



<b>Classification</b>	<b>Item No.</b>
<b>Open</b>	

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>1 September 2021</b>
<b>Title of report:</b>	<b>THE COUNCIL'S FINANCIAL POSITION AS AT JUNE 30 2021</b>
<b>Report by:</b>	<b>LEADER OF THE COUNCIL</b>
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Ward(s) to which report relates</b>	<b>All</b>

### **Executive Summary:**

This report outlines the forecast financial position of the Council at the end of 2021/22 based on the information known at the end of the first quarter, 30 June 2021. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.

### **Recommendation(s)**

That: Cabinet is asked to:

- Note the forecast overspend of £3.053m within the revenue budgets at quarter 1 and the need for Directorates to work with their finance business partners to identify mitigating actions to bring budgets back into line;
- Note the use of the Covid Outbreak Management Fund and Departmental Reserves in line with the criteria and one off departmental priorities
- Approve the use of the Corporately held waste levy reserve for the items specified against this funding in Appendix 2
- Note the position on the Dedicated Schools Grant, Collection Fund and the Housing Revenue Account;
- Note forecast position on the capital programme

## **Reasons for the decision:**

To ensure the Council's budgetary targets are achieved.

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

- 1.1. This report outlines the forecast financial position of the Council at the end of 2021/22 based on the information known at the end of the first quarter, 30 June 2021. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.

### **2. Background**

- 2.1. These are unprecedented times for LA budgets with huge volatility and uncertainty caused by Covid. This is affecting all LAs. The Government's financial support last financial year was welcome but was one-off funding which spanned the 2020/21 and 2021/22 financial years. We expect to have ongoing resource gaps caused by additional services, additional demand on existing services and reductions in income. More work will be undertaken to better understand the risks as part of a review of the medium term financial strategy which will be reported in the autumn. It should be noted that the Covid financial uncertainty is on top of the pre existing uncertainties in the future of Adult Social Care funding and the Fair Funding Review.
- 2.2. In response to the COVID-19 crisis the government made significant funding available to Bury Council in the 2020/21 financial year to cover additional costs that were incurred, or where income was not achieved as a result of the pandemic. The funding allocations of £10.523m which were not utilised last financial year were carried forward into 2021/22 via reserves in accordance with the guidance and various individual grant conditions. These funds are available to contribute to ongoing costs in the 2021/22 financial year and are restricted to specific eligible expenditure which meet the criteria of the individual grant conditions.
- 2.3. As the nation and the Borough start to emerge from the pandemic there is lots for the Council to do to start to recover. This includes recovery of the savings and efficiency programmes that the Council put in place within its 2020/21 budget, some of which were unachievable last financial year and have therefore, been carried forward and added to this financial years programme. The finance regime and budget reset of 2020/21 means that all Council budgets were redressed to be appropriately resourced and it is incumbent upon all budget holders to manage within their budgets and where pressures emerge they identify mitigations from other areas. The Council when setting its 2021/22 budget utilised £12m of reserves to balance its budget and therefore cannot afford to fund any in year overspends.

2.4. There are a number of overspends identified within this report at quarter one. Finance business partners are working with Directorates to identify mitigating actions. These will be updated in future reports.

### 3. FINANCIAL OVERVIEW – REVENUE

3.1. The forecast out turn position is set out in Table 1 below and shows a forecast overspend at quarter 1 of £3.053m. Work now needs to take place between Directorates with their finance business partners to identify mitigating actions to bring budgets back into line.

**Table 1**

Directorate	Approved Budget	Revised Budget	Forecast	(Under)/Over Spend
	£m	£m	£m	£m
One Commissioning Organisation	79.171	79.171	79.132	(0.039)
Children and Young People	40.214	40.156	40.664	0.508
Operations	18.007	18.007	17.695	(0.311)
Corporate Core	11.110	11.179	11.352	0.173
Business, Growth and Infrastructure	2.977	2.977	2.966	(0.011)
Housing General Fund	0.705	0.705	1.288	0.583
Non Service Specific	19.667	19.656	21.806	2.150
<b>TOTAL</b>	<b>171.851</b>	<b>171.851</b>	<b>174.903</b>	<b>3.053</b>

#### One Commissioning Organisation – Underspend £0.039m

**Table 2**

2021/22 Forecast Revenue Position – as at 30 June 2021			
One Commissioning Organisation	Approved Budget	Forecast	Forecast (Under)/Over Spend
	£m	£m	£m
Adult Social Care Operations	8,261	8,186	(0.075)
Care in the Community	42,397	42,535	0.138
Commissioning & Procurement	16,251	16,191	(0.060)
Public Health	10,755	10,755	0
Departmental Support Services	1,427	1,386	(0.041)
Workforce Modernisation	78	78	0
<b>TOTAL</b>	<b>79,171</b>	<b>79,132</b>	<b>(0.039)</b>

3.2. The OCO budget is forecast to underspend by £0.039m. The material variances by OCO service areas are analysed below.

### **Care in the Community**

The Care in the Community budget is forecast to overspend by £0.138m. The forecast includes a £0.314m pressure regarding non-achievement of savings. It is anticipated that c£0.2m of the unachieved savings will be met and further work is underway to confirm, and it is anticipated the M4 savings forecast will show an improved position reflecting the £0.2m. The forecast captures the Infection Control and Rapid Testing grant programmes both of which are a net nil cost to the care in the Community budget. Also, £1.6m of funding is built into the forecast regarding the Hospital Discharge Programme (HDP) which helps cover some of the cost of post-discharge recovery and support services, rehabilitation and reablement care following discharge from hospital.

- **Adult Social Care Operations** -The Adult Social Care Operations budget is largely balanced with a reported underspend of £0.075m which is largely driven by small staffing underspends.
- **Commissioning & Procurement** -The Commissioning and Procurement budget is forecasting a £0.060m underspend. The underspend is the net impact of underspends due to delayed recruitment within the Review Team and reduced contract costs within the Neighbourhood and Housing budget which are both partly offset by a forecast £0.150m underachievement of the 2021/22 Persona savings target.
- **Departmental Support Services** -The Departmental Support Services budget is forecasting a £0.041m underspend and is due to a staffing underspend within the Senior Management budget.
- **2020/21 OCO Savings Schemes Status**-The £3.333m 2021/22 OCO savings programme is forecast to achieve £2.856m which is a shortfall of £0.477m. A further £0.350m of 'Other' savings have been identified outside the scope of the 2021/22 Cabinet agreed OCO directorate savings programme of which £0.050m will be used to offset against the undelivered £0.447m 2021/22 savings programme shortfall and work is underway to mitigate the remaining £0.427m of unachieved 2021/22 savings. The remaining £0.300m of 'Other' savings achieved will be used to offset against the 2022/23 £1.5m Complex Care savings

## Children and Young People – Overspend £0.508m

Table 3

2021/22 Forecast Revenue Position – as at 30 June 2021			
Children and Young People Directorate	Approved Budget	Out Turn	(Under)/Over Spend
	£m	£m	£m
Children’s Commissioning	1.289	1.309	0.020
Early Help and School Readiness	2.492	2.352	(0.140)
Education and Skills (non-schools)	12.512	12.604	0.092
Social Care and Safeguarding	23.863	24.399	0.536
<b>TOTAL</b>	<b>40.156</b>	<b>40.664</b>	<b>0.508</b>

3.3. The Children and Young People Directorate is currently forecast to overspend by £0.508m. The main variances are:

- **Children’s Commissioning** - forecast overspend of £0.020m – overspend due to unfunded SEND Engagement/Communications Officer, honoraria and additional staff cover;
- **Early Help & School Readiness** - forecast underspend of (£0.140m) - due to use of available grant funding, plus efficiency savings from delays in recruiting to vacant posts and cover for an internal secondment;
- **Education and Skills (non schools)** - forecast overspend of £0.092m – pressure within the home to college transport due to high demand.
- **Social Care and Safeguarding** - forecast overspend of £0.536m is made up of the main variances as follows:  
An additional team of agency workers have been recruited for 6 months to alleviate caseload pressures allowing more support to be given to the newly qualified social workers(+£0.200m). Agency Social Workers are required for maternity and vacancy cover across the Safeguarding, Initial Response and Complex Safeguarding Teams (+£0.389m). The Adoption team is set to underspend by £0.034m due to a part time vacancy.
- Work will be undertaken during quarter 2 to further understand these issues and to identify mitigating actions, including developments being considered by CYP Senior Leadership Team considering actions within all four Divisions of the Department.

## Operations Directorate – Forecast Underspend £0.120m

Table 4

<b>2021/22 Forecast Revenue Out Turn Position – as at 30<sup>th</sup> June 2021</b>			
<b>Operations</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Wellness Operations	3.404	3.054	(0.350)
Engineers (including Car Parking)	0.162	0.051	(0.111)
Street Scene	5.037	5.054	0.017
Commercial Services	(0.251)	(0.201)	0.050
Waste, Transport and Stores	6.342	6.442	0.100
Health & Environmental Protection	1.634	1.634	0.000
Operations Senior Management	1.569	1.569	0.000
Corporate Landlord	0.109	0.092	(0.017)
<b>TOTAL</b>	<b>18.007</b>	<b>17.695</b>	<b>(0.311)</b>

3.4. The Operations Directorate is forecasting an underspend of £0.311m, which is net of any Covid related variances that are to be met by the various grants receivable. The material variances within Operations are as follows:

- **Wellness Operations** – the underspend is due to
  - Income loss in the Leisure Services expected, but not yet quantified
  - Unbudgeted cost and loss of lettings income in libraries £0.069m
  - Increased income and staffing savings in Bereavement Services (-£0.100m)
  - Underspends on Sports Development (-£0.145m) and Wellbeing initiatives (-£0.173m) on forecast of staffing costs
- **Engineers** – the underspend due to:
  - Staffing vacancies (-£0.111m)
- **Street Scene** - the overspend is largely due to:
  - Pest Control slight variations in payroll costs £0.017m
- **Commercial Services** – the overspend is due to:
  - Delay in achieving savings and subsequent unbudgeted reopening of Civic venues £0.100m
  - extra income from increased levels of service in Cleaning and Caretaking (-£0.050m)

- **Waste & Transport** – the overspend is largely due to:
  - Under recovery of income within the Transport Workshop £0.100m
- **Health & Environmental Protection** – this is projected on budget overall:
  - Contract Tracing Team overspend of £0.191m will be offset by Public Health and COMF Funding.
- **Corporate Landlord** – the Underspend is due to:
  - Architectural Services - staffing vacancies (-£0.148m)
  - Admin Buildings - pressures on rates & cleaning budgets £0.130m.

### Corporate Core and Finance Directorate - Overspend £0.173m

Table 5

2021/22 Revenue Forecast Position – as at 30 June 2021			
Corporate Core and Finance	Approved Budget	Forecast	(Under)/Over Spend
	£m	£m	£m
Corporate Core	5.561	5.694	0.133
Corporate Core Finance	5.618	5.658	0.040
<b>TOTAL</b>	<b>11.179</b>	<b>11.352</b>	<b>0.173</b>

3.5. Corporate Core and Finance are forecast to overspend by £0.173m as a result of:

- **Corporate Core** is forecast to overspend by £0.173m and is due to several factors:
- **Corporate People Services** – the £0.108m forecast underspend is due to vacancies, these are currently being recruited to and this is reflected in the forecast.
- **Legal Services** – the £0.106m forecast overspend is due to additional agency costs which are not fully offset by the savings from vacancies (£0.068m) and various overspends (£0.038m). Costs for digital meeting hosting software re COVID (£0.030m) are forecast to be offset by income from COVID grant reserves.
- **IT & Digital** – the £0.164m forecast overspend is due to underachieved telephony and printing income (£0.106m); unachieved savings net of salary underspends (£0.036m) and minor variances (£0.022m).
- **Corporate Core Finance** is forecast to overspend by £0.040m due to:

- **Procurement** – the £0.040m forecast overspend is related to underachievement of rebate income due to reduced spend across the Council on contracts.

Work will be undertaken during quarter 2 to further understand these issues and to identify mitigating actions.

### **Business, Growth and Infrastructure – Underspend £0.011m**

**Table 6**

<b>2021/22 Revenue Forecast Position – as at 30 June 2021</b>			
<b>Business, Growth and Infrastructure Directorate</b>	<b>Approved Budget</b>	<b>Forecast</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Economic Regeneration & Capital Growth	1.429	1.429	0.000
Housing Needs & Options	1.548	1.537	(0.011)
<b>TOTAL</b>	<b>2.977</b>	<b>2.966</b>	<b>(0.011)</b>

3.6. The Business, Growth and Infrastructure Directorate is currently forecast to underspend by £0.011m as a result of:

- **Housing Needs and Options** - the forecast underspend of £0.011m is due to reduced running expenses in the Housing Strategy Team.
- There is a savings target for Housing Needs and Options of £0.250m which is part of the restructure which is currently in progress. Work is underway to quantify the achievement against this target this financial year and will be reflected in the Quarter 2 monitoring reports.

### **Housing General Fund – Overspend £0.583m**

**Table 7**

<b>2021/22 Revenue Forecast Position – as at 30 June 2021</b>			
<b>Housing General Fund</b>	<b>Approved Budget</b>	<b>Forecast</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Housing General Fund	0.705	1.288	0.583
<b>TOTAL</b>	<b>0.705</b>	<b>1.288</b>	<b>0.583</b>

3.7. The Housing General Fund overspend of £0.583m is due to a forecast increased contribution to the bad debt provision (£0.156m) this is in relation to reclaiming overpayments of housing benefit from individuals, net Housing

Subsidy (previously known as housing benefit) as a consequence of increased number of claimants (£0.431m) offset by minor underspends (-£0.004m).

### Non Service Specific – on budget

**Table 8**

<b>2021/22 Revenue Forecast position - as at 30 June 2021</b>			
<b>Non Service Specific</b>	<b>Approved Budget</b>	<b>Forecast</b>	<b>(Under) / Over spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Accumulated Absences	(0.650)	(0.650)	0.000
CAR Lease Salary Sacrifice	(0.025)	(0.025)	0.000
Chief Executive	0.373	0.373	0.000
Corporate Management	1.605	1.605	0.000
Cost of Borrowing	8.834	8.834	0.000
Grants/COVID-19	0.000	0.000	0.000
Disaster Expenses	0.011	0.011	0.000
Environment Agency	0.100	0.100	0.000
Pension Service Costs	(4.992)	(4.992)	0.000
GMWDA levy	13.815	13.815	0.000
Manchester Airport	0.265	0.265	0.000
Passenger Transport Levy	13.650	13.650	0.000
Persona Dividend	(0.200)	(0.200)	0.000
Town of Culture	(0.855)	(0.855)	0.000
Townside Fields	(0.058)	(0.058)	0.000
Provisions / Reserves	(12.218)	(11.568)	2.150
<b>TOTAL</b>	<b>19.656</b>	<b>21.806</b>	<b>2.150</b>

- 3.8. Non Service Specific budgets are forecast to be on budget at this early stage of the year with the exception of unachieved savings targets. Many of the areas do not see significant movement during the year but further review will take place for quarter two.
- 3.9. Transformation savings - schemes are progressing in terms of mobilisation this financial year but it will be 2022/23 before they deliver their full year effect.

Work is ongoing to quantify what will be delivered this financial year and values will be incorporated in future reports

- 3.10. Savings targets which weren't achieved last financial year have been rolled forward and currently £0.650m is forecast as unachieved. The quarter 2 report will update on progress in the achievement of those savings

#### 4. Delivery of the Savings Plan

- 4.1. Planned savings of £8.056m are included in the 2021/22 revenue budget. Of these £5.937m are forecast to be delivered with the remaining £2.119m requiring further investigation. The biggest element of this is the £1.5m of transformation savings and whilst schemes are progressing in terms of mobilisation this financial year it will be 2022/23 before they deliver their full year effect. There is a separate report on this agenda in relation to the largest element of the year 1 savings which subject to consultation should achieve the target savings of £900k. Work is ongoing to quantify what will be delivered this financial year and values will be incorporated in future reports. A summary of the savings is set out in the table below.
- 4.2. A further £0.350m of 'Other' savings have been identified outside the scope of the 2021/22 cabinet agreed OCO directorate savings programme of which £0.050m will be used to offset against the undelivered £0.447m 2021/22 savings programme shortfall and work is underway to mitigate the remaining £0.427m of unachieved 2021/22 savings. The remaining £0.300m of 'Other' savings achieved will be used to against the 2022/23 £1.5m Complex Care savings target.

**Table 9**

Assessment of Savings in the 2021/22 Budget				
Directorate	Description	2021/22 Target £m	2021/22 Saving Forecast £m	Saving Un-Deliverable in 2021/22 £m
One Commissioning Organisation	LD Care Packages & Placements	0.150	0.150	0.000
One Commissioning Organisation	MH Care Packages	0.169	0.169	0.000
One Commissioning Organisation	Low-Cost Care Packages	0.478	0.478	0.000
One Commissioning Organisation	Persona Contract	1.000	0.877	0.123
One Commissioning Organisation	LD Supported Living	0.050	0.050	0.000

One Commissioning Organisation	Care at Home Pricing Structure	0.200	0.000	0.200
One Commissioning Organisation	Provider Fees	1.187	1.023	0.164
One Commissioning Organisation	Debt Recovery	0.100	0.100	0.000
Public Health	Efficiencies	0.040	0.040	0.000
Children and Young People	Efficiencies & Transformation	0.696	0.696	0.000
Children and Young People	Placements	0.300	0.300	0.000
Children and Young People	Contracts / Commissioning	0.220	0.220	0.000
Operations	Street Light Dimming	0.020	0.020	0.000
Operations	Closure of Civic Venues	0.132	0.000	0.132
Operations	Review of Waste Services and Fleet Rationalisation	0.237	0.237	0.000
Operations	Leasing	0.135	0.135	0.000
Operations	Capital Equipment Leasing	0.035	0.035	0.000
NSS	Apprentice Levy	0.239	0.239	0.000
NSS	Corporate Management Initiatives	0.200	0.200	0.000
NSS	Bury MBC Townside Fields	0.058	0.058	0.000
NSS	Car Lease Salary Sacrifice Scheme	0.025	0.025	0.000
Corporate	Tameside Pension Contributions	0.075	0.075	0.000
Corporate	Apprenticeship Corporate Budget	0.530	0.530	0.000
Corporate	Close Prestwich cash office	0.030	0.030	0.000
BGI	Housing Options	0.250	0.250	0.000
Authority Wide	Transformation	1.500	0.000	1.500
<b>Total</b>		<b>8.056</b>	<b>5.937</b>	<b>2.119</b>

4.3. A savings target of £4.162m was included in the 2020/21 revenue budget. Due to the pandemic a number of these were identified as unachievable in year. The Medium Term Financial Strategy addressed some of the unachievable savings

targets for the 2021/22 budget and a total of £2.846m (including OCO stretch targets) was achieved in the 2020/21 outturn position. Those savings targets which weren't achieved last financial year have been rolled forward and added to this financial years targets. The quarter 2 report will update on progress in the achievement of those savings as well as the new 2021/22 savings targets or where savings have been combined or substituted by new projects

## 5. Reserves

- 5.1. At the end of 2019/20 the council's useable reserves were £51.063m, these have increased to £74.849m at the end of 2020/21. Reserves have increased largely as a consequence of the benefit from the review undertaken in 2019/20 which released £10m from the collection fund and the decision made as part of 2020/21 budget setting to create a £5.8m transformation reserve.

**Table 10**

<b>Analysis of Reserves at 30 June 2021</b>	
	<b>£M</b>
General Reserves	34.241
Directorate Risk Reserves	3.512
Volatility and Fiscal Risk	37.096
<b>Total Management of Risk Reserves</b>	<b>74.849</b>
COVID-19 Related Grants	10.523
Corporate Priorities	14.013
External Funding/Grants	43.349
<b>Total Earmarked Reserves</b>	<b>67.885</b>
<b>TOTAL COUNCIL RESERVES</b>	<b>142.734</b>
<b>School Reserves</b>	
Individual School Budgets	8.845
DSG Central Reserve	(21.407)
<b>TOTAL SCHOOL BUDGETS</b>	<b>(12.562)</b>
<b>TOTAL RESERVES</b>	<b>130.172</b>

- 5.2. The level of reserves increased over the last financial year and are available to support the Council in managing the financial risks going forward. Some significant grants were received at the end of the 2020/21 financial year relating

to COVID-19 and are therefore fully committed and will be fully utilised in 2021/22. Monitoring of reserves will be a key part of the overall financial strategy to manage the impact of COVID-19 in 2021/22 and future years.

- 5.3. Appendix 2 of this report details schemes which Cabinet are asked to support to be funded from the following reserves:
- Covid Outbreak Management Fund – this must be spent within this financial year or returned. The appendix details the criteria and proposed schemes
  - Departmental reserves held by the Operations Directorate
  - Waste Management levy Reserve – which is a corporately held reserve and requires Cabinet approval to utilise

## 6 OTHER BUDGETS

### Schools

- 6.1. The council's expenditure on schools is funded primarily by the Dedicated Schools Grant (DSG). The DSG is ringfenced and can only be spent on schools related activity as set out in the Schools and Early Years Finance (England) Regulations 2020. The Schools Budget includes funding for a range of educational and support services provided on an authority wide basis as well as Individual Schools Budget (ISB). The Schools' Forum recommend the allocation of funding to schools and academies through the application of the funding formula.

- 6.2. The DSG has 4 main blocks:

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

- 6.3. In addition to the DSG, schools and academies also receive external funding from grants including:

<b>Estimated External Funding 2021/22</b>	
	<b>£m</b>
Pupil Premium Grant	9.059

Universal Infant Free School Meals Grant	2.074
Primary PE and Sport	1.045
Covid-19 Catch Up, Recovery, Summer Schools	3.214
Devolved Formula Capital	0.797
High Needs Capital	3.781
<b>TOTAL</b>	<b>19.970</b>

- 6.4. From 2019/20 the Department for Education (DfE) required all councils to complete a recovery plan should their overspend on the DSG exceed 1%. Given the scale of Bury's DSG deficit, which was estimated to accumulate to over £26m by the end of 2020/21, the Council has entered into a formal agreement 'Safety Valve' with the DfE.
- 6.5. The Safety Valve agreement sets out a 5 year timeline in order to ensure SEND transformation and DSG deficit recovery priorities can be sustained from 2025. These priorities include:
- Strengthen Special Educational Needs assessment and placements process, including clarifying assessment thresholds for Education Health and Care Plans (EHCP) by March 2022. This should include reviewing transition arrangements for children and young people throughout 2021-22.
  - Ensure robust planning for future provision, including reducing the use of independent school placements by increasing the availability and suitability of local provision within Bury. This should include developing a model for forecasting future needs by March 2022.
  - Improve quality and timeliness of management information to enable evaluation of impact of central services.
  - Support and drive schools in Bury to meet a higher level of need in a more cost-effective way within mainstream settings, while maintaining the quality of provision. Develop a culture in which demand is more effectively managed throughout the authority.
  - Remodel financial practice to ensure accurate contributions from appropriate funding sources, by December 2021.
- 6.6. Guidance on the treatment of DSG deficit reserves has been delayed due to COVID-19 and until this is received, the reporting of the deficit will continue to form part of the Council's monitoring position.
- 6.7. The Safety Valve Agreement and Monitoring requirements outline the commitment required by Bury to address the deficit through SEND transformation and the review of all associated financial aspects.

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

- Developing the governance arrangements for the delivery of the transformation programme
  - Developing a robust communication strategy and plan, mapping out key partners and stakeholders
  - Developing a resource plan, aimed at building internal capacity and capability in key areas including SEND, data and specialist posts.
  - Developing a new banding system for allocating high needs funding
  - Developing project briefs for each of the workstreams to enable us to move towards the next phase of the SEND transformation programme.
- 6.8. The Safety Valve agreement has enabled Bury to secure an additional £20m DSG. This additional DSG is profiled to be allocated across 5 years in accordance with the Safety Valve agreement.
- 6.9. The following highlights the current and indicative forecast position on the DSG deficit, indicating in brackets the additional DSG provided in each year:
- DSG Deficit as at end 2019/20      £20.067m
  - DSG Deficit as at end 2020/21      £21.407m (£6m)
  - DSG Deficit as at end 2021/22      £19.854m (£4m)
  - DSG Deficit as at end 2022/23      £15.848m (£4m)
  - DSG Deficit as at end 2023/24      £9.767m (£3m)
  - DSG Surplus as at end 2024/25      £0.193m (£3m)
- 6.10. The DSG deficit originally forecast for 2020/21 was circa £20m, however increased in-year cost pressures for high-cost out of borough SEND placements, in-year increased capacity and associated high-cost banded placements at Bury's Maintained Special Schools, plus in-year top-up funding for increased volumes of EHCPs in Bury's Mainstream Schools and Academies, resulted in a higher deficit. These ongoing pressures and mitigating actions are part of the Safety Valve programme priorities and are factored into the revised profile at 7.9 above.
- 6.11. The Safety Valve development with the DfE has also provided a further £3.781m additional High Needs Capital funding to Bury. This will be targeted as a priority to develop, enhance and increase in-borough specialist provision and places across Bury's Special Schools and Mainstream settings.
- 6.12. The agreement in place requires continued liaison and updates to the DfE. These updates will be incorporated into future monitoring reports to Cabinet, Schools' Forum and other key stakeholders.

## **7. COLLECTION FUND**

- 7.1. The increasing prominence of council tax and business rates in helping fund council services means that the collection fund is monitored on an ongoing basis. The current forecast position is an in year deficit of £5.626m with a residual deficit brought forward from 2020/21 of £3.046m. (This is the difference between the statutory estimated deficit as at 15th January 21 and the outturn position) This is then adjusted for the year 2 mandatory spreading adjustment for the 2020/21 deficit of £1.068 bringing the overall forecast net

deficit to £9.740m. The council's share of the deficit is £10.048m and the Greater Manchester Combined Authority's share is a surplus of £0.308m (for police and fire and rescue services).

- 7.2. The proportionate shares for Business Rates and Council Tax mean that Greater Manchester Combined Authority have a 1% share of the Business Rates deficit and a 16% share of the Council Tax surplus resulting in a net surplus, whereas the council have a 99% share of the Business Rates deficit and a 84% share of the Council Tax surplus resulting in a net deficit.
- 7.3. The deficit on the collection fund is Covid related as a result of government mandated reliefs for retail and nursery establishments for which the Council is expected to receive increased compensatory grants of £7.570m which will partially mitigate when the Council is required to repay the deficit into the Collection Fund in 2022/23 per the Regulations.
- 7.4. The government also introduced the Taxation Income Guarantee scheme (TIG) to alleviate some of the impact of COVID on loss of income in the collection fund for 2020/21 and for Bury this was £2.474m.
- 7.5. The compensatory grant received in 2020/21 (£24.899m) and TIG amounts are held in reserves and will be released in 2021/22 to fund the repayment of the council's share of the deficit as required in the regulations. It is anticipated that £1.678m of this will remain available to be carried forward into 2022/23 to partially mitigate for the 2021/22 deficit which will be required to be repaid in 2022/23.
- 7.6. Due to the impact on the Council's ability to collect both Council Tax and Business Rates, an important change to Collection Fund accounting was introduced for 2020/21, which (with the exception of the £24.899m Government grant funded Business Rate reliefs) gave the ability to smooth the impact of COVID related deficits over three financial years, thus reducing the impact on the revenue budget. The Council's 2021/22 budget and future years budget estimates have been prepared using this new facility and the year 2 impact can be seen in the table below.
- 7.7. Currently, the position on Business Rates is particularly difficult to forecast due to the complexities of the various part year retail and nursery reliefs. 100% relief was available from April to the end of June when the available relief dropped to 66% for July to the end of March 22. Businesses are required to reapply for the 66% relief and the uptake has so far been lower than expected, this is likely to vary as the year progresses and can be backdated if the application is valid. The compensatory grant for the reliefs will be adjusted to fund the final total of reliefs.
- 7.8. It is hoped that the position will improve and that the forecast deficit will reduce during the remainder of the year, but more data will be required due to the volatility of this area.

**Table 11**

2021/22 Collection Fund Forecast Position as at 30 June 21			
	Council Tax	Business Rates	Total
	£m	£m	£m
Balance Brought Forward (deficit)	0.599	28.140	28.740
Prior Year estimated deficit repaid in year	(0.550)	(25.144)	(25.694)
Estimated (Surplus)/Deficit for the year	(3.379)	9.005	5.626
Year 2 of the spreading adjustment for 2020/21 deficit	0.526	0.542	1.068
<b>Balance Carried Forward (surplus (-)/ deficit (+))</b>	<b>(2.804)</b>	<b>12.544</b>	<b>9.740</b>
<i>Distributed:</i>			
Bury Council	2.371	(12.419)	(10.048)
GMCA– Police and Crime Commissioner	0.306	0.000	0.306
GMCA– Fire and Rescue Service	0.127	(0.125)	0.002
<b>Total 2020/21 Deficit</b>	<b>2.804</b>	<b>(12.544)</b>	<b>(9.740)</b>

## 8 HOUSING REVENUE ACCOUNT

8.1. The Housing Revenue Account (HRA) is forecasting an operating deficit of £0.655m; further information is set out in the table below.

**Table 12**

2021/22 Forecast Revenue Out Turn Position – as at 30 June 2021			
Housing Revenue Account	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
<i>Income</i>			
Dwelling Rents	(30.421)	(30.403)	0.018
Non-Dwelling Rents	(0.193)	(0.192)	0.001
Other Charges	(1.038)	(1.023)	0.015
<b>Total Income</b>	<b>(31.652)</b>	<b>(31.618)</b>	<b>0.034</b>
<i>Expenditure</i>			
Repairs and Maintenance	6.901	6.901	-
General Management	7.324	7.366	0.042
Special Services	1.391	1.370	(0.021)

Rents, Rates and Other Charges	0.045	0.045	-
Increase in Bad Debts Provision	0.491	0.370	(0.121)
Capital Charge	4.861	4.683	(0.178)
Depreciation	7.473	7.473	-
Debt Management Expenses	0.045	0.045	-
Contribution to/(from) reserves	(3.711)	(3.711)	-
<b>Total Expenditure</b>	<b>24.820</b>	<b>24.542</b>	<b>(0.278)</b>
<b>Net Cost of Services</b>	<b>(6.832)</b>	<b>(7.076)</b>	<b>(0.244)</b>
Interest receivable	(0.047)	(0.012)	0.035
Principal Repayments	0	0	-
Revenue Contributions to Capital	6.846	7.743	0.897
<b>Sub Total</b>	<b>6.799</b>	<b>7.731</b>	<b>0.932</b>
<b>Operating (Surplus)/Deficit</b>	<b>(0.033)</b>	<b>0.655</b>	<b>0.688</b>

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

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

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

- **Voids** The rent loss due to voids for April to June was on average 1.12% which is worse than the 1% void target level set in the original budget. If this performance continues, there will be a reduction in rental income of £0.037m over the original budget. Six Town Housing continue to review the voids processes and the various factors affecting demand.
- **Arrears** The rent arrears at the end of June totalled £2.019m, a reduction of 1.5% since the end of March. Of the total arrears £0.689m relates to former tenants and £1.330m relates to current tenants. An estimated £1.032m of current tenant arrears are in cases where either the under occupancy charge applies or the tenants are in receipt of Universal Credit rather than Housing Benefit; this is a reduction of £0.034m from the start of the year.

- **Bad Debts** The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

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

- **Right to Buy Sales** The forecast for 2021/22 was set at 80, this being an increase of 34 on the level of sales assumed for Bury in the Government's self-financing valuation; the forecast is higher than in a usual year to reflect the build-up of applications during 2020/21 resulting from operating restrictions under the pandemic. There have been 9 sales in the period April to June which is 5 less than at this point last year. The number of applications currently proceeding is significantly higher than at this point last year (148 compared to 83). Whilst the valuation service has been resumed through an external provider there is still a backlog of applications and a knock-on effect on further stages in the process. Given the current situation it is difficult to forecast how many applications will proceed to completion therefore the projections of rental income have been calculated on the basis of the original sales forecast of 80; this will be reviewed again at the end of quarter 2.

## 9 CAPITAL PROGRAMME

- 9.1. The Council's capital programme was approved to a total of at £74.307m at the 24<sup>th</sup> of February budget meeting and this included:
- new funding for 2021/22 of £30.030m
  - prior year commitments of £10.7m (highways, ICT and transport)
  - the re-phased schemes from 2020/21 of £33.227m and
  - a further £0.350m of capital schemes were identified and subsequently added to the programme per the approved Labour amendment at the meeting.
- 9.2. The overall budget for capital investment for the year required a small adjustment on the Children's grants of £0.039m, not originally included in the 2020/21 reviewed budgets that resulted in the total of **£74.346m** as a starting budget for 2021/22.

### ***New Schemes and brought forward budgets from 2020/21***

- 9.3. Since the budget meeting in February, the Council has been successful in securing a grant for 'decarbonising the public estate'. This is part of a wider GM bid and a total of £8.5m was awarded for low carbon measures to be

introduced in the operation and management of Bury Council's public buildings.

Cabinet approved in March 2021 a report authored by the Operations department for the proposed plan to spend toward decarbonising our public buildings. It is envisaged that the grant award will be spent by the end of this financial year as per the conditions attached to the grant. The proposed schemes will help achieve the Council's ambition to be carbon neutral by 2038 and generate ongoing revenue savings.

The £2m re-phased amount from 19/20 into 2021/22 for the Radcliffe new school that was not included in the 2021/22 February Council programme is now shown in the £10.5m approved adjustments, Children and Young People have required to see this amount to assist with their capital budgeting and submission of bids for new schools funding.

- 9.4. Cabinet has also given approval in July for the slippage from the 2020/21 programme at Outturn of £13.297m to be added to the 2021/22 programme; this will allow the schemes that have started before the end of March 2021 to continue and complete during this financial year.
- 9.5. The Council has received notifications since April of 2021/22 grant allocations from various Government Departments that will add a significant amount to the funding capability for investment in Bury's assets.
- DFE £7.8m
  - DfT (GMCA distribution) £2.545m
  - MHCLG (Disabled Facilities Grant) £2.077m
  - DoH *tba*

The total of £12.422m shown above is proposed to be added into this year's capital budget and to the departments and Capital themes spending plans.

The spending plans for the new allocations listed above are currently being reviewed and will be formalised in line with existing budgets and priority areas of expenditure. It should be noted that the Government's annual allocations of external funding will ensure continuity of the capital programme into future financial years and separate reports on proposed spending will be presented to Cabinet in due course as projects are developed.

- 9.6. The capital funding available exceeds the approved budget to date and a re-aligning of the two will be discussed at Gateway groups; Further reports will be presented to Cabinet for consideration and approval at Qtr2, together with the appropriate re-phasing of schemes into future years.
- 9.7. Full details on the revised Capital programme for 2021/22 at Quarter 1 are set out in Appendix 1 and a summary of the key elements are as follows:

### ***Expenditure and forecast 2021/22***

- 9.8. At the end of June 2021, a total of £7.152m of capital expenditure was realised. The first instalment of the strategic growth and regeneration property acquisition programme will add a further £2m to the total spent.

9.9. At the time of this report, the second instalment of strategic acquisition in the Regeneration Programme for the Prestwich Town Centre is near completion and will be shown in the Qtr2 report.

9.10. The forecasted spend for the year provided at Month 3 does not fully reflect the scale of expenditure that is planned for this year, that aims to recover a good proportion of the capital investment put on hold in 2020/21, as a result of the Covid 19 pandemic followed by the economic standstill.

The ongoing impact of the Covid pandemic is still felt in this financial year and continues to have an impact on the pace of expenditure although efforts are being made to seek all available resources to improve and deliver the programme in accordance with the Council's procurement rules.

9.11. Some of the existing capital schemes require a re-alignment of budget which will be undertaken and rectified in Quarter 2.

### ***Variances***

9.12. There are no significant variances to report at Quarter1 as details of the schemes in progress and yet to start during the year are still emerging.

### ***Financing***

9.13. The approved capital programme is fully financed as per resources approved at the February Budget meeting and subsequent Cabinet meetings.

9.14. All new schemes that are submitted with a request to be added into the programme will be supported by either existing resources or new external grants and contributions. There should be no further call on the Council's own resources and any changes to this position will be reported to members.

**Table 13**

<b>Funding the Revised Capital Programme 2021/22</b>	
	<b>£m</b>
Capital Programme 2021/22	110.565
Funded By:	
External Funding and Contributions	(37.936)
Use of Capital Receipts	(0.290)
Prudential Borrowing	(56.283)
General Fund and Reserves	(0.554)
Housing Revenue Account	(3.344)
Major Repairs Reserve	(12.158)

<b>TOTAL</b>	<b>(110.565)</b>
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### **Monitoring**

9.15. During 2020/21 *New Capital Gateway* processes were implemented and will continue for the 2021/22 financial year, to enable reviews of all new and existing schemes against corporate priorities and the Council's capital strategy.

The capital gateway process will embed effective monitoring and reporting arrangements whilst ensuring that:

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

## **10 FUTURE YEARS**

10.1. Effective financial planning is key to the sustainability and operation of all local authorities. The development of the council's medium term financial strategy shows that there is a significant financial challenge in future years. The MTFS will be further refreshed and brought back to the October Cabinet meeting. With uncertainty over government funding, the delay in the key funding review and implementation plans including the CSR, fair funding review and business rates retention review, the Council needs to be more than ever financially resilient and to deliver on its plans including its savings plans.

## **11 NEXT STEPS AND CONCLUSION**

11.1. The financial position requires ongoing scrutiny and careful monitoring in order for the Council to recover its financial position and achieve its medium term financial strategy of replenishing its reserves and producing balanced budgets in future years. Work is required during quarter 2 with all Directorates and the Executive team to put mitigation plans in place to redress the current overspends and to prioritise Council resources in line with the strategic needs of the Borough.

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### **Community impact/links with Community Strategy**

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#### **Equality Impact and considerations:**

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

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

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

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

<b>Equality Analysis</b>	<i>Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.</i>
No implications.	

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**Assessment of Risk:**

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

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**Consultation:**

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**Legal Implications:**

There are no specific legal implications arising from this report

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**Financial Implications:**

The financial implications are set out in the report.

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**Report Author and Contact Details:**

**SAM EVANS, Executive Director of Finance**

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## Appendix 1

<i>Capital Theme</i>	<b>Original Budget</b>	<b>Approved Slippage</b>	<b>Approved Adjustments</b>	<b>Proposed Adjustments</b>	<b>Revised Budget</b>	<b>Expenditure to June</b>
Capital Scheme	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><i>Radcliffe Regeneration</i></b>						
Radcliffe Market Chambers	0.090	0.010			0.100	0.000
Radcliffe Library Refurbishment	0.000	-0.015			-0.015	0.000
Radcliffe Regeneration	16.100	0.028			16.128	0.003
Radcliffe Regeneration Action Plan	0.115	0.115			0.230	0.000
Radcliffe Hub Pre Development	0.729	0.000			0.729	0.000
Radcliffe Leisure – Design etc	0.250	0.000			0.250	0.000
Radcliffe Programme Management	0.200	0.000			0.200	0.000
<b><i>Sub Total Radcliffe Regeneration</i></b>	<b>17.484</b>	<b>0.138</b>	<b>0.000</b>	<b>0.000</b>	<b>17.622</b>	<b>0.003</b>
<b><i>Prestwich Regeneration</i></b>						
Prestwich Services Hub	0.075	0.000			0.075	0.000
Strategic Acquisition	0.000	0.300			0.300	0.022
Prestwich Urban Village	0.000	0.136			0.136	0.000
Prestwich Regeneration	0.000	1.128			1.128	0.000
<b><i>Sub Total Prestwich Regeneration</i></b>	<b>0.075</b>	<b>1.564</b>	<b>0.000</b>	<b>0.000</b>	<b>1.639</b>	<b>0.022</b>
<b><i>Ramsbottom Regeneration</i></b>						
Ramsbottom Town Plan	0.180	0.000			0.180	0.000
Upper Floor Development	0.000	0.200			0.200	0.000
Ramsbottom Market Chambers	0.120	-0.057			0.063	0.000
<b><i>Sub Total Ramsbottom Regeneration</i></b>	<b>0.300</b>	<b>0.143</b>	<b>0.000</b>	<b>0.000</b>	<b>0.443</b>	<b>0.000</b>
<b><i>Bury Regeneration</i></b>						
Bury Market/Wider Market Area	0.030	0.005			0.035	0.000
Bury Business centre	0.050	-0.015			0.035	0.000

Elizabethan Suite Update	0.000	0.080			0.080	0.000
Bury Town Centre Masterplan Civic Centre Phase 1	0.000	1.360			1.360	0.020
<b>Sub Total Bury Regeneration</b>	<b>0.080</b>	<b>1.431</b>	<b>0.000</b>	<b>0.000</b>	<b>1.511</b>	<b>0.020</b>
<b>Commercial Sites Regeneration</b>						
Commercial Sites (Bradley Fold) Regeneration	0.300	-0.023			0.277	0.000
Radcliffe SRF	0.000	0.000			0.000	0.001
Chamber Hall Phase 2	0.100	0.000			0.100	0.000
<b>Sub Total Commercial Sites Regeneration</b>	<b>0.400</b>	<b>-0.023</b>	<b>0.000</b>	<b>0.000</b>	<b>0.377</b>	<b>0.001</b>
<b>Refurbishment of Bury Market</b>						
Refurbishment of Bury Market	0.000	-0.040			-0.040	-0.063
<b>Sub Total Refurbishment of Bury Market</b>	<b>0.000</b>	<b>-0.040</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.040</b>	<b>-0.063</b>
<b>TOTAL - Regeneration</b>	<b>18.339</b>	<b>3.213</b>	<b>0.000</b>	<b>0.000</b>	<b>21.552</b>	<b>-0.017</b>
<b>Place Shaping / Growth</b>						
Prestwich	0.000	0.064			0.064	0.000
Radcliffe	0.077	-0.026			0.051	0.000
Whitefield	0.071	0.000			0.071	0.000
Place shaping / Growth programme	0.000	0.235			0.235	0.000
Other Development Schemes	0.960	-0.006			0.954	0.124
<b>TOTAL - Place Shaping / Growth</b>	<b>1.108</b>	<b>0.267</b>	<b>0.000</b>	<b>0.000</b>	<b>1.375</b>	<b>0.124</b>
<b>Sport And Leisure</b>						
Parks and Green Space Strategy	0.450	0.370			0.820	0.116
Play Area Strategy	0.251	0.178			0.429	0.012
Outdoor Gyms	0.000	0.120			0.120	0.000
Access, Infrastructure and Quality Parks	0.000	0.228			0.228	0.063
Grass Pitch Vert Draining	0.000	-0.015			-0.015	0.000
Leisure Gym Equipment Upgrade	0.000	0.248			0.248	0.151
Bury Athletics Track	0.000	0.077			0.077	0.027
Flood Repair 3 G Pitch	0.000	0.047			0.047	0.006
3G Pitch Bury Radcliffe	0.400	-0.031			0.369	0.000
3G Pitch at Goshen	0.000	0.669			0.669	0.000

Sustainable Tennis Strategy	0.400	-0.074			0.326	0.150
Match Fund Football Grants	0.150	0.000			0.150	0.000
Flood Repair and Defence	0.101	-1.361			-1.260	0.085
Environmental Works	0.000	0.031			0.031	0.000
Parks	0.249	0.086			0.335	0.014
Muslim Burial Site Extension	0.050	0.000			0.050	0.000
Leisure Health and Safety Improvements	0.100	0.000			0.100	0.000
<b>TOTAL - Sport and Leisure</b>	<b>2.151</b>	<b>0.572</b>	<b>0.000</b>	<b>0.000</b>	<b>2.722</b>	<b>0.623</b>
<b>Operational Fleet</b>						
Vehicle Replacement Strategy	7.260	2.083			9.343	1.922
Grounds Maintenance Equipment	0.170	0.044			0.214	0.148
<b>TOTAL - Operational Fleet</b>	<b>7.430</b>	<b>2.127</b>	<b>0.000</b>	<b>0.000</b>	<b>9.557</b>	<b>2.070</b>
<b>ICT</b>						
ICT Projects	4.984	-0.033			4.951	0.910
Improving Information Management	0.057	0.000			0.057	0.000
GM Full Fibre Project	0.000	-0.732			-0.732	0.000
<b>TOTAL - ICT</b>	<b>5.041</b>	<b>-0.765</b>	<b>0.000</b>	<b>0.000</b>	<b>4.276</b>	<b>0.910</b>
<b>Highways</b>						
Highways Investment Strategy – Tranche 2	4.000	0.000			4.000	0.000
Cycling and Walking Routes Mayors Challenge	0.025	2.745			2.770	0.097
Growth Deal	0.000	0.711			0.711	0.000
Mobile Speed Signs	0.000	0.035			0.035	0.000
Full Fibre Infrastructure	0.000	0.520			0.520	0.000
Weather Station and Road Surface Temperature Sensors	0.030	0.008			0.038	0.000
Street Lighting	3.028	0.360			3.388	0.000
Traffic Calming and improvement	0.120	-0.127			-0.007	0.299
Traffic Management Schemes	0.000	0.127			0.127	0.000
Public Rights of Way	0.050	0.058			0.108	0.068
Highways Planned Maintenance	5.979	-2.862		1.414	4.531	0.871

Pothole Fund	0.688	1.897		1.131	3.716	0.000
Bridges	0.022	-0.039			-0.017	0.027
Road Safety	0.150	0.000			0.150	0.000
<b>TOTAL - Highways</b>	<b>14.092</b>	<b>3.432</b>	<b>0.000</b>	<b>2.545</b>	<b>20.069</b>	<b>1.361</b>
<b>Children and Young People</b>						
Controcc Software	0.000	-0.019			-0.019	0.003
NDS Modernisation Including New Pupil Places	7.608	-0.011	2.000	7.492	17.089	0.342
Devolved Formula Capital	0.935	-0.119		0.309	0.816	0.029
Targeted Capital Funding	-0.130	-0.121			-0.251	0.000
Special Provision Grant	0.217	-0.005			0.212	0.046
Condition Related Schemes – Schools	0.000	-0.011			-0.011	0.000
<b>TOTAL - Children and Young People</b>	<b>8.630</b>	<b>-0.287</b>	<b>2.000</b>	<b>7.800</b>	<b>18.144</b>	<b>0.421</b>
<b>Estate Management - Investment Estate:</b>						
Demolition of Former Fire Station Bury	0.000	0.127			0.127	0.002
177 & 179 The Rock	0.005	0.000			0.005	0.000
Portland and Chesham industrial Estate	0.010	0.000			0.010	0.000
Former Prezzo, Lytham	0.055	-0.050			0.005	0.005
Back Manor Street	0.050	0.000			0.050	0.000
Tile Street	0.050	0.000			0.050	0.000
St Mary's Place	0.030	0.000			0.030	0.000
<b>TOTAL - Estate Management - Investment Estate:</b>	<b>0.200</b>	<b>0.077</b>	<b>0.000</b>	<b>0.000</b>	<b>0.277</b>	<b>0.006</b>
<b>Estate Management - Corporate Landlord:</b>						
FM Emergency Building New Major Repairs 21-22	0.200	0.000			0.200	0.000
Fernhill Gypsy and Traveller Site	2.760	0.360			3.120	0.000
Bradley Fold Welfare Facilities	0.400	0.190			0.590	0.084
Leisure Health and Safety Improvements	0.000	0.320			0.320	0.069
LED Lighting Installation	0.000	0.213			0.213	0.005
Seedfield Health and Safety	0.025	0.025			0.050	0.000
Bury Cemetery Upgrade of Welfare Facilities	0.040	0.008			0.048	0.000

Hoyles park Pavilion Demolition and Clarence Park Skateboard Park removal	0.050	-0.007			0.043	0.000
Springwater Park Land Slip	0.185	-0.021			0.164	0.057
Coroner's Service	0.000	0.013			0.013	0.000
<b>TOTAL - Estate Management - Corporate Landlord:</b>	<b>3.660</b>	<b>1.100</b>	<b>0.000</b>	<b>0.000</b>	<b>4.760</b>	<b>0.216</b>
<b>Communities and Wellbeing</b>						
Older People	0.305	-0.014			0.291	0.001
Disabled Facilities Grant	0.000	0.754		2.077	2.831	0.167
Neighbourhood Working	0.000	0.218			0.218	0.000
Planning Other Schemes	0.000	0.023			0.023	0.000
Other Development Schemes	0.027	0.000			0.027	0.000
Environmental Works	0.000	0.067			0.067	0.000
<b>TOTAL - Communities and Wellbeing</b>	<b>0.332</b>	<b>1.048</b>	<b>0.000</b>	<b>2.077</b>	<b>3.456</b>	<b>0.167</b>
<b>Housing</b>						
Housing HRA	12.254	2.328			14.582	0.559
HRA Disabled Facilities Adaptations	0.777	0.143			0.920	0.047
Empty Property Strategy	0.000	0.204			0.204	0.000
Next Steps Accommodation Programme	0.000	-0.137			-0.137	0.000
Housing Development	0.000	-0.260			-0.260	0.411
<b>TOTAL - Housing</b>	<b>13.031</b>	<b>2.278</b>	<b>0.000</b>	<b>0.000</b>	<b>15.309</b>	<b>1.017</b>
<b>Climate Change</b>						
Community Climate Capital Fund	0.000	0.187			0.187	0.006
Climate Change Resilience Fund	0.140	0.060			0.200	0.000
Electric Charging Points	0.040	0.000			0.040	0.000
Glysophate Alternative Equipment	0.000	0.050			0.050	0.000
Waste Management	0.000	-0.032			-0.032	0.042
Fly-Tipping	0.152	-0.029			0.123	0.005
Public Sector Decarbonisation	0.000	0.000	8.500		8.500	0.201
<b>TOTAL - Climate Change</b>	<b>0.332</b>	<b>0.235</b>	<b>8.500</b>	<b>0.000</b>	<b>9.067</b>	<b>0.254</b>
<b>Total Capital Programme</b>	<b>74.346</b>	<b>13.297</b>	<b>10.500</b>	<b>12.422</b>	<b>110.565</b>	<b>7.152</b>

## **Appendix 2: One-off Investment**

Priority areas of investment at this stage are described below. Going forward, access to reserves and other funding streams will continue to be considered as part of normal service planning and proposals brought forward on a case-by-case basis.

### **Operations department**

The Covid pandemic has caused significant delays to several key programmes and projects and the Department has been affected by substantial income losses across most of its services. The Department faces several key challenges in respect of the ability to be responsive, (both in terms of front-line service delivery, and from a customer and public perspective), to be able to recover from the effects of the pandemic in terms of key project deliverability, and to regenerate services, assets, and infrastructure.

As part of the Council approval of the budget the department was given a number of one-off funds for 2021/22. These are additional to the new £750,000 reserve that was created at 2020/21 year end and include:

- Street Scene and Road Safety (£100k) which is led by Engineers who have drawn up a provisional list of road safety schemes. There is also a further £50k in the capital programme which will be used for the same strategy giving a total budget of £150k.
- Tackling Fly Tipping (£100k) which is led by Waste Management and will be used to continue the weekend fly tipping clearance from private land and private back streets where Environmental Health are unable to carry out enforcement. It is also being used at weekends to remove waste collected by volunteer groups. The funding will also be used to provide an additional quantity of replacement litter bins.
- A school catering general reserve (£79k) which will be used to increase meal uptake, improve on the counter presentation, menu development and support roll-out of the 'Live Kitchen' system to 52 primary schools co-ordinated through the appointment of an additional catering service manager.
- A licensing reserve (£45k) of which £20k will be used to support the implementation of a second MOT testing station.
- The disruption to waste collection services and the impact of staff absences due to staff isolations have had a detrimental impact on the refuse collection services budgets in year and there is a forecast overspend of £288k. There is a reserve held by the department of £95k which they are proposing to use to partially reduce this overspend, which will leave a balance of £193k. Cabinet is asked to approve that this is funded from the waste levy reserve, alternatively it will need to be funded from the departmental reserve of £750k and other schemes to this value removed from the list.

Services are stretched across the department but two further areas of business critical activity have been highlighted for urgent investment through access to the departmental reserve of c£750,000 as follows:

- Within the Engineering Service, 8870 streetworks permits were submitted in 2020/21 (this is an increase of 39%). 1153 Traffic management applications were submitted in 2020/21 (this is an increase of 400%). An average of 165 temporary traffic regulations orders and traffic regulation orders were issued. The service receives on average 465 traffic management Councillor / public during undertaken in the first 2 months of 2021/22. The service also receives approximately 1000 road safety councillor / public enquiries (speeding/traffic calming) per year. It is therefore proposed to utilise the reserve to improve customer response to these requests.
- Streetscene: The amount required to maintain the highway in its current condition (steady state) is calculated at approximately £6m pa. The current level of capital investment in highway maintenance is approx. £5.3m pa (£3.3m via HIS 2 and £2m via Department for Transport). The carriageway revenue budget has reduced by 96%, from £1.29m in 2010/11 to £49k in 2020/21. The total budget available to Streetscene for minor / reactive carriageway repairs is £441k less than in 2010/11. In contrast, the number of jobs raised to repair highway safety defects (both carriage way and footway) increased from 7,156 in 2016/17 to 7,986 in 2020/21. This represents a 12% increase in demand. In respect of the number of jobs completed, there has been an increase of 46% since 2016/17. The Service completed 11,128 pothole repairs in 2019/20 and 12,132 in 2020/21, representing a 9% year on year increase. Insurance claims have decreased, with payments reaching £120k in 2019/20. The current budget is sufficient to reinstate road markings approximately once every 35 years however road markings typically last approximately. 5-7 years. In respect of potholes the Service completes approximately 75% of repairs on time. The remaining 25% are either left unrepaired long term or repaired but not in compliance with policy. Both scenarios are exposing Bury Council to claims. It is therefore proposed to utilise the departmental reserve to bring about some visible improvements to improve our roads and infrastructure.

Specific proposals for reserve funding to manage these issues through access to the departmental reserve of £750,000 (temporary, one-off funding) and waste levy are summarised below by theme. The detail for the waster levy reserve are shown in Annex 1

<b>Theme</b>	<b>Total</b>
Better roads	£177,000
Better infrastructure	£225,990
Improved customer response	£82,400
Better Environment	£160,910
Greater community empowerment	£103,700
Fund the balance of the projected waste collection overspend	£193,000
Better Waste Management (utilising the waste levy or levy rebate)	£742,416
<b>Total</b>	<b>£1,685,416</b>

Details of areas for permanent funding have also been identified, as shown in Annex 2, but again at this stage ongoing funding has not yet been identified. As such the department is continually prioritising existing capacity and engaged in the internal transformation programme to seek to re-balance resources within the council to bolster the focus on the front line in the medium term. There may be potential for some of these resources to be funded on a one off non recurrent basis through a prioritisation process against the £750,000 reserve.

### **Contain & Outbreak Management Fund Services Reserve**

Contain and Outbreak Management funding is available to support the emergency response and recovery work which is related to infection control; emergency response and protecting the vulnerable.

At the end of 2020/21 £3.1m of the Contain and Outbreak Management Funding was uncommitted. This funding is available for use until the end of March 2022 and therefore, it is prudent not to fully utilise all at this time but to leave further headroom should there be additional demands, outbreaks and unidentified pressures later in the year.

However, since that time we have had a further spike as a consequence of the Delta variant and have agreed a supervised testing programme in schools at an estimated cost of circa £300k, which leaves an available balance of £2.8m at this time.

Within these parameters the following areas for investment are proposed which will be realigned with the council's Recovery strategy for the next 12 months.

<b>Bid</b>	<b>Value</b>	<b>Impact</b>
<p><b>3 x Leisure Customer Services staff</b> to boost receptions, telephones and membership admin/sales. Flexible resource that could be deployed across 3 sites, at weekends and other peak times. This will also free up the senior supervisor to develop new systems to reduce queue lengths and telephone waiting times. 3 at Grade 5.</p>	<p>£75,000</p>	<p>Implementation of the wellness strategy as part of recovery.</p>
<p><b>Better customer response</b> by introducing leisure MIS and access control system to increase customer satisfaction, memberships and retention.</p>	<p>£60,000</p>	<p>Supporting public health by getting people back into leisure services.</p>
<p><b>Enhance Housing Standards team to deal with Covid Backlog</b> Covid has caused a backlog on housing inspections work because of lockdowns and restrictions. Some cases are up to 18 months outstanding and involve our most vulnerable residents. The national lifting of restrictions on evictions will create a significant uplift in work requirements as tenants use inspections to hold-off on evictions. The team are public health inspectors and are under-resourced, covid has had the greatest impact in HMO's, which this team lead on.</p>	<p>£35,000</p>	<p>Improve housing standards across the Borough.</p>

<p><b>Adult Social Care - additional officer</b>  On a short-term basis to assess the implications for our market management function, and in particular the scope of the opportunity with Persona, for the review of out of borough placements for young adults with complex needs</p>	<p>£55,000</p>	<p>Better outcomes of the Persona contract. Supporting Persona to develop into the more complex end of the LD market which helps Persona become better VFM and also help meets the needs of the borough and gaps identified. This in turn will lead to a reduction in OOB placements, bring people back in borough is often cheaper, enables better outcomes and local people should be able to live locally.</p>
<p><b>Continuing Health Care Team</b> - extension to review fast track arrangements, and installation of IT system</p>	<p>£200,000</p>	<p>Recovering from the backlogs caused by the pandemic and the increased numbers of those accessing packages of care sometimes for longer than required or without timely assessments.</p>
<p><b>Children’s Social Care Out of borough placements review.</b>  Lockdown saw an increase in referrals to childrens social care and we need to bring this vulnerable cohort of children back into borough</p>	<p>£300,000</p>	<p>Supporting our vulnerable children</p>
<p><b>Additional capacity for the childrens Safeguarding team</b>  Lockdown saw an increase in referrals to childrens social care and these children and our families are some of our most vulnerable residents</p>	<p>£500,000</p>	<p>Supporting our vulnerable children</p>
<p><b>Funding for BEATS to support Pulmonary Rehab</b> –significant increase in residents needing to access the service due to impact of Covid on NHS waiting lists and affects of Covid on patients with long term conditions</p>	<p>£30,000</p>	

<p><b>Increased capacity for additional independent domestic violence advisors (IDVA)</b> , in the context of spiralling case volumes as a result of the pandemic. Case numbers rose from 544 in 19/20 to 836 in 20/21 numbers for the first qtr of 21/22 are still at these increased levels with 197 cases</p>	<p>£60,000</p>	<p>Capacity will support the establishment of case management for all high risk cases within the new multi-agency neighbourhood model; designed to improve outcomes and reduce demand</p>
<p><b>Prevention activities</b> Third sector to do some of the lower-level care needs, home from hospital support, befriending, friendly face checks etc</p>	<p>£60,000</p>	<p>Anticipated impacts around</p> <ul style="list-style-type: none"> <li>- reduced bed usage</li> <li>- reduced DTOC days</li> <li>- increased number of people living at home independently and linked to community services</li> <li>- reduced levels of loneliness and isolation</li> <li>- increased sense of health and wellbeing</li> </ul>
<p>6 month contract for Admin assistant to support backlog in DFG</p>	<p>£11,400</p>	<p>Supporting the vulnerable to get aids and adaptations</p>
<p>Extension of additional member of staff for 6 months to implement the urgent care review</p>	<p>£39,000</p>	
<p>IT to support wide adoption of Social Prescribing – Elemental Elemental is the platform utilised to record the social prescribing data by The Beacon and the GP practices. They can then extract and report on uptake and impact. A key advantage of this system is interoperability with GP systems and the ability for direct referrals, ease of access and saves the referring GP’s time.</p>	<p>The cost includes additional work on EMIS web (to obtain a deeper understanding of the uptake and impact of the referrals made) is £32,784 inc VAT.</p>	
<p>Work placements for care leavers</p>	<p>£7,000</p>	<p>Providing care leavers with opportunities to develop skills in a working environment and raises profile of care leavers in the Council.</p>

<p>The implementation of Signs of Safety and the Advanced Practitioner model has been impacted by Covid and remote/agile working which is more time consuming as well as having to train new social workers who predominately are newly qualified and require more individual support.</p> <p>The impact of Covid on vulnerable children and families is nationally well documented and Bury is experiencing increasing demand with cases being more difficult and complex.</p>	<p>£70,000</p>	<p>An extra Advanced Practitioner will support frontline practitioners and managers and build resilience, support newly qualified workers as well as students on placements and social work apprenticeships as we work to increase a pipeline of qualified staff to create staff stability in order to meet the increasing demand on statutory social work and safeguarding services as a result of Covid.</p>
<p>Covid recovery in children's services: The full extent and impact of Covid 19 on the development, education, and opportunities for Bury's children and young people is not yet fully understood and may not be for some time. However there are already emerging issues and anticipated outcomes:</p> <ul style="list-style-type: none"> <li>•The education gap between those children considered to be disadvantaged and their counterparts will have widened.</li> <li>•The higher infections rates in Bury and GM will lead to Bury schools system being disproportionately impacted when compared to national</li> <li>•The pandemic has increased inequality in the borough; there has been a 5% increase in the overall number of children eligible for free school meals since 2019.</li> <li>•There is a potential for increased school exclusions and reduced attendance as some young people struggle with the return to school</li> <li>•There are indications of increased rates of anxiety and mental health concerns</li> </ul>	<p>£120,000</p>	<p>A universal quality assurance visit to all schools for the Autumn term will be implemented, focusing on school leadership and the curriculum, with an independent Quality Education Partner to explore the impact of Covid on pupils and young people.</p> <p>A recovery lead will co-ordinate the Covid recovery strategy across schools, ensuring that schools and the Council are working together to overcome some of the anticipated outcomes in order that our children and young people are supported throughout the education system in particular at points of transition and that opportunities and pathways are open to all post 16 so that the hopes, ambitions and aspirations of all our young people can be realised.</p>
<p><b>Total</b></p>	<p><b>£1,655,184</b></p>	

## Wider transformation strategy

The proposals in this document reflect tactical, short term investments to respond to particular departmental priorities. The Cabinet has, however, at its meeting in July, agreed a transformation strategy as an enabler of wider service improvements and the Bury 2030 vision, which will deliver c£6.8m over a three year period. An overview of the three component programmes are *Let's do it ....*

- **...Well** (Internal transformation). This programme will seek to establish the structures, systems and processes to drive a high performance organisation. This work will embed the improvement work proposed in Children and Young People's Services and the principles of internal reform proposed here by the OCO into a business as usual approach
- .... **Once** (Customer contact and transact strategy). This programme will harnesses digital-first delivery through a single, digital front door providing integrated self-service access to back office processes. This work will incorporate the specific proposals made for customer contact improvement in the leisure and highways services. The short term funding accessed through these proposals will be used to bolster capacity to develop transformed processes whilst also maintaining a quality offer for customers
- .... **Flexibly** (Estates). This programme will seek to optimise the agile working strategy in order to rationalise the council's estate; create investment opportunities from capital receipts and savings from reduced revenue building running costs and oversee the establishment of a Corporate Landlord function proportionate to the future estate size through reinvested resource

**Annex 1: Better waste management - to be funded via the Waste Levy: -**

<b>Theme / Description</b>	<b>Indicative Value</b>
Waste and Transport: Contamination Officers x 2 Grade 9 to minimise waste contamination issues and associated cost working with the community.	£145,916 (2 year levy funding)
Waste and Transport: Investment for 1 new Rotopress RCV, 1 ex demo small RCV to provide resilience to rural collections and 1 new Variopress RCV. Funding via Waste Levy approved.	£500,000(one-off – Levy rebate)
Waste and Transport: Additional Officer to specifically work with STH, other RSLs and private landlords to tackle issues associated with communal waste bins. To develop and implement design solutions to improve cleanliness of sites and maximise recycling - Grade 9. Vehicle cost funded via Waste Levy.	£36,500 (one-off – Levy rebate)
Waste Management: Permanent service to remove fly tipping from private land and private back streets where enforcement is not possible. Currently funded as a one-off in 21/22.	£60,000 (one-off – Levy rebate)
<b>Total</b>	<b>£742,416</b>

**Annex 2: Additional proposals which could be funded on one-off non recurrent basis by re-prioritising the £750,000 reserve**

Theme / Description	Indicative Value
<p><b>Better infrastructure</b></p> <p>Engineers: Advanced Design Fees to enable greater access to TfGM and external funding opportunities</p>	£50,000
<p><b>Better infrastructure</b></p> <p>Strategic Projects: Grade 15 Operations Service Manager to lead on major projects and monitor the capital programme.</p>	£57,671
<p><b>Better infrastructure</b></p> <p><b>Better customer response</b></p> <p>Streetscene: Grade 15 Service Manager - Highways Operations to manage the Service enabling the Head to focus on strategic responsibilities and development.</p>	£57,671
<p><b>Better infrastructure</b></p> <p><b>Better customer response</b></p> <p>Engineers: Grade 9 Street Works Engineer to monitor all external/public utility works on the highway.</p>	£36,500
<p><b>Better environment</b></p> <p><b>Better community involvement</b></p> <p>Waste Management: Environmental quality strategy lead. To oversee the plans and actions towards transforming and empowering residents and communities to take greater ownership of their neighbourhoods in a high-profile way</p>	£44,000
<p><b>Total</b></p>	<p><b>£245,842</b></p>