

- **Regeneration** A significant amount of regeneration works has been assumed covering all major sites and areas across the council. This work includes funding brought forward from the 2019/20 financial year. In addition to this, the Council has committed to the Radcliffe Generation Strategic Framework which requires significant funding over a 3-year period. This is likely to total £30m phased over 3 years. Separate governance arrangements including a Committee has been set up to oversee the Radcliffe SRF. Other key areas of generation across the borough include Prestwich Town Centre and the Bury Town Centre Masterplan..
- **Regeneration Investment Fund** there is a need to introduce an investment fund which essentially will be utilised to pump prime some investments in the regeneration areas but will be replenished as and when sites are disposed of in the future. A proposed framework for the investment fund is attached at Appendix 2 and any requests for use of the fund will be subject to appropriate financial and non-financial due diligence. A total of £6m for the investment fund has been requested. The fund will be used to support regeneration across the whole of the borough.
- **Housing Revenue Account** The continuation of the 3-year investment in properties £9.8m is assumed to maintain the housing stock and meet statutory compliance requirements. This will be met from the HRA.
- **Fernhill Gypsy and Traveller Site** The Council has previously approved investment in the site, some of which will be funded from a Homes England grant. Until final confirmation is received for the grant, an allocation of £2m has been assumed in the programme.
- **Muslim Burial Site Extension** Funding of £50,000 will be used to extend the existing site and carry out some other works including new pathways and fencing.
- **Clarence Park Skate Park** One-off funding of £150,000 to fund a new skate park at Clarence Park.

- **Barnfield Park Community Based Project** One-off funding to provide a central base office for City of Trees to support tree planting and tree management and to improve the depot, greenhouse and office facilities. The project is aimed at delivering a wider community support project regarding environmental awareness and training.
- **Parks and Green Space Strategy** This is a continuation of the Parks and Green Space Strategy that was approved by Cabinet in November 2020.
- **Essential Health and safety Works** This includes works in the leisure centres, Town Hall and across the wider property estate.
- **Sustainable Tennis Strategy** Redevelopment of the Borough's tennis courts.
- **Bury Athletics Track** Improvements to the track for delivery in 2022/23 subject to external funding.
- **Radcliffe 3G** Match funding for a Football Federation grant bid. Anticipated deliver 2022/23.
- **Springwater Park and Flood Protection measures** Remedial work to address landslip and other damage within the parks as a result of recent storms.
- **Public Rights of Way** Improvement in public rights of way.
- **Road Safety Schemes**

3.4 Total budget in 2021/22 is planned at £73.957m however the position is likely to evolve as:

- There may be further government funding allocations announce prior to the start of the 2021/22 financial year particularly in relation to schools and the carbon neutral agenda;
- It is likely that new initiatives will be announced later in the financial year;
- There may be the opportunity to bid for additional funding, i.e. through the recently announced 'Levelling Up' fund;
- The council may identify other funding sources, including capital receipts, to finance additional capital expenditure;
- Phasing of the expenditure as more detailed implementation plane evolve.

3.5 Therefore the capital programme position will be kept under review and any new information about funding allocations will be presented to members in future reports.

3.6 In recent years the programme was based on fully funded schemes and a reduced call on Council's own resources through prioritisation methods that are under continuous development. This is no longer considered sustainable in light of the pressures on the council's finances and reduced reserves. Within the proposals is a requirement to fund £20m of investment through borrowing. In recognition of this, a total of £2m capital financing costs has been built into the revenue budget from 2020/21 onwards.

4 Funding the Capital Programme

4.1 The Council must ensure that appropriate funding arrangement are in place and this is monitored as part of the Treasury Management arrangements and reported to Cabinet on a quarterly basis. It is proposed that the new schemes be funded through borrowing and the borrowing costs have been reflected in the Council's medium term

financial strategy. No funding assumptions for schemes beyond 2021/22 have been made.

- 4.2 The proposed funding arrangements for the draft capital programme are set out in Table 1.

Table 1

Financing the Capital Programme 2021/22 – 2023/24				
	2021/22	2022/23	2023/24	TOTAL
	£m	£m	£m	£m
Gross Cost	74.157	43.472	43.472	161.101
Financed By:				
Grants/External Funding	12.347	0.000	0.000	12.347
HRA Headroom Reserve	13.031	12.972	12.972	38.975
Capital Receipts Reserve	0.290	0.000	0.000	0.290
Prudential Borrowing	48.289	28.885	28.500	105.674
TOTAL	73.957	41.857	41.472	157.286

- 4.3 It is clear that there is reliance on a significant amount of borrowing in future years. The affordability of such borrowing will be subject to consideration at the point at which the budget for that financial year is set. The Council will however work to ensure that the level of borrowing required is reduced as much as possible and that we maximise the use of capital receipts, grant and other external income.

5 PRIORITISING, MANAGING, MONITORING, REPORTING AND EVALUATING THE CAPITAL PROGRAMME

Prioritising Capital Resources

- 5.1 It has been long demonstrated that the demands for capital investment tend to exceed available resources. To alleviate this, a robust mechanism is in place to assess schemes against key criteria and assist in decision prioritisation for use of capital resources.
- 5.2 New capital gateway processes were introduced in 2020/21 and are clustered on a thematic basis – Housing, Regeneration and Infrastructure; Children and Young People, Schools and Health and Wellbeing; ICT. It is anticipated that the thematic approach will support a cross Council approach and will remove the current silo working. The significant amount of work undertaken in 2020/21 has provided much greater transparency and understanding of the existing programme and is already proving beneficial in support more strategic discussions and developing much stronger links with the revenue strategy.
- 5.3 The scrutiny of capital schemes proposed will take place through the Gateway Groups and through the newly established Capital Board. Gateway processes to monitor, review and approve at each stage of the process have also been agreed and introduced.
- 5.4 The Council has in place a comprehensive capital bidding mechanism through which information on the strategic fit, partnership working, revenue consequences, funding profile, statutory drivers and critical success factors are collected for all schemes. The capital bidding mechanism ensures that new capital projects are appraised on a consistent basis and are aligned with the priorities set out in the Bury 2030 Strategy.
- 5.5 Preparation of the Capital Programme is undertaken in two stages. Firstly, scheme bids are placed into the following categories:

- 100% funded schemes
 - Discretionary schemes (Invest to Save and Strategic Investment)
 - Discretionary schemes to support priorities and outcomes
- 5.6 In line with the priority-led approach previously approved by Executive it is assumed that Members will wish to support the inclusion of schemes that fall into the first category, although this assumption is tested regularly and Members are free to exercise discretion over the inclusion of any scheme (or scheme funding).
- 5.7 The second stage involves assessing the extent of any resources that are available to fund new, discretionary schemes and then using a simple quantifiable scoring model that assesses the extent to which schemes reflect our priorities, generate revenue savings/costs and lever in additional external resources.
- 5.8 The Council's priorities form the framework for the prioritisation of capital investment for the Capital Programme. By using this prioritisation process on an annual basis to decide the Capital programme for the following year, it allows the review of the whole 3 year rolling capital programme. This review of schemes allows the addition, withdrawal or deferral of capital investment resulting ensuring available capital resources are focused on corporate priorities.
- 5.9 Reviewing the Capital Programme is an on-going process and in the past several years available resources have been reducing constantly due to new identified funding requirements and a slowdown in available suitable for disposal surplus assets. A full review of the capital programme has been carried out which has provided greater insight and transparency of the programme. This means that the Council can be more effective in its monitoring and scrutiny.
- 5.10 Delivery of the capital programme and ensuring that sufficient resources are available is key to the success of the programme. As part of the gateway process, resource requirements including specialist support will be assessed.

6 Monitoring and Reporting on the Capital Programme

- 6.1 The Capital Programme is monitored regularly throughout the year by the Gateway groups, the Capital Board and is reported to Cabinet on a quarterly basis. This report presents detail of spend, potential re-profiling of the programme and any significant changes in funding assumptions, especially the level of asset disposals which are always critical for the delivery of the Capital Programme. An enhanced focus on funding of the capital programme is to be introduced in particular capital receipts and to ensure that all funding is received.

7 RISK MANAGEMENT

- 8.1 There are some inherent risks in the Capital Strategy recommended above:
- Capital receipts are not realised to the level anticipated above. This is a major risk and is one that has impacted on past programmes. To maintain this low risk it is strongly recommended that schemes reliant on capital receipts do not begin until there is a high degree of certainty that the relevant receipt will materialise.
 - Future rise in Interest Rates. Planning for Prudential Borrowing can be affected by rises in interest rates making the borrowing option less attractive as a funding option and putting at risk longer term large capital schemes.
 - Schemes need re-phasing from one year to the next. This is considered a normal feature of capital schemes and can occur for a large number of reasons. The risk can be mitigated by re-profiling corresponding resources between years

and is not felt to be high. It is expected that the new Capital Gateway processes will improve the profiling of expenditure and also the delivery of schemes in line with expectations.

- Scheme costs increase. Whilst not unusual, increased costs that can occur due to a number of factors cannot be mitigated without an impact on other schemes within the Programme or an impact on future years' resources. The risk can be reduced by the use of sound costing techniques, effective project management and monitoring schemes using a risk assessment approach.
- Delivery of the programme and ensuring sufficient capacity is available is a risk. As part of the new gateway processes, resource requirements for delivery will be fully assessed and incorporated in the detailed plans. This will include ensuring appropriate specialist skills and requirements are identified and that arrangements are in place for these to be sourced.
- Government grant funding is needed to deliver the whole of the Council's aspirations and if funding is to be secured the longer term ambitions and delivery of the capital programme will be affected. The funding of the programme is continually assessed.

Community impact / Contribution to the Bury 2030 Strategy

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

Equality Impact and considerations:

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

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

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

Assessment of Risk:

The following risks apply to the decision:

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

Overview and Scrutiny Committee has been consulted as part of the process for setting the capital programme.

Legal Implications:

The Council has a legal obligation to set a balanced budget and the capital considerations form part of that process.

Financial Implications:

The cost of the new schemes to the Council is £20m and will be met from borrowing. A total of £2m has been reflected in the Council's revenue budget for this. The Housing option will be met from the Housing Revenue Account and there is sufficient funding for this. Consideration of the longer term requests relating to the Radcliffe SRF will need to be considered in the context of the MTFS. There is an opportunity to reduce the level of borrowing through the generation of capital receipts. These have not yet been factored into the plans but would be a 'first call to reduce borrowing requirements. The position for future years is only indicative and are subject to future decision making at which point the financial implications will be considered alongside the revenue budget.

Report Author and Contact Details:

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Interim Director of Financial Transformation (S151 Officer)

Background papers:

The Council's Financial Position as at 30 September 2020

Revenue Budget 2020/21 and Medium-Term Financial Strategy

2020/21 – 2024/25 Capital Strategy and Capital Programme

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

Term	Meaning

Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24							
	Slippage brought forward	Prior Year Commitments	New schemes 2021/22	Total Cost	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
Regeneration and Economic Growth							
Radcliffe	1.484	0.000	16.000	17.484	17.484	10.000	10.000
Prestwich	0.075	0.000	0.000	0.075	0.075	5.000	6.000
Ramsbottom	0.300	0.000	0.000	0.300	0.300	0.000	0.000
Bury	0.080	0.000	0.000	0.080	0.080	11.000	11.000
Commercial Sites Regeneration	0.400	0.000	0.000	0.400	0.400	0.000	0.000
Sub Total	2.339	0.000	16.000	18.339	18.339	26.000	26.000
Place Shaping/Growth	0.898	0.000	0.000	0.898	0.898	0.000	0.000
Sports and Leisure							
Existing Schemes	0.896	0.000	0.000	0.896	0.896	0.000	0.000
Barnfield Park Community Based Project	0.000	0.000	0.050	0.050	0.050	0.050	0.000
Clarence Park Skate Park	0.000	0.000	0.150	0.150	0.150	0.000	0.000
Parks and Green Space Strategy	0.000	0.000	0.300	0.300	0.300	0.000	0.000
Leisure Centres Heath and Safety	0.000	0.000	0.100	0.100	0.100	0.000	0.000
Sustainable Tennis Strategy	0.000	0.000	0.200	0.200	0.200	0.000	0.000
Bury Athletics Track	0.000	0.000	0.000	0.000	0.000	0.100	0.000
Radcliffe 3 G Pitch	0.000	0.000	0.000	0.000	0.000	0.100	0.000
Play Area Strategy	0.000	0.000	0.205	0.205	0.205	0.045	0.000
Sub Total	0.896	0.000	1.005	1.901	1.901	0.295	0.000

Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24

	Slippage brought forward	Prior Year Commitments	New schemes 2021/22	Total Cost	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
Operational Fleet	4.430	3.000	0.000	7.430	7.430	0.000	0.000
ICT and Digital	3.841	1.200	0.000	5.041	5.041	2.500	2.500
Highways							
Cycle and Walking Routes	0.025	0.000	0.000	0.025	0.025	0.000	0.000
Highways	6.269	3.500	0.000	9.769	9.769	0.000	0.000
Street Lighting	0.028	3.000	0.000	3.028	3.028	0.000	0.000
Traffic Calming and Improvement	0.120	0.000	0.000	0.120	0.120	0.000	0.000
Pothole Fund	0.688	0.000	0.000	0.688	0.688	0.000	0.000
Other	0.262	0.000	0.000	0.262	0.262	0.000	0.000
Public Rights of Way	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Road Safety Schemes	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Sub Total	7.392	6.500	0.100	13.992	13.992	0.000	0.000
Children and Young People	8.588	0.000	0.000	8.588	8.588	0.000	0.000
Estate Management – Investment Estate	0.200	0.000	0.000	0.200	0.200	0.000	0.000
Estate Management – Corporate Landlord							
Fernhill Gypsy and Traveller Site	0.360	0.000	2.400	2.760	2.760	0.000	0.000
Existing Schemes	0.515	0.000	0.000	0.515	0.515	0.000	0.000

Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24

	Slippage brought forward	Prior Year Commitments	New schemes 2021/22	Total Cost	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
Muslim Burial Site Extension	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Health and Safety Works	0.000	0.000	0.410	0.410	0.410	0.040	0.000
Springwater Park Landslip	0.000	0.000	0.185	0.185	0.185	0.050	0.000
Parks – Flood Protection	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Sub Total	0.875	0.000	3.095	3.970	3.970	0.090	0.000
Communities and Wellbeing							
Older People	0.305	0.000	0.000	0.305	0.305	0.000	0.000
Disabled Facilities Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.030	0.000	0.000	0.030	0.030	0.000	0.000
Sub Total	0.335	0.000	0.000	0.335	0.335	0.000	0.000
Housing Public Sector							
Housing Revenue Account	3.094	0.000	9.830	12.924	12.924	9.830	9.830
Hosing Revenue Account - Decarbonisation	0.000	0.000	0.000	0.000	0.000	3.142	3.142
HRA – Disabled Facilities Grant	0.107	0.000	0.000	0.107	0.107	0.000	0.000
Sub Total	3.201	0.000	9.830	13.031	13.031	12.972	12.972
Climate Change	0.232	0.000	0.000	0.232	0.232	0.000	0.000
TOTAL	33.227	10.700	30.030	73.957	73.957	41.857	41.472

Borough Wide Investment Fund

Introduction

Over the past months, the Council has taken great strides in developing a new and comprehensive approach to re-positioning Radcliffe Town Centre by strengthening its functionality and destination role; widening and deepening its business, amenity and employment base; creating new housing markets particularly for young people to live and work; and improving the access of public services to residents. This analysis takes the form of a single place framework for change - the Radcliffe SRF - which will guide interventions and investment activity over the long term and following extensive consultation with residents and stakeholders has been endorsed by the Council.

The SRF will become a fundamental part of a Borough-wide economic recovery plan positioning the Radcliffe area in the best possible way to capture its full share of available sub-regional and national public resources in the future as well as maximising private investment opportunities.

The Council has introduced new governance arrangements to promote democratic oversight over the Town Centre and a new delivery board to prepare a comprehensive project plan and to bring forward proposals for implementation. At the heart of these arrangements is a Programme Management Office which is responsible for the day to day management of the process.

One of the identified outcomes which these arrangements have been mandated to deliver is the production of an Outline Business Case which evaluates key shorter-term interventions which are considered essential to create the momentum for physical and economic change.

Whilst the principle of the fund has been developed as part of the Radcliffe SRF proposals, it is recognised that a fund that supports the wider borough is needed and therefore the proposed approach reflects a Borough wide fund.

Why an Investment Fund?

The Investment Fund will:

- Provide a structured and disciplined approach to investment decisions which link decisions to outcomes and projects to a place-based framework and will form part of the management and monitoring arrangements.
- Promote a culture of success by addressing measurable outcomes including returns and the importance of re-cycling thus maximising the value of every £ which is spent - this can be compared with grant where every £ is spent only once.
- Facilitate third party funding (whether public or private) and advancement of the regeneration programme in the quickest possible time - equally by having the capability to act quickly at the start of the regeneration process a Fund can protect long term value which may only be attributable to longer term public investment.
- Support a Council commitment to the long-term future of the Town Centres with the potential to deliver match funding to leverage other public sector programmes.

The Fund is not a platform for investment outside the Town Centres. The Fund will be geared to “additionality” making the interventions which are considered essential to long term transformation and change within the Town Centres.

How is Additionality Measured?

The Fund will be linked to measurable outcomes wherever appropriate as follows:

- Employment retention and creation including local employment.

- Expansion and diversification of the business base.
- Place Creation - functionality and resilience (e.g. digital), new amenities and destination facilities, public realm and safety, additional visitors and spend in the local economy.
- Housing - widening the offer with young people at the heart of the change.
- Improved access to public services supporting resident engagement and wellbeing.
- Enhanced or accelerated business rates.
- Committed or planned leveraged investment from third parties.

All investment proposals will need to demonstrate their relationship to some or all of these outcomes with clear quantified analyses produced to underpin them.

This would underpin value for money and crucially the connection of investment proposals to the place-based framework provided by the SRF.

How should Rate of Return be calculated?

The capacity to create a re-cycling capability is of course linked to return - it is considered that only in exceptional circumstances should planned investments be undertaken for a return less than 5% the minimum necessary to support re-cycling. This is the minimum return associated with the Evergreen Fund which has operated successfully in GM since 2011.

This strategy needs to be tested against the Outline Business Case for the Town Centre and how return should be measured for the different interventions – e.g. facilitating development through land acquisition, supporting the funding of development through equity or debt finance, where, if at all, enhanced business rates should be accounted for and how delivery can be promoted through joint ventures with public and private partners, including the potentially valuable partnerships which may be possible with the GM Investment Fund Team, which oversees an increasingly diverse mix of investment instruments, which are of relevance to the long term future of the Town Centre.

How should the Fund be administered?

The Investment Fund will be administered by the Council's S 151 Officer. Investment decisions should only be made by Cabinet on the basis of a Business Case which has been produced for each proposal which explains:

- a) The strategic fit with the SRF.
- b) Measurable and quantifiable outcomes linked to the additionality requirements shown above.
- c) Measurable returns directly from the investment itself or indirectly through enhanced or accelerated business rates.

Robust decision-making is often characterised by an independent scrutiny of Business Plans by retained specialist consultants and this approach will form part of the process where necessary.

Formal Council Tax Resolution

It is noted that on 16 December the Council calculated the Council Tax Based for the whole Council area as 53,828 (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 2021/22 as £88.456m;
- That the Council agrees the calculation of the aggregate amounts for the year 2021/22 in accordance with sections 31 to 36 of the Act:
 - a) £451,257,664 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act;
 - b) £362,801,278 being the aggregate of the amounts which the council estimates for the items set out in Section 31(A)3 of the Act
 - c) £88,456,387 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 Act).
 - d) £1,643.31 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

2021/22 Council Tax By Band – Bury Council Element							
A	B	C	D	E	F	G	H
£1,095.54	£1,278.13	£1,460.72	£1,643.31	£2,008.49	£2,373.67	£2,738.85	£3,286.62

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 2021/22 in accordance with Sections 31 to 36 of the Act;

Police and Crime Commissioner

2021/22 Council Tax By Band – Police and Crime Commissioner Element							
A	B	C	D	E	F	G	H
£145.53	£169.79	£194.04	£218.30	£266.81	£315.32	£363.83	£436.60

General Mayoral - Fire and Rescue Service

2021/22 Council Tax By Band – General Mayoral (Fire and Rescue Service)							
A	B	C	D	E	F	G	H
£60.63	£70.74	£80.84	£90.95	£111.16	£131.37	£151.58	£181.90

- 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 2021/22 for each part of its area and for each of the categories of dwellings.

Aggregate of Council Tax Requirements

2021/22 Council Tax By Band – Aggregate for all precepting authorities							
A	B	C	D	E	F	G	H
£1,301.71	£1,518.66	£1,735.61	£1,952.56	£2,386.46	£2,820.36	£3,254.26	£3,905.12

- To determine whether the council's relevant basic amount of Council Tax for 2021/22 is excessive in accordance with the principles approved under the Local Accountability and Audit Act 2014.

	2020/21	2021/22	0%
Council Tax Base	55,222	53,838	1.94
Council Tax Requirement (£)	89,020,625	88,456,387	
Relevant Amount of Council Tax (£)	1,612.05	1,643.31	

The total increase of **1.94%** is not excessive as it is within the 1.99% referendum limit. The Authority is therefore not subject to a referendum.

Other funding

Included within the budget are a number of government grants 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 funding of £59.204m (including public health grant of £11.642m) to support the council's overall budget. In the event the business rates funding is above or below this level, the variation will be managed by an adjustment to specific reserves.

Details relating to any potential ongoing discretionary reliefs to mitigate the COVID economic impact have not yet been announced. This will form part of the Budget announcement by the Chancellor of the Exchequer due on 3 March. Central Government have requested that bills not be issued until the announcements have been made to avoid the need to rebill.

Council is asked to:

- Allow the Director of Financial Transformation (S151), under delegated powers, to reflect any technical changes in the billing arrangements for business rates.

Council Budget and Council Tax 2021/22 Consultation Summary

To:	Cabinet and Council
Contact Officer:	Kathy Hoyle, Community Engagement Manager
Date:	16 February 2021
Title:	Budget consultation 2021/22 summary

Background

The consultation for the 2021/22 budget was undertaken as part of the Bury 2030 Strategy consultation and additional, targeted work with residents, business groups and community groups.

Introduction

In 2019 the Council embarked on a large-scale consultation to shape the borough's Community Strategy for the next ten years. This involved over 1000 individuals and over 50 partner agencies providing their feedback on their priorities for the borough and what they hoped to see in future plans.

This work has been refined through a period of co-design with community representatives and public service organisations via the Team Bury partnership in order to influence and shape the final Community Strategy: Let's Do It and the next medium term final strategy.

To complete the process a follow up engagement exercise was completed at the end of 2020. Although it was not possible to do the widespread face-to-face engagement that was done in 2019, various techniques were used to consult on the final document and implications for budget setting.

The main engagement tool was a survey was developed and hosted on-line on the 'One Community' webpage, the Council's engagement and consultation tool. This can be accessed via a mobile phone or computer. People responding via the online survey could do so anonymously or alternatively by signing in or registering on the system.

Face to face engagement was carried out online with a number of community groups.

Online media was also used to inform as many people as possible, with adverts appearing on people's phones and other technology during games and website viewing. Other methods including links to survey in newsletters, inclusion on agendas

at meetings and sent out via online group's message boards.

Process

The final engagement exercise ran from 22nd October 2020 to 31st January 2021, allowing for Christmas and the likelihood of covid restrictions impacting on the time people had available. The target audience were people that lived, worked, visited or studied in the borough, business owners or those part of a local group/organisation.

Responses:

- 90 responses have been received via One Community.
- 3 community groups have been engaged via online meetings.

Budget Consultation Findings

Respondents to the online survey were asked the extent to which they agreed with the principles used for budget setting. Their responses have been ranked by the strongest level of agreement.

- Using evidence to make sure money is spend where it is needed most: 80 respondents strongly agree/agree
- Encouraging more people to adopt healthy lifestyles to reduce demand for future care: 78 respondents strongly agree/agree
- Changing our fees and charges to encourage people to reduce harm to the environment: 62 respondents strongly agree/agree
- Moving more services on-line and using more technology in how we do things: 55 respondents strongly agree/agree
- Do more to increase income from business rates: 34 respondents strongly agree/agree
- Raise more income through council tax: 23 respondents strongly agree/agree

The Community Strategy, Let's Do It!, sets out the Council's priority to maintain support for the most vulnerable whilst ensuring balanced budgets and good financial management. Respondents were asked the extent to which they agreed with this approach and their responses have been ranked by the strongest level of agreement:

- I am aware of the need for the council to change the way it delivers it's services: 67 respondents strongly agree/agree
- I understand my role in helping reduce demand for services: 56 respondents strongly agree/agree
- I accept that budget reductions have to be made by the council: 46 respondents strongly agree/agree
- I believe the council is doing its best under difficult circumstances: 29 respondents strongly agree/agree
- I feel able to influence how the council spends its money: 7 respondents strongly agree/agree

Budget consultation with the Business community

A separate letter was sent to the business community through the Bury Business

Leaders Group to encourage them to take part in the consultation, with a closing date of the 22nd February 2021. Any comments received will be reported to Cabinet.

Report Date:

16th February 2021