

APPENDIX C – DEEP DIVES

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Report to	Audit Committee
From	Robert Summerfield – Assistant Director (Regeneration Delivery)
Risk Reference	CR15
Risk Description	Regeneration & Development
Recommendation	For analysis and discussion

Context

Risk CR15 relates to the Council’s Regeneration and Development capacity, operational activities and projects. The Council delivers a number of functions and projects in accordance with Bury’s Corporate Strategy (LET’S Do It!) and in line with regional and national initiatives such as Levelling Up, Places for Everyone and Brownfield Housing development. The activities are delivered either through external funding in the form of grants or via the Council’s own resources.

Regeneration activity is complex and multi-disciplinary requiring joint working across the Business Growth & Infrastructure Directorate itself and other Directorate areas.

Specific Services providing leadership on this agenda include:

- Major Capital Projects
- Land & Property
- Planning (Strategic & Development Control)
- Inward Investment & Skills
- Economic Development

Key interfaces for regeneration activity are between the above functions and:

- Legal & Democratic Services
- Finance Services
- Procurement
- Communications
- Operations (Communities and Highways).
- Leisure Services
- Public Health

Regeneration Projects and initiatives

Major regeneration activity is currently focused on the following initiatives:

Places for Everyone – Joint Development Plan

Places for Everyone (PfE) is a long-term plan of nine Greater Manchester districts (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan) for jobs, new homes, and sustainable growth. The plan will determine the kind of development that takes place, maximising the use of brownfield land and urban spaces while protecting Green Belt land from the risk of unplanned development.

It will also ensure all new developments are sustainably integrated into Greater Manchester's transport network or supported by new infrastructure. This plan:

- sets out how the nine boroughs should develop over the next 15+ years;
- identifies the amount of new development that will come forward across the 9 districts, in terms of housing, offices, and industry and warehousing, and the main areas in which this will be focused;
- supports the delivery of key infrastructure, such as transport and utilities;
- protects the important environmental assets across the city region;
- allocates sites for employment and housing outside of the existing urban area; and
- defines a new Green Belt boundary for Greater Manchester

Northern Gateway

- The site straddles Bury and Rochdale and is the most significant proposal for employment development within the Places for Everyone Joint Plan.
- Occupies a strategic location adjacent to the M60, M62 and M66 and will attract high quality businesses and employment opportunities, including advanced manufacturing processes to support product innovation and research activity in Manchester city centre.
- Potential to be genuinely transformational, delivering an internationally significant employment development of an equivalent scale to Trafford Park and will fundamentally strengthen the North's ability to compete on a global scale.
- 1.2 million sq.m. of industrial and warehousing floorspace generating around 17,000 new jobs as well as £1.1 billion in GVA for the Greater Manchester economy.
- The delivery of the site would be a key driver in achieving a more balanced Greater Manchester economy by significantly boosting the competitiveness of the northern districts and in delivering the aspirations.

Bury Flexi Hall & Market

Development of; a new, multi-functional events venue, the construction of two new roof canopies to replace the existing, dilapidated coverings that currently protect the outdoor market stalls, and the creation of an enhanced public realm that will provide seating and space for outdoor events, with hard and soft landscaping that will incorporate sustainable urban drainage (SuDS). The public realm improvements will

also create a much more visible and higher profile entrance from the key points of arrival. The scheme is being co-funded by the Council to support the acquisition of properties that will facilitate the construction of the Flexi Hall.

Radcliffe Hub and Market Chambers

Circa £40 million project comprising:

- The construction of a Civic Hub in Radcliffe town centre, replacing the southern side of the 1960s era former shopping precinct. Facilities including:
- New library facility (larger than Radcliffe's existing library) as well as spaces for use by community groups and Adult Learning Services.
- Leisure facilities including 6 lane x 25m main pool, learner pool with movable floor, 100-station gym space, rooftop activity space.
- Commercial facilities including a Clip 'n' Climb and café.
- Office space for the Council's Adult Safeguarding, Revenues and Benefits, and Integrated Neighbourhood Team

Prestwich Village

The project aims to create new spaces to help people and businesses to thrive, with a mix of high-quality homes and family-friendly spaces, as well as a new community hub that promotes health and wellbeing.

Our vision is to create a low-carbon neighbourhood to support a sustainable future and enhance the environment for future generations in Prestwich.

The project will deliver:

- A community hub
- Retail and leisure facilities
- Market hall
- Travel hub/multi storey car park
- Public realm improvements
- Residential housing at scale

Mill Gate Re-development

Bury Council entered into a Joint Venture with Bruntwood to develop the Mill Gate site. Plans for the site include remodelling and improving the existing centre and bringing forward some residential units.

There is the opportunity to re-purpose/refurbish existing buildings at the Mill Gate – extending their lifespan and avoiding the embodied carbon involved in new construction.

Brownfield Housing Programme

This programme will deliver significant housing numbers on Council-owned brownfield land, alongside scheduled land disposals approved under the Council's Accelerated Land Disposal Programme. The programme generates capital receipts to fund the wider Bury Capital Programme, whilst securing external funding and competent developers to bring forward quality housing development at scale.

Strategic Asset Development Plan

The Council has an extensive land and property portfolio. Chronic budget pressures, the increased cost of operating buildings and the introduction of new 'Hub' buildings mean we need now to act to rationalise the estate.

This project covers all land and property ownerships of the Council. It incorporates the administration buildings the Council operates services from, a portfolio of commercial properties, properties held through JV's, a land bank accumulated over the years, surplus buildings which either formerly hosted services or community activity, buildings in parks, sports playing fields, the estates which a portfolio of 7,500 council houses are owned and a range of smaller land plots, many of which border highways or have been historically acquired. The project aims to consolidate and improve value from the Council's non-current asset base whilst improving efficiency and effectiveness in service delivery. This workstream encompasses the following projects:

- Administrative Estates Programme
- Accelerated Land Disposal Programme (ALDP)
- Smaller Sites Disposal Programme
- Housing Estates Programme
- Commercial Estates Transformation Programme
- Town Hall Project

BGI Regeneration activity is also responsible for the implementation of the following masterplans and strategies:

- Bury Local Plan
- Bury Town Centre Masterplan
- Radcliffe Strategic Regeneration Framework
- Ramsbottom Town Centre Plan
- Whitefield Town Centre / High Streets Task Force
- Greater Manchester Transport Strategy 2040
- City Region Sustainable Transport Settlement (delivered alongside Operations)
- Greater Manchester Transport Infrastructure Pipeline
- Bury Housing Strategy 2021
- Strategic Housing Review – Future Management & Maintenance of Council Housing in Bury Council
- Economic Development Strategy

Risk CR15: Regeneration & Development

Risk CR15 relates to the effective delivery of the multi-disciplinary agenda outlined above.

In assessing risks associated with Regeneration and Development, officers have assessed the following factors:

- Development viability and associated factors.
- Supply chain availability and maturity
- Macro-economic conditions
- Staff resources & skills
- Strategic development agenda
- Internal & External funding environment

[Risk Owner: Paul Lakin]

Key Potential Impacts

Impact	Description
<ul style="list-style-type: none">• Availability of Council / External Funding• Removal of revenue funding for regeneration delivery (puts at risk resource/capacity for implementation).	<p>Regeneration activity is dependent on external funding (e.g. Levelling Up Fund [LUF] / Brownfield Land Release Funding [BLRF] and internal Council capital (in the form of capital receipts and Prudential Borrowing.)</p> <p>Availability of funding has been impacted by:</p> <ul style="list-style-type: none">• Reducing availability of revenue funding associated with unprecedented budget reductions to BGI and removal of reserves. This has reduced the ability of BGI to develop shovel ready projects suitable for external grant funding.• Reduced revenue funding available to service required Prudential Borrowing / gap or match funding.• Salary Capitalisation targets allocated to BGI have substantially reduced operational management and Land & Property resources.• Short term nature of external regeneration funding (e.g. LUF) prevents long term regeneration initiatives and horizontal supply chain management processes required to maximise value and achieve social value uplift in procurement.

	<ul style="list-style-type: none"> • Increased uncertainty of pipeline of external funding initiatives due to current political environment. • Lack of internal financial support resource within the Council.
<ul style="list-style-type: none"> • Challenges in leveraging council assets due to macro economic environment. • Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes. 	<ul style="list-style-type: none"> • High interest rates and unprecedented construction inflationary pressures affect desirability of brownfield and other development land within Bury. Additional internal/external funding required to address viability gaps or will require a reduction in expected capital receipts under ALDP. • Viability gaps also set to increase following adoption of Biodiversity Net Gain requirements.
<ul style="list-style-type: none"> • Skills/resource availability for regeneration delivery 	<ul style="list-style-type: none"> • Reduced operational resources in Land & Property / Economic Growth team following imposition of salary capitalisation savings target. • Lack of available professionals in the market alongside significant salary level competition.
<ul style="list-style-type: none"> • Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country. 	<ul style="list-style-type: none"> • Significant effort required across the Council/GM to ensure the Northern Gateway opportunity is delivered effectively. • Challenges associated with bringing together diverse land interests, stakeholders, infrastructure requirements, funding and delivery resources.

Current Controls

Impact	Control
<ul style="list-style-type: none"> • Availability of Council / External Funding • Removal of revenue funding for regeneration delivery (puts at risk resource/capacity for implementation). 	<ul style="list-style-type: none"> • Strong project governance and control via the “Regeneration Board” mechanism – Senior Officer Membership. • Value Management activity has been implemented across major regeneration projects to ensure project costs remain within budget.

	<p>This has required de-scoping of some outputs.</p> <ul style="list-style-type: none"> • Close working relationships have been developed with external funding partners at GMCA, Homes England, DLUHC etc. Bury Pipeline projects now registered with Combined Authority and partner organisations (e.g. MIDAS). • Bury growth zones allocated under GMCA Local Investment Framework [LIF] (Spatial Priority Areas).
<ul style="list-style-type: none"> • Challenges in leveraging council assets due to macro-economic environment. • Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes. 	<p>Acquisition of external “gap” funding (e.g. BLRF for Pyramid Park).</p> <p>Options under development to “package” housing and development sites for greater viability.</p> <p>Use of integrated procurement systems and co-procurement between major projects to increase value and lower fixed project delivery cost.</p>
<ul style="list-style-type: none"> • Skills/resource availability for regeneration delivery 	<p>Establish Joint Venture organisations to deliver major projects to leverage Private Sector development resources. These have been established at Mill Gate (Bruntwood) and Prestwich (Muse).</p> <p>Development training currently being delivered by BGI senior management to bring on graduate/trainee staff members across the Council to deliver major projects/regeneration activity.</p> <p>Use of consultant Project Management Resources to supplement in-house officers.</p>
<p>Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country.</p>	<p>Dedicated Project Management resource appointed for Northern Gateway in August 2023.</p>

	<p>Bury Council integrated into Northern Gateway project delivery structure with GMCA support.</p> <p>Strong leadership of the programme by BGI senior management</p> <p>Submission of funding bids for project enabling resources by Bury Council officers.</p>
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REPORT FOR AUDIT COMMITTEE			
To:	Audit Committee		
Contact Officer:	Director of Education & Skills		
Risk Reference:	CR16		
Risk Description:	Special Educational Needs and Disabilities		
Reason for Briefing Note:	Information <input type="checkbox"/>	Analysis & Discussion <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>

1. Context

The Special Educational Needs and Disability (SEND) reforms were introduced in September 2014 under the Children and Families Act. Bury was inspected as a 'Local Area' in 2017 with a follow-up visit in 2019; both visits found that Bury had not been effective in its implementation of the SEND reforms.

A new SEND inspection framework was introduced in January 2023; under the new arrangements all local areas will receive an inspection every 5 years. Where weaknesses have been identified on a previous visit, or if there are serious concerns raised at any time, the local area will be subject to monitoring inspections. Within the new inspection framework the approach has shifted and it is now very much based on parental observation and lived experiences. The inspection will have one of three judgements:

- The local area partnership's SEND arrangements typically lead to **positive experiences and outcomes** for children and young people with SEND. The local area partnership is taking action where improvements are needed.
- The local area partnership's arrangements lead to **inconsistent experiences and outcomes** for children and young people with SEND. The local area partnership must work jointly to make improvements.
- There are widespread and/or systemic failings leading to **significant concerns about the experiences and outcomes** of children and young people with SEND, which the local area partnership must address urgently.

Systemic failures will impose a requirement on the local area to produce a priority action plan which will be reviewed as part of a monitoring inspection.

There are historical challenges in Bury that will be included in the scope of our SEND inspection:

1. Historical mistrust of Bury SEND by parents

2. Demand for EHCPs
3. Rising levels of complexity of need
4. Insufficient local specialist provision to meet need
5. Growth in the number of children placed in INMSS (independent and non-maintained special schools)
6. Waiting times and pathways for Health services
7. Limited integration and ownership of the SEND agenda
8. Silo working
9. Early years universal offer

The SEND Code of Practice was not implemented early enough in Bury, such as the graduated response, funding arrangements and re-design of the EHCP service and this is a significant factor in our continued increase in demand. The current strategy is to ensure that we are fully compliant with the Code of Practice, which will see a realignment of resources with more children's needs being met at SEN support and this will in turn reduce demand.

This report provides an overview as to completed and planned actions to mitigate these risks, it should be noted that while lots has been done, this will take time to fully embed and gain the trust of parents and partners.

This risk is related to the Project Safety Valve (PSV) risk which is reported separately.

2. Key Potential Impacts

1. Failure to have a strong local offer, graduated response and appropriate support for children in mainstream provision could see an increase in EHC referrals and plans, putting increased pressure on system and difficulties in meeting provision set out within the EHCPs. This in turn will place increased pressure on SEND special school place sufficiency.
2. Further loss of parental trust - senior officers have worked closely with parents and carers to rebuild the relationships, and build trust. This remains very work in progress and is supported through a range of activities including parental drop-ins, webinars, co production activity in partnership with The Council For Disabled Children

3. Further increase in LGO ombudsman complaints, SEND Tribunals and general complaints as parents are not happy with decisions taken around EHCPs, or where we are not meeting the identified needs of the child.
4. Relationship with schools may be negatively affected as we instruct them to maintain children with EHCPs in their schools, when they feel it is more appropriate to place in specialist provision.
5. Impact on waiting times as we require more assessment and interventions from health & CAMHS. Important to note that decisions around commissioning of these services takes place at GM level.
6. Reduction in compliance in regard to the 20 week timescale for EHCPs due to increased demand.
7. Increase in EHCP assessments which is disproportionate to population, leading to sufficiency issues. Children are also potentially being incorrectly labelled and this can have a negative impact.
8. Increased usage of independent schools and the related impact on the High Needs overspend.
9. Council liable to fines from the ombudsman where we fail to provide transport for a child with SEND, in line with our Transport Policy.
10. Lack of an early years offer means that children's SEN needs are not addressed early enough, the impact of the disability is then greater which leads to an increased needs and therefore increased EHCPs.
11. Ofsted could judge the local area to have systemic weaknesses in a local area SEND inspection, impacting further on reputation.
12. Impact on our ability to meet the requirement of Project Safety Valve.

3. Current Controls

We have implemented changes to **decisions around issuing EHCPs** but as a consequence we may be met with some resistance and there could be an increase in complaints. We are currently the 5th highest local area in terms of numbers of EHCP per head of population, suggesting that our threshold is lower than it should be and to re-align this will potentially create tension both in terms of parents as well as schools.

We have improved the timeliness of issuing new EHCPs which is currently 70% (from a previous 27% annual rate in 2021). To enable the EHCP team to be able to meet the statutory requirement we have **increased the staffing establishment** to reduce caseloads down to 350 per officer (from 450+). We have re-structured to create a new assessment team and an annual review team to ensure we are able to complete the statutory annual review work which was a significant weakness for us. The team has been stabilised for the last year and all posts are permanent members of staff.

Significant progress has been made to reduce waiting times for a range of therapies which supports more effective identification of need and we are now compliant with NICE guidance.

We are working in **co-production** with parents and carers, through strategic partner Bury2Gether. Bury2Gether are members of our SEND Strategic Partnership Board and they also have dedicated time each week with the Head of Service for SEND and Inclusion, to ensure that they have opportunity to bring issues but also so that we can work together in planning services for our families.

Bury's SEN Strategy has a strong emphasis upon meeting a wider range of needs at SEN Support by embedding Bury's **graduated approach (GA)** to identifying, assessing, and meeting SEN needs earlier. Key features of our approach are:

1. Graduated Approach Toolkit (GAT) was co-produced and soft launched in October 2022, to provide a strong emphasis on meeting a wider range of needs at SEN Support stage by identifying, assessing, and meeting SEN needs earlier and ensuring that the universal offer is fully understood.
2. The GAT exists on paper form and has been a central focus on the SENCo networks and a Headteacher conference (May 2023) which was well attended and had 92% positive feedback.

3. SENCo networks to support the Graduated Approach were re-launched in 2022 and will be run jointly by ElmsBank and the Local Authority in 2023 with both in-reach and outreach training opportunities.
4. To embed the Graduated Approach the Inclusion Panel has been reviewed and, from September, will operate as a proactive multi-agency panel with a remit to ensure that SEN Support plans are being used to support any child where there is consideration of additional support and that this is addressed before any request for an EHCP can be made. The Panel will act as a direct referral route to a range of support systems and training as well as supporting children and young people where there has been a EHCP assessment, but the outcome is that needs can be met at SEN Support.
5. To support the success of the Graduated Approach we have developed SEND practice fortnights so that all our workforce is aware of the universal offer and the targeted offer.
6. To ensure consistency of identification and to support the embedding of the Graduated Approach a 'Matching provision to Need Tool' has been developed. This is all age with resources for Early Years, Primary, secondary and post 16. This tool is to be launched in September 2023 and is supportive of Bury's increased continuum of provision.

Bury has focused on a total refresh of its **Local Offer** and has revised the SENCo network and headteacher training offer. The revision of our Local Offer has been strengthened in the following key areas:

1. Supporting parents to access universal and Early Help support to meet their child's needs in a timely which has been ongoing since May 2023.
2. We have Launched the 'Friends of the Local offer initiative and we launched a Local Offer newsletter in January 2022 which has continued to be issued and has been well received.
3. We have held two full SEND Local Offer days in October 22 and July 2023 with feedback that all parents surveyed gained additional information with a 90% satisfaction rate.
4. The Local Offer has been restructured so that parents can easily identify and access support through the universal offer reducing the need for targeted intervention. The restructures Local Offer will be live from the end of October

in the new format as requested by parents. In advance of this the updated information has already been uploaded onto the current Local Offer site.

5. A series of Local Offer co-production events have been held with parents to ensure that parents have actively contributed to it and ensuring ease of accessibility.
6. This work has been progressed through the leadership of a SEND ambassador and by revising the SENCo network including high quality CPD and networking opportunities across the borough, including the Headteacher development offer, within clusters of schools and bespoke to individual settings.
7. SEND navigators are now being recruited to and trained Barnardos – initially based at Redvales they will provide offline access to the Local Offer.
8. Our Local Offer Newsletter continues to be well received.

Our **refreshed finance panel process** is now in place in terms of managing individual applications. This reinvigorated and strengthened review EHCP panel membership now includes finance, transport, health, and social care all represented each week with more robust decision making in place. Paperwork has been reviewed and revised and a tracking system is in place to capture any decisions that have a cost saving element. There are strengthened links in governance between this panel and the joint commissioning panel to ensure the best places are commissioned as per the need of the CYP.

A **Local Area SEND Senior Leadership Team (SLT)** is meeting fortnightly to review progress against key priorities and preparing for our local area inspection. This includes Executive Director for Children's Services, Executive Director, Health and Adult Care and Deputy Place Based Lead and Director of Education & Skills. There is also a bi-monthly SEND Multi-Agency Leadership Group meeting to support seamless working across all services; this is co-chaired by the Head of Service for SEND and Inclusion and NHS Programme Manager.

The Education restructure is now complete which is focused on statutory functions and as part of this we have appointed a new lead for **school attendance**. The re-designed service will include a focus on children electively home educated with EHC plans, EOTAS (Education Other Than At School) packages and emotional based school avoidance (EBSA).

We have appointed Cathy Hamer as **Independent Chair to the SEND Strategic Partnership Board**. She is recognised regionally and nationally and has a skill base from working with early years to preparing for adulthood, and the post-16 agenda.

She will support the development of the Board to ensure that partners are being held to account regarding delivery of services that meet the needs of children and families with SEND in Bury. This is a significant shift in revised accountability and governance.

The **SEND Delivery Plan** has been refreshed; maintaining the structure agreed with our families when the plan was originally co-produced, we have ensured that the actions against each of the 9 outcomes are focused on 2023-24 activity. Progress updates have been revisited to ensure that they are more focused on impact than a checklist of activity. We are working with the Council for Disabled Children to refresh the wording of the outcomes so that they are more child centred.

We have developed a draft **Quality Assurance (QA) framework** and held two multi-agency audits, which have been shared with the SEND Strategic Board. Audits will review local practice to ensure that we are making a difference to children, and also that their needs are being met at the most appropriate level.

4. Planned Actions

The Education Restructure is now complete and so we are moving to recruit to our **SEND Support Outreach Service** – created through the restructure, this will provide SEN support leads to support and challenge schools and the development of an increased outreach offer. There has been agreement for a SALT therapist and an Occupational Therapist to join the outreach team to ensure a multi-disciplinary training offer. We have produced a directory of outreach support that schools can commission themselves to be launched September 2023.

Bury Council are currently progressing plans to establish the first of a planned network of **family hubs** to provide all-age prevention support and developed a business case for investment in identified insufficiency of HV/SN capacity. The Council is working to re-establish the **1001 days** pathways and place early years as the core offer in a new network of Family Hubs. Pending these medium-term policy and resource changes immediate recruitment is underway to four temporary early years workers who will be trained on SPALT to form a task force to lead on early help for settings. These posts are currently being recruited to with an expected start date of November 2023.

We have successfully commenced re-development of Bury's **Educational Psychology** service: we have appointed a Deputy Principal Educational Psychologist (EP), our Principal EP remains in Salford until we fully migrate our service. It is our intention to have a standalone Bury service by Autumn 2024.

By the end of September, our **Education Health Care Plan (EHCP) team** will be fully permanent, with no agency staff which will support better relationships with families and stakeholders.

We have received approval for Phase 2 of our **Autism in Schools Project** which will see 3 further mainstream schools having ASC support as part of a whole school approach, in addition to the 3 schools that were part of phase 1. Phase 2 will be operational from October 2023. We remain part of the GM network around ASC to ensure best practice.

Health have launched the **Mental Health Support Teams (MHSTs)** now established in wave one schools, wave two is mobilising, this will see the teams operating across 30% of Bury schools. As part of the offer there is a focus on emotional based school avoidance (EBSA) and a pathway is becoming embedded. Further to this, a successful system business case was recently developed and was agreed by the ICB for £1.4m investment into Bury CAHMs over 2 years to support development of a robust core offer to 18 and an increase in therapies.

To support the success of the Graduated Approach we have developed **SEND practice fortnights** so that all our workforce is aware of the universal offer and the targeted offer, this is supported by annual SEND Information Days as a means to ensure a shared understanding of the SEND offer. To ensure consistency of identification and to support the embedding of the Graduated Approach a 'Matching provision to Need Tool' has been developed. This is all age with resources for Early Years, Primary, secondary and post 16. This tool is to be launched in September 2023 and is supportive of Bury's increased continuum of provision.

Following the successful development of the **EHCP panel** to include partners we have agreed to move to the next phase of development so that following the decision to assess or not the panel considers those where the EHCP needs assessment has been completed and the decision to make is in relation to whether a EHCP is needed or whether the child can be affectively supported by SEND Support. We are currently correcting the practice and we will review all EHCPs issued to under 5s. They have remained at a high level. The need that has increased most significantly in SLCN (Speech Language and Communication) it is likely that this has been contributed to by health waiting lists for those children with ASD as numbers here have declined. The rise in SLCN is also likely to have been exacerbated by the impact of COVID and children not attending settings pre-school.

We are committed to creating an **additional 250 places** through the creation of two special free schools: the expansion of our existing special school and additional resource provision places.

Delivery of both new free special schools is being led by DFE. A delay was experienced with the first free special school due to protracted design work. This has now been resolved and we have a commitment of an opening date of January 2024 (originally September 2023). Temporary spaces have also been negotiated for pupils from September 23, to mitigate any adverse impact on the programme. This project is now on track to the revised schedule. We continue to evaluate whether there will be any net impact from the delay after the mitigation temporary places. To support the scale of this programme a specialist Major Capital Programme Manager is being recruited to ensure strong oversight and grip on the delivery of these complex projects. The expectation is they will be in post by November 2023.

Report to	Audit Committee
From	Sam Evans – Executive Director of Finance
Risk Reference	CR1
Risk Description	Financial Sustainability
Recommendation	For analysis and discussion

Context

The Quarter 1 Cabinet report identified a forecast overspend in year of £13.2m. This is largely driven by increased demand in childrens and adults services. The childrens pressures continue from those that were reported in the last financial year following an inadequate OFSTED report in December 2021.

Bury has for a number of years used reserves to balance its annual budgets and whilst not uncommon and the value was much reduced at £4.8m for 2023/24 this does mean that there is very little unallocated reserves remaining to offer a buffer against any in year overspends or to smooth any future years savings delivery.

The national picture of financial sustainability within Local Government is also one of challenge with a number of Councils reporting S114s, most noticeably Birmingham recently. If a S114 is declared then the Council loses all control of its own spending and Commissioners are sent in by DLUHC who will cease all spending which is not subject to a legally binding contract or to protect the most vulnerable in our Borough and therefore all services would operate at statutory minimum.

Bury also has the added challenge of being in deficit on its Dedicated Schools Grant and has for a number of years been part of Project Safety Valve with the DfE to try to eradicate this deficit. Unfortunately progress has not been as planned and therefore there is a risk that Bury could be removed from the programme putting at risk any further monies from the DfE towards eradicating the deficit.

Key Potential Impacts

Failure to give the DfE confidence that we can eradicate the DSG deficit within the extended timeframe may result in Bury being removed from the programme and the remaining £6m of DfE monies not being received

Failure to bring general fund revenue spending under control in 2023/24 may result in the full utilisation of all available reserves meaning that there are no reserves available to support future years budget setting or in year overspends

Failure to identify sufficient savings or demand management control strategies to close the future years projected financial gap between anticipated income and expenditure will result in the Council being unable to set a legal balanced budget.

All capital projects that have not commenced or are not fully grant/externally funded are stopped

Councils S151 officer issues a S114 notice and DLUHC send in the commissioners

Current Controls

Spend moratorium was put in place for all non essential spend that is Council funded rather than schools or grant funded at the end of July. This in part has resulted in the month 5 forecast reducing to £11.8m overspend from the £13.2m reported at qtr 1

Increased scrutiny by Departmental management teams and Executive team on monthly budget information and forecasts to reduce in year spend.

External Childrens transformation lead engaged to support the service to identify where areas of efficiency or changes in practice can deliver savings, using models and benchmarks used elsewhere to challenge the assumptions.

Establishment of an independently chaired finance improvement panel who monitor delivery against the finance improvement plan and through the external members bring with them a wealth of experience and best practice that can be used in Bury. The workplan is multi faceted and whilst a significant amount of it is focussed on the development of the medium term financial plan and supporting strategy it also encompasses training, development and cultural changes required across the organisation and the finance team.

Over the summer future years budgets were developed using a zero based budgeting approach. Following this a process of departmental budget challenge meetings have taken place where Execs have been challenged on their savings delivery, how they can mitigate their overspends and emerging pressures, whether they can disestablish any vacant posts and what their services would look like if they had to reduce by 5 and 10%.

The 2024/25 Capital programme has also been reviewed to determine the correct phasing and if schemes can be removed in order to assess the impact on the cost of borrowing

Planned Actions

A key part of the finance improvement plan is to embed rigour, financial control and good governance. In order to do this the financial ledger will require significant development and cleansing. This process has begun but further work is required.

Further work is required to develop and embed financial capability across all parts of the organisation and a finance training programme will be developed.

Continued challenge sessions with all Departmental management teams, implementation of a monthly star chamber review process chaired by the Chief Executive to hold Execs and their teams to account for their budgets.

Further development of in year mitigation proposals and future years savings proposals to close the financial gap

Improved debt collection through supporting businesses and residents to claim all benefits and grants available and also by closer working with the departments and the residents for sundry debts and adult social care contributions

Council approved a motion in September to commence a campaign for a fair funding deal for Bury