

EXECUTIVE

18 DECEMBER 2024

PRESENT

Leader of the Council (Councillor Tom Ross), in the Chair.

Councillor C. Hynes	Deputy Leader of the Council and Executive Member for Leisure, Arts, Culture & Heritage
Councillor S. Adshead	Executive Member for Highways, Environmental & Traded Services / Labour Group Secretary
Councillor K.G. Carter	Executive Member for Children & Young People
Councillor J. Harding	Executive Member for Finance, Change & Governance
Councillor E. Patel	Executive Member for Economy and Regeneration
Councillor J. Slater	Executive Member for Healthy & Independent Lives
Councillor R. Thompson	Executive Member for Communities and Safety
Councillor A.J. Williams	Executive Member for Climate Change

Also present

Councillors Butt, Duncan, Ennis, Evans, Frass, Holden, Lepori, Welton and Zhi.

In attendance

S. Todd	-	Chief Executive
S. Saleh	-	Deputy Chief Executive & Corporate Director of Strategy and Resources
J. McGregor	-	Corporate Director of Children's Services
R. Roe	-	Corporate Director of Place
G. Bentley	-	Director of Finance and Systems
D. Sykes	-	Director of Legal and Governance
H. Gollins	-	Director of Public Health
I. Cockill	-	Senior Democratic Officer

APOLOGIES

An apology for absence was received from Councillor J.A. Wright.

62. DECLARATIONS OF INTEREST

Councillor Hynes declared an interest in relation to the Trafford Council and Trafford Leisure: New Operating Agreement, part 1 and 2 items, being a Member of the Trafford Leisure Board and also being an employee of HM Revenue and Customs, insofar as the agency model agreement related to VAT.

63. MINUTES

RESOLVED: That the Minutes of the meeting held on 18 November 2024, be approved and signed as a correct record.

64. QUESTIONS FROM THE PUBLIC

No questions had been submitted for this meeting by members of the public.

65. MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES

(a) Response to Scrutiny Committee Task & Finish Group - Reducing Car Dependency

The Executive Member for Highways, Environmental and Traded Services and Executive Member for Climate Change submitted a joint report following consideration of, and in response to, the Scrutiny Committee Task and Finish Group findings, as detailed in the report dated 10 July 2024, in respect of making Trafford a place that was less dependent on private car transport. Investigation by the Scrutiny Committee produced a series of recommendations relating to safety, a greener environment, modal shift, communications, car parking and young people.

Members were informed that Trafford had recently been awarded the best council award for encouraging modal shift and the Executive conveyed thanks to all staff involved.

RESOLVED –

- (1) That the Executive welcomes the Scrutiny Task and Finish Group Report on Reducing Car Dependency dated 10 July 2024 and supports the principle of widening transport choices and reducing reliance on the private car for journeys in Trafford.
- (2) That the response to the Scrutiny Committee Task and Finish Group, set out at Appendix 2 to the report, be endorsed.

66. DRAFT TRAFFORD HOUSING ALLOCATIONS POLICY 2025

The Executive Member for Housing and Advice submitted a report identifying the proposed changes to the Draft Trafford Housing Allocations Policy 2025 and seeking approval for the Policy to go out to public consultation in January 2025.

An opportunity was provided for Members to raise questions and both the Leader of the Council and the Executive Member for Climate Change responded on the reasoning behind the removal of Bands 4 and 5. In addition, advising that the report provided a snap-shot of applications by band, the Corporate Director of Place indicated that he would provide Councillor Duncan with a detailed breakdown on the banding allocations.

RESOLVED –

- (1) That the Draft Trafford Housing Allocations Policy 2025, be approved to go out to public consultation in January 2025.

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- (2) That, following the public consultation, the Trafford Housing Allocations Policy 2025 be submitted to the Executive for approval to publish in April 2025.

67. UPDATE ON THE REDEVELOPMENT OF LACY STREET, STRETFORD (PARTS 1 & 2)

The Executive Member for Economy and Regeneration submitted a report seeking approval for the development of 53 homes at Lacy Street, Stretford. A related report, containing “exempt information” which was not for public disclosure, had also been circulated to Members.

RESOLVED –

- (1) That the proposals for the Development, be noted.
- (2) That progression to RIBA Stage 3 and 4 design and then the delivery of 53 homes on the site (the Development), be approved.
- (3) That the Corporate Director of Place be delegated authority to:
- a. Submit a planning application and undertake the Development, subject to the parameters in the report;
 - b. engage external professional resources as required to assist in implementing the Development;
 - c. Negotiate and finalise any agreement contract or other document required to deliver the Development and any associated disposals;
 - d. agree any licence or approve the grant of any easement or lease or any other disposal, including where that disposal taken in isolation would constitute a disposal at undervalue, which is designed or intended to implement or facilitate the Development; and
 - e. authorise a marketing, pricing and disposal strategy and authorise the sale of plots including where the anticipated or actual capital receipt exceeds £499,999.
- (4) That the Director of Legal and Governance be authorised to enter into all legal agreements required to implement the above decisions.

68. CIVIC QUARTER HEAT NETWORK - APPROVAL TO ACCEPT GREEN HEAT NETWORK FUND GRANT

The Executive Member for Climate Change, Executive Member for Economy and Regeneration and Executive Member for Highways, Environmental and Traded Services submitted a joint report seeking approval in principle, to accept the Green Heat Network Fund grant and to proceed to the next stage of the project (commercialisation), and also seek delegations to take forward the procurement of a third-party delivery partner.

An opportunity was provided for Members to ask questions and the Leader of the Council responded to a query regarding the reliability of the technology, explaining that grant would be to explore the viability and options, so that the Executive could take a view. In respect of risk, the Corporate Director of Place confirmed that the next stage of the project would not expose the authority to direct financial risk.

RESOLVED –

- (1) That the contents of the report, be noted.
- (2) That the Executive approves accepting the grant if Trafford Council's application is successful, and moving to the commercialisation phase of work, noting that a final decision to proceed will be taken once this phase has completed.
- (3) That the Corporate Director of Place, in consultation with the Director of Finance and the Director of Legal and Governance, be delegated authority to accept the Green Heat Network Fund grant if awarded at the level submitted.
- (4) That the Corporate Director of Place, following consultation with finance, legal and procurement, be delegated authority to carry out a procurement exercise to identify commercialisation advisers and a third-party delivery partner, and take all other necessary steps to develop the project prior to approval of a Joint Development Agreement.
- (5) That a further report be made to the Executive to seek approval of the Joint Development Agreement.

69. FORMER WILLIAM WROE GOLF COURSE, FLIXTON - FUTURE PLANS

That the Executive Member for Economy and Regeneration, Executive Member for Climate Change and Executive Member for Highways, Environmental and Traded Services submitted a joint report proposing a plan of action for the next few years, that focused on the site as primarily a community greenspace with a countryside character and prioritised work to improve site accessibility, signage, access to nature, habitat improvements and natural flood management.

An opportunity was provided for Members to ask questions and the Executive Member for Economy and Regeneration responded to points made about formal play areas, political decisions taken about new housing development and drainage on the site.

RESOLVED –

- (1) That the contents of the report, be noted.
- (2) That the proposed focus on access, infrastructure and nature-related activities for the next 2-3 years, be approved.
- (3) That the Council and partners seek further funding to progress accessibility improvements and wetland creation/reclamation work.

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- (4) That the Corporate Director of Place, following consultation with the Director of Finance and Systems, be delegated authority to agree the scope and funding of short-term infrastructure works to improve signage and access.

70. TRAFFORD COUNCIL & TRAFFORD LEISURE: NEW OPERATING AGREEMENT (PARTS 1& 2)

The Executive Member for Leisure, Arts, Culture and Heritage submitted a report setting out the proposed governance and contractual arrangements between Trafford Council and Trafford Leisure CIC. A related report, containing “exempt information” which was not for public disclosure, had also been circulated to Members.

RESOLVED –

- (1) That the Executive approves in principle, the new governance arrangements based on a new contract and Operating Agreement with Trafford Leisure CIC, together with amended Articles of Association that reflect the new governance arrangements.
- (2) That a further report be brought back to the Executive in the new year detailing the full implications of adopting an agency model agreement between the Council and Trafford Leisure.
- (3) That the Corporate Director of Place, in consultation with the Director of Legal and Governance, be delegated authority to negotiate and agree the terms of new agreements and leases with Trafford Leisure CIC Limited, in relation to the use and operation of the facilities.
- (4) That the Director of Legal and Governance be delegated authority to enter into and sign and/or seal the said agreements and leases on behalf of the Council.

71. CULTURAL STRATEGY ACTIVATION

The Executive Member for Leisure, Arts, Culture and Heritage submitted a report providing an update on the Cultural Strategy’s activation and forward priorities following the Strategy’s adoption by the Council in July 2023.

Members were supportive of the strategy and recognised the impact of the Director of Cultural Transformation since arriving in post in December 2023, to lead the Strategy’s activation.

RESOLVED: That the progress in respect of activation of the Cultural Strategy, be noted.

72. TRAFFORD DATA STRATEGY 2024-27

The Executive Member for Finance, Change and Governance submitted a report providing a summary of Trafford's Data Strategy.

An opportunity was provided for Members to ask questions and the Executive Member acknowledged points made about incorporating public health data and the provision of more recent road safety statistics. Officers would look to address such matters, however, should Members want any particular details, the Executive Member would share requests with the Data Lab.

RESOLVED: That the Data Strategy be noted.

73. COUNCIL TAX SUPPORT SCHEME 2025-26 – PROPOSED SCHEME FOLLOWING CONSULTATION

The Executive Member for Housing and Advice and the Executive Member for Finance, Change and Governance submitted a joint report proposing changes to the Council's Council Tax Support Scheme so that the scheme was easier to understand and administer and was a simplified claims process for working age residents in receipt of welfare benefits who had been moving, and would continue to then move at pace, on to Universal Credit. The report followed a period of formal consultation on the proposals to change the scheme for working age residents from 1 April 2025.

An opportunity was provided for Members to ask questions and the Director of Finance and Systems provided an explanation of the restricted reduction in Council Tax and advised that support mechanisms were in place.

RESOLVED -

- (1) That the outcomes of the consultation process and the Equality Impact Assessment both of which have supported and informed the final recommendations, be noted.
- (2) That the proposals contained in the report to change the Council's Council Tax Support working age scheme from 1 April 2025, be approved.

74. TREASURY MANAGEMENT 2024-25 MID-YEAR PERFORMANCE REPORT

The Executive Member for Finance, Change and Governance and the Director of Finance and Systems submitted a joint report providing a summary of the Treasury Management activities undertaken for the first half of 2024/25.

An opportunity was provided for Members to ask questions and due to the quantity and complexity of the queries at short notice, it was agreed that the questions should be put in writing for a full response to be provided and that the details would be appended to the minutes of the meeting, for information (see appendix as the end of the minutes).

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RESOLVED –

- (1) That the Treasury Management activities undertaken in the first half of 2024/25, be noted.
- (2) That the Executive notes that the amended Minimum Revenue Provision Statement attached in Appendix C to the report, is to be ratified and approved by Council in February 2025.

The meeting commenced at 6.30 p.m. and finished at 8.30 p.m.

Appendix - Response to questions submitted in respect of the Treasury Management 2024-25 Mid-Year Performance Report

1. Contradictions in Projections (Pages 230 and 237):

- Page 230, section 3.2, suggests that base rates may decrease to 3%.
- However, page 237, section 10.2, seems to suggest the opposite. Could you clarify this apparent contradiction?

Response:

The table in Section 3.1 shows a medium term forecast from our treasury advisors, Arlingclose, of the average base rate and also PWLB borrowing rates up to 2026/27. At the time of writing the report their projection was for the base rate to fall to around 3% by the end of 2025/26.

This does not contradict the information in Para 10.2 which refers to the recent changes in base rate and what is forecast to occur in the next few months only.

2. Unrealistic Growth Forecasts (Section 10.3):

- Section 10.3 indicates anticipated growth in 2025, despite the possibility of a recession.
- Are these forecasts based on robust data, or are they simply included for legal compliance, as implied by Cllr. Harding?

Response:

The forecasts in Para 10.3 are taken from the Bank of England's Monetary Policy Report from November 2024.

3. Use of Capital Receipts (Page 232, Section 5.1):

- This section suggests that capital receipts are being used for day-to-day expenditure rather than for paying down debt.
- Alternatively, does this imply that previous surplus cashflows are no longer available? Clarification here would be helpful.

Response:

Para 5.1 refers to the amount the Council is under-borrowed. This position reflects the use of cash balances of the Council to temporarily cover capital expenditure, rather than taking out external borrowing. (Please note all planned borrowing on the capital programme is approved by the Council each year so any borrowing is in-line with this). I, along with the treasury team, will decide when we need to take on external debt to replenish cash balances. The section does not imply that capital receipts have been used to cover day to day expenditure; something that is not permitted generally, other than exceptionally through the Govt's flexible use of receipts policy.

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4. **High Borrowing Rates (Page 232, Section 5.4):**

- The report notes that in some cases, Trafford is paying up to 9% for PWLB borrowing.
- Could you explain what circumstances necessitated borrowing at such high rates and provide details on the total amount borrowed under these conditions?

Response:

The table in 5.4 detail the numbers of loans and the range of interest rates. In recent years the Council has replaced or restructured most of its older, higher rate debt and only small historic loans exist at higher rates; when opportunities arise these will be considered for restructure. We have one loan for £350k at 9.0% which was taken out in 2003 to support the capital programme and expires in March 2027. This loan has not been restructured because of the premium charges associated with early repayment. The next lowest is 4.26%. Please see the table under Para 4.1 which shows the average rate across all external debt at 2.67%.

5. **Net Interest Costs and Specific Write-Offs (Page 233, Section 5.8):**

- Trafford is paying over £6m in net interest annually, which reduces funding available for public services.
- This includes significant costs such as £14m and £1m in write-offs, as well as the care home issue. Together, these represent a substantial portion of the £6m.
- Could you provide a breakdown of the revenue impact, both in terms of interest and MRP, attributable to these items?

Response:

We monitor debt levels and the cost of interest closely. In addition one of the prudential indicators that we maintain compares gross financing costs (interest and provision for principal repayment (MRP)) as a proportion of the overall council budget. This is forecast at 7.91% for 2024/25 and is shown on Page 244. This indicator is closely monitored to ensure it does not grow as a proportion of the budget and we also benchmark against other similar authorities – this has shown that our proportion is on the favourable side.

The figures you refer to in the second bullet impact Minimum Revenue Provision (MRP). This does form part of the overall financing costs, referred to in the first response above.

6. **MRP Profiling:**

- Regarding the £14m and £1m figures, one had a 38-year MRP applied to it (I cannot recall which).
- In light of the statements at the end of the report, will Trafford re-profile the MRP, or continue with the previous interpretation of how to apply these rules?

Response:

The MRP guidance referred to is prospective and therefore does not warrant a change to the MRP approach we have previously followed for the examples you refer to.