

**BUDGET REPORTS PACK FOR
COUNCIL**

Date: Wednesday, 17 February 2021

- 4 (a) **EXECUTIVE'S REVENUE BUDGET PROPOSALS 2021/22 AND MEDIUM TERM FINANCIAL STRATEGY 2022/23 - 2023/24**

- 4 (b) **CAPITAL STRATEGY, ASSET INVESTMENT STRATEGY, CAPITAL PROGRAMME AND PRUDENTIAL AND LOCAL INDICATORS 2021-2024**

- 4 (c) **TREASURY MANAGEMENT STRATEGY 2021/22 - 2023/24**

- 4 (d) **FEES, CHARGES AND ALLOWANCES 2021/22**

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TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 17 February 2021
Report for: Decision
Report of: Executive Member for Finance and Governance and the Corporate Director of Finance and Systems

Report Title

Executive's Revenue Budget Proposals 2021/22 & MTFS 2022/23 - 2023/24

Summary

This report sets out the Executive's updated 3 year budget strategy proposals and detailed revenue budget proposals for 2021/22 and Medium Term Financial Strategy (MTFS) for the period 2022/23 - 2023/24.

The key summary of figures for the revenue budget are:

- The overall budget movement for 2021/22 is an increase in the net budget of £3.78m or 2.15%, from £175.52m to £179.30m.
- The budget funding gap for the three years before applying these proposals is now estimated to be £43.27m comprising :
 - £35.19m of additional cost pressures
 - £8.08m of reductions to funding
- The budget gap for 2021/22 of £25.52m comprises
 - £17.18m of business as usual pressures
 - £8.34m of COVID-19 pressures
- The proposals contained in the report close the 2021/22 budget gap of £25.52m via a mixture of measures:
 - Use of reserves of £8.34m to address the COVID-19 pressuresBusiness as Usual Pressures will be addressed by:
 - Additional funding from Council Tax of £5.20m
 - Use of reserves £2.80m
 - Income generation and Service delivery savings £9.18m
- It should be noted that if all the proposals in this report are implemented there currently still remains a residual budget gap of:
 - £11.12m in 2022/23, and
 - £10.30m in 2023/24

Throughout 2021 the Executive will continue to review proposals to address this budget gap.

Recommendation(s)

That the Executive recommend to Council that it :-

- a) Approves the 2021/22 net Revenue Budget of £179.30m.
- b) Approves the 2022/23 to 2023/24 Medium Term Financial Strategy (MTFS) including the income and savings proposals.
- c) Approves the calculation of the Council Tax Requirement as summarised in Section 8.1 and set out in the Formal Council Tax Resolution in Annex J (any update for changes in Mayoral Police and Crime Commissioner or Mayoral General (incl. Fire Services) Precepts, if any, will be tabled at the Council Meeting);
- d) Approves the proposal to increase Council Tax by 4.99% in 2021/22:
 - o 1.99% general increase in the 'relevant basic amount' in 2021/22, 2022/23 and 2023/24, and
 - o 3% for the 'Adult Social Care' precept in 2021/22.
- e) Approves the continuation of the Council Tax Hardship scheme and awards all existing working age Council Tax Support (CTS) recipients registered as at 31st March 2021 – a discretionary Hardship award equivalent to the value of their 21/22 liability;
- f) Approves the treatment of all new, post 31st March 2021, claims for CTS in accordance with the existing CTS scheme, as the vast majority of recipients will receive 100% support, and ensures direct information and advice for further discretionary support is detailed in notification letters;
- g) Approves the planned application of earmarked reserves as detailed in Section 6.
- h) Approves the Fees and Charges for 2021/22 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2022/23, as set out in the Fees & Charges booklet.
- i) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2021/22 in the event of any change in VAT rate, as appropriate.
- j) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges during 2021/22 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.

- k) Approves the proposal to increase the minimum level of General Reserve for 2021/22 at £8.0m, an increase of £1m from 2020/21 (Section 6.6).
- l) Approves the Capital Strategy, Prudential and Local Indicators and overall level of the Capital Programme and Asset Investment Fund of £415.40m (as detailed in the Capital Strategy, Capital Programme & Prudential Indicators 2021/24) of which £184.37m relates to 2021/22; including the proposal in relation to £10.0m of new prudential borrowing.
- m) Approves the Treasury Management Strategy 2021/22 to 2023/24, including the debt strategy (Section 3), the Treasury Investment Strategy (Section 5) and the Prudential Indicators, including the Authorised Limit (as required by Section 3(1) of the Local Government Act 2003, Operational Boundary, Minimum Revenue Provision and investment criteria as set out in Appendix 3 of the report.
- n) Approves the proposed distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 7 and detailed in Annex I.
- o) Due to the late publication of the Final Local Government Finance Settlement, Council delegates authority to the Council's designated S151 officer to vary the level of Budget Support Reserve needed to balance the 2021/22 revenue budget in the event of any change at final settlement.

and confirms that in recommending approval of the above, it has taken into consideration :

- p) The objective assessment by the Director of Finance and Systems of the robustness of budget estimates and adequacy of the financial reserves (Section 6 and Annex H).
- q) The Executive's response to the Scrutiny Committee's recommendations to the budget proposals as included in a separate report on the agenda.
- r) The Council's Public Sector Equality duty.
- s) The results of the consultation on the budget proposals where required.

In addition, Executive recommends that Council notes the following :

- t) The approval on 6 January 2021 under delegated powers by the Corporate Director of Finance and Systems of the Council Tax Base for 2021/22 at 75,816 Band D equivalents.
- u) The estimated Council Tax deficit for 2020/21 has been calculated at £4.06m and will be collected over the three years 2021/2022 to 2023/24 in line with the updated legislation to assist in the management of COVID-19 related pressures. Contributions towards the deficit will be made by the Mayoral Police

and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) in proportion to their 2021/22 precepts.

- v) The base budget assumptions as set out in the Medium Term Financial Strategy (MTFS) as detailed in Annex A.
- w) The budget gap for the two years 2022/23, £11.12m and 2023/24, £10.30m.
- x) The recurrent budget gap caused by the COVID-19 pandemic is expected to continue into 2022/23 and is estimated that £7.1m will be met from reserves.
- y) That the Capital Programme for 2021/22, 2022/23 and 2023/24 is to be set at an indicative £184.37m, £144.13m and £86.90m respectively (indicative at this stage as a number of capital grants are not yet known).
- z) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the recommended provisional amounts pending their formal approval.

Contact person for access to background papers and further information:

Name: Councillor Tom Ross, Executive Member for Finance and Governance
 Graeme Bentley, Director of Finance and Systems
 Extension: 4884

Background Papers – None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2021/22 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed budget for 2021/22, allocating available resource across service objective heads as detailed in Annex G of the report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. If the budget for a directorate is to be exceeded, which will result in a call on reserves, the Executive will need to identify the impact on reserves and when they will be replenished.

Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision. Measures have been subject to equality impact assessments where necessary.
Sustainability Implications	There are a number of measures throughout these budget papers which support the Council's ambition of becoming carbon neutral by 2038.
Carbon Reduction	Various budget proposals in the revenue and capital budgets (Annex D and A of the respective reports) support the carbon neutral action plan.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications where they apply.
Risk Management Implications	The risks associated with the budget proposal have been considered.
Health and Wellbeing Implications	Equality Impact Assessments have been carried out where appropriate. The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.
Health and Safety Implications	The health and safety implications of the budget proposal have been considered.

Other Options

The Executive is recommending an overall increase to the level of council tax of 4.99% in 2021/22 comprising the increase of 3% for the 'adult social care precept' to be earmarked for adult social care expenditure and 1.99% general increase in the 'relevant basic amount'.

An alternative option is not to increase council tax but there would be insufficient funding to pay for the Council's services in 2021/22. If this option were pursued then further savings of £5.20million would need to be identified over and above the significant level of savings already included in this budget report. Alternatively a decision could be made to increase its 'relevant basic amount of council tax' above the levels proposed in this report, however this would exceed the current permitted limits, which would mean a local referendum would be required before any higher increase could be implemented.

The use of reserves has been reviewed (See Section 6) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a prudent level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.

Consultation

The Council has undertaken public consultation on a range of the budget proposals and targeted and specific consultation has been undertaken where relevant.

The Public Sector Equality Duty

The Equality Act 2010 requires public authorities to have regard to the Public Sector Equality Duty in making any decision. The public sector equality duty requires public authorities to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies.

People who have certain protected characteristics are protected under the Equality Act 2010. The nine protected characteristics are: disability, race, age, religion or belief, sex, sexual orientation, gender reassignment, pregnancy and maternity marriage and civil partnership.

The legislation requires that, when carrying out its functions, a public authority must have due regard to:

- The elimination of unlawful discrimination;
- The advancement of equality of opportunity between people who have protected characteristics and those that do not; and
- The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.

In considering the report and deciding whether to propose the recommendations to Council the Executive is required to have regard to the Public Sector Equality Duty. In order to satisfy this duty the Executive must consider whether the proposals are likely to discriminate against or disadvantage persons who have protected characteristics as set out above; whether there are mitigation measures which would offset any such impacts which are identified; or whether countervailing factors, namely the significant budgetary pressures facing the Council and the need to make improvements and efficiencies to the services concerned are considered to provide justification for the measures proposed. Where appropriate and necessary Equality Impact Assessments of the proposals have been carried out and these are available to members to assist them in the evaluation of the proposals in the context of the Public Sector Equality Duty.

Reasons for Recommendation

To enable the Council to set a Budget Requirement and Council Tax level for 2021/22. The reasons for these recommendations are to deliver a balanced budget for 2021/22 in relation to the proposals set out in this report, whilst having due regard for equality impact and risk mitigation.

Key Decision

This is a key decision currently on the Forward Plan: Yes

Finance Officer ClearanceGB.....

Legal Officer ClearanceJLF.....

CORPORATE DIRECTOR'S SIGNATURE



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.



TRAFFORD
COUNCIL

**Executive's
Revenue Budget
Proposals 2021/22 &
2022/23 - 2023/24 Medium
Term Financial Strategy**

17 February 2021

CONTENTS

	Pages
Foreword by the Executive Member for Finance and Governance	
Section	
1 Budget Process 2021/22	19
2 Financial Background	28
3 2020/21 Base Budget & Monitoring Position as at Period 8 (November 2020)	36
4 Budget Updates and Proposals	39
5 Proposed 2021/22 Budget & 2022/24 MTFS	48
6 Robustness, Risks and Reserves	49
7 Schools Funding and Budgets 2021/22	57
8 Council Tax Requirement and Statutory Calculations	63
Annexes	
A Base Budget Assumptions	67
B Budget Movements & Proposals: Oct 2020 to Feb 2021	68
C Analysis of Business Rate Growth Supporting the Budget in 2021/22	70
D Income and Savings Proposals 2021/22 to 2023/24	72
E 2021/22 Indicative Budget categorised subjectively (changes in expenditure and incomes by category)	79
F Details of Reserves by Category	81
G 2021/22 Indicative Budget categorised objectively (management accounts format)	88
H Robustness of the 2021/22 Proposed Budget Estimates	91
I Outline of Schools Funding Formula 2021/22	99
J Formal Council Tax Resolution	99

FOREWORD by the EXECUTIVE MEMBER for FINANCE and GOVERNANCE TOM ROSS

I am pleased to present the Council's budget report for the period 2021/22 to 2023/24 which sets out our spending priorities across the revenue budget, capital programme and the Dedicated Schools Grant (DSG) budgets.

I have said before that setting local authority budgets is no easy task and setting our budget plans in the light of the funding reductions since 2010 and addressing the unprecedented current and ongoing impact of the Covid-19 pandemic, means that this has been one of the most difficult budget rounds ever encountered by the Council (and this is before the impact of Brexit and the expected squeezing of public finances that will occur beyond 2021/22).

In its response to the pandemic the Council acted quickly in 2020 and the key role of local government services – social care; public health; supporting services to help the shielded and vulnerable, assisting businesses, as well as continuing to provide the 'business as usual' services our citizens need – was very much recognised by the public. I am proud of our services and our staff but equally so our colleagues in the NHS and of the communities, businesses, partners and organisations of the borough in rising to one of the most significant challenges of our lifetime.

It is worth noting some of our achievements over the last 10 months:

- We have supported **2,799** vulnerable residents with long term services this year, keeping them safe and well in their homes and communities.
- More than **2,000** children and young people have education, health and care plans (EHCP) and **83%** of EHCP have been completed in timescales – an increase of 40% of plans since 2014.
- **1.8 million** healthy school meals have been served to our children and young people.
- **1,192** reablement services have been provided for vulnerable adults, with **545** of those being discharges from hospital to get residents home safely and free up NHS beds.
- We have supplied more than 15,000 supermarket vouchers worth more than **£240,000** to families entitled to a free school meal since the October half term.
- **1,385** vulnerable children visits took place face to face in December 2020 to ensure they are safe and well.
- **92%** of all our children have been supported to be in school, helping our children keep up and catch up with missed education.
- We have had **1,800** colleagues accessing Council systems from home – up from less than **100** in February 2020 – so we could keep the 'show on the road' for residents and businesses.
- We have provided **£47,000** in grants to 17 community groups to support digital inclusion.
- We have provided **850** laptops and PCs to colleagues so we could stay connected.
- We have distributed **650** laptops to schools to help those who need it most with digital inclusion and accessibility.

- **2,324** funeral services have been supported by our Bereavement Support service enabling families to lay their loved ones to rest with dignity in this most difficult of years.
- **336** nominations for EPIC awards have been submitted to recognise colleagues' exceptional work.
- **588** nominations for Cheers for Peers have been submitted to say thank you to colleagues.
- **125** issues of our staff coronavirus newsletter have been produced to enable us to keep in touch.
- **4,855** payments to businesses have been made with a combined value of **£46.5m** to help keep them afloat.
- And a further **354** businesses have been supported through the discretionary grants scheme, worth **£2.37m**.
- **6,343** Trafford Assist applications have been processed and **294** Test and Trace Payments made to support our residents most in need.
- We have rehoused **316** extremely vulnerable people at risk of homelessness, with **122** homelessness preventions.
- **64** people have been supported through A Bed Every Night scheme to enable them to avoid rough sleeping.
- **25,095** tonnes of waste have been collected from our residents' homes – 18.5% more than we expected to collect.
- **1,452** pot holes have been repaired since April 2020 so we can keep the borough moving.
- **1,934** planning applications have been determined which will be key to building back better in recovery.
- There have been **98** Virtual Committee Meetings with Members and **one** Annual Council Meeting
- More than **200** sets of Coronavirus regulations from central government have been interpreted.
- **191,114** online items from our e-Library have been downloaded since March 2020 – an increase of 91% over the same period last year
- Over **129,000** calls from residents and businesses have been answered by the Contact Centre since Lockdown #1 began
- Waterside Arts Centre's digital work – including the brilliant Pride Inside – has been viewed **32,774** times
- We registered **1,242** births after lockdown #1 was lifted (double the same period last year!)
- We paid tribute to our Armed Forces with **4** commemorations.

Underpinning all the Council's responses to the Covid-19 pandemic has been our Corporate Plan, which has provided the foundation to serve the borough's communities, residents, businesses and partners to help mitigate the impact of the Covid-19 pandemic. Adopted in March 2019, the Plan sets out the vision for the borough, ***'Working together to build the best future for all our communities and everyone in Trafford'***. This vision is, in turn, supported by the Council's ***seven corporate priorities*** and the ***'Kind of Council We Want to Be'***.

The impact of Covid-19 on Trafford's communities and business has been extensive and far-reaching and, indeed, it looks likely to continue into 2021. The pandemic has also had a widespread impact on the workforce of the Council and the way in which

the Council delivers services. Our people are our greatest resource and, since late March 2020, the Council – through our EPIC values (Empowered, People-centred, Inclusive and Collaborative) – has utilised technology to allow staff to work seamlessly from home to minimise disruption to services. Facilities such as libraries had to close initially but, where appropriate, staff were redeployed to services such as the Community Hubs. For those officers who could not work from home, including people working in front line services such as social workers and those engaged in refuse collection, working practices have been adapted to ensure their health and wellbeing.

As I write this foreword we are in the middle of another national lockdown but there are positive signs. The national roll-out of the vaccine, initially across our most vulnerable groups, continues at pace and will be key for our communities recovering from the impacts of the pandemic.

We have embarked on a journey to modernise the way we deliver services by collaborating further with partners, improving efficiency and reducing spending where possible, as well as working on our digital strategy and investing in new technologies. As a Council, we are determined to be forward-thinking, fair in our dealings, and provide the appropriate level of support to residents, businesses and communities in need.

The Council, working alongside its partners, has produced a **Recovery Plan** for the borough to ensure that, as a Council and a borough, we ‘Build Back Better’. Overall, the recovery aim is to:

*Create a **bolder, more focussed** council **building on the strengths** of our **people, communities and partnerships** to shape and develop a **new social and economic model** for Trafford that grasps the opportunity for **sustainable and inclusive growth**, while proactively **supporting those most in need** and **addressing inequalities** that may exist.*

Some key opportunities have been identified in the response to the pandemic, namely:

- Seek to build on the huge community, public and VSCE contribution and response so there is a clear way forward for all parts of the community.
- Develop further partnership collaborative working; build on positive ways of working across boundaries and on strong leadership behaviours.
- Contribute to environmental improvement; sustaining emissions reduction through travel strategies.
- Support re-building of businesses, skills and employment opportunities, working with investors to create confidence, investment and supporting those who have lost their jobs to get back into work.
- Accelerate digital strategy – for instance capitalising on delivering adult social care support via technology, supporting those in digital poverty and making greater use of Microsoft Teams.
- Build on the tools for data sharing and homeworking – embrace new ways of working such as staff working in different ways, removing obsolete boundaries and delivering blended learning.
- Improve data intelligence across the system.

A number of key strategies and action plans have been approved, with one in late development to support the residents and businesses of Trafford and also to build on these opportunities, including a broader vision around inclusion and accessibility for all:

- Developing the **Economic Recovery Action Plan**, which will focus on the key issues in the borough including support to businesses, inward investment, town centre regeneration and employment and skills.

The following strategies have recently been approved

- **Carbon Neutral Action Plan**, Across the Council and in partnership across Trafford, we are continuing to make progress with measures that will reduce our carbon footprint and put us on a pathway to carbon neutrality by 2038. In doing so, we will help to improve our environment, our economy and the health and wellbeing of our communities.
- **Poverty Strategy**, this strategy will help deliver our bold vision of reducing the effects of poverty on individuals and families. This is particularly relevant given the large rises in numbers of people submitting unemployment related claims in Trafford since March 2020 which have risen by 117%, the highest in GM and higher than the national average.
- **Equalities Strategy**, the Council and NHS Trafford Clinical Commissioning Group (CCG) are committed to challenging inequality, discrimination and disadvantage. The Corporate Equality Strategy outlines the work being undertaken now and in the future to improve equality of opportunity for our residents, colleagues and partners.

In respect of the **Council's finances**, it is important to understand the impact that the Covid-19 pandemic has had. Regular updates have been provided to the Executive throughout the course of the year and it is worth noting the chronology of the key events that have occurred to allow us to get to a position of being able to present these final budget proposals:-

- February 2020 – balanced budget proposals were agreed by Council with a net revenue budget of £175m.
- March – Outbreak of Covid-19 and national lockdown – this affected all areas of Council services and had a direct impact on the budget, putting unprecedented pressure on expenditure, income streams and the funding we collect in the form of council tax and business rates. Income streams, such as car parking, school catering, registrar services, licensing, planning and building control have all been interrupted. The challenge for 2020/21 and 2021/22 has been for the Council to regain the lost or deferred income to avoid placing an additional burden on the people and businesses of Trafford while, at the same time, attempting to manage its finances effectively.
- The latest estimate of the impact in 2020/21 is £51.5m, equivalent to 30% of our net budget. Over the course of the year Government support has been

received following submission of extensive and frequent financial monitoring information to the Ministry of Housing Communities and Local Government. This has then been used to influence The Treasury to release funding to local government which has been announced in instalments from March through to October.

- In addition, in July the Government issued exceptional guidance allowing in year deficits on the Collection Fund (council tax and business rates) to be repaid over the following three years; meaning that in year shortfalls currently estimated at £8.8m do not impact in 2020/21 but instead should be spread and repaid over the next three financial years.
- Draft budget proposals were approved by the Executive in October. At this stage of the budget process a budget gap had been identified for 2021/22 of £37.5m, comprising anticipated recurring impacts of Covid-19 of £15.6m and other budget pressures of £21.9m. A range of budget proposals were identified to bridge the budget gap but these still left a remaining gap £4.7m.
- Following the draft budget proposals the Government made two national announcements which have assisted in allowing the achievement of balanced proposals for this final budget. These were the Spending Review in November, followed by the Provisional Local Government Financial Settlement in December. These included details of new COVID funding and other measures for 2021/22 which have helped to bridge the budget gap; further details are included in Section 2 of the report.

While these measures are crucial in going some way to address the budgetary pressures in 2020/21, it is clear that the implications of the pandemic for our **budget for 2021/22** and later years are significant. In a number of areas, these pressures will continue although the precise impact will only become clearer over time when, for example, the full economic impact is known, as this will have a significant bearing on funding from business rates and impact on council tax collection and housing benefit awards, particularly following the ending of the Government's Job Retention Scheme. Announcements on any continuing support for the retail, hospitality and leisure sector are not yet known for 2021/22 and an update on this position is likely to be made in the national budget in March. At this stage the impact of the pandemic alone in 2021/22 on the Council's Revenue budget is estimated to be £8.3m with a further £7.1m in 2022/23 and this net pressure will be financed from earmarked reserves, with provision included in futures budget plans to replenish this position over the longer term.

Since the draft budget was presented to Executive on 12 October 2020 there have been a number of factors which have contributed to an overall reduction in the budget gap for 2021/22 from £37.52m to £25.52m and over the next three years from £58.45m to £43.27m. This reduction of £15.18m primarily relates to announcements by the government in the Spending Round in November, such as a local government pay freeze, changes in the national living wage and additional support for any ongoing impacts of Covid-19 in the first part of 2021/22.

There has been a full review of budget assumptions and review of inflationary pressures on pay, goods and services and contractual expenditure as well as including the implications of the Local Government Financial Settlement. The implications of the

projected outturn for 2020/21 have also been considered together with full robustness review of the budget by the Director of Finance and Systems (See Annex I). The Council's Scrutiny Committee has also contributed positively to the budget process and reviewed the budget assumptions and proposals and we will continue to support the work of Scrutiny Committee during 2021/22.

The 2021/22 revised gross budget gap of £25.52m has been met by a combination of the following:-

- Policy Choice Funding Increases amounting to £16.34m, comprising
 - Adult Social Care Precept of 3% to generate £3.21m
 - Increase in the basic rate of Council Tax of 1.99%, generating £1.99m
 - Application of Budget Support Reserve £11.14m
 - Income generation and savings amounting to £9.18m

Summary of the Budget Proposals	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Revised Gross Budget Gap	25,518	11,408	6,339	43,265
Policy Choice Funding Proposals				
(*) General Increase in basic Council Tax to 1.99%, 1.99%, 1.99%	(1,986)	(2,083)	(2,289)	(6,358)
(*) Social Care Precept increase 3%, 2%, 2%	(3,206)	(2,396)	(2,356)	(7,958)
Contribution from Budget Support Reserve to Support COVID-19 Pressures in 2021/22	(8,341)	8,341		0
Contribution from Budget Support Reserve to Support COVID-19 Pressures in 2022/23		(7,097)	7,097	0
Contribution from Budget Support Reserve (General Budget)	(2,803)	2,803		
Total Policy Choice Funding	(16,336)	(432)	2,452	(14,316)
Savings and Income proposals	(9,182)	143	1,512	(7,527)
Revised Budget Gap (Feb 21)	0	11,119	10,303	21,422

(*) reflects the referendum principles set by MHCLG for allowable increases in to council tax. To help mitigate the impact of the increases in Council Tax on the most vulnerable groups, we have decided to extend the Council's COVID-19 Council Tax Hardship Fund for the financial year 2021/22. This will mean that all working age recipients of Council Tax Support registered at 31st March 2021 will continue to receive a zero charge for Council Tax in 2021/22 (see para 4.3 for further details).

Our budget plans for 2021/22 include for some significant levels of additional investment, including within the revenue budget:-

- Additional funding for children's and adults social care £7.8m, (excluding grants and savings) with the major items including:-
 - Demographic pressures and increasing social care costs £5.0m
 - Additional investment to support increases in the National Living Wage £1.3m
 - Other contractual inflation £1.5m
- Recurring gross pressures associated with Covid-19 £8.34m

The capital investment plans of £61.8m include proposals for some major new investment; these include in 2021/22:-

- Investment in school buildings of £13.7m
- Major highways and other key infrastructure improvements £10.7m
- Leisure Strategy and Sports Facility Provision £2.7m
- Targeted support to some of our most vulnerable residents £5.4m
- Provision of cycling and walking schemes £9.1m
- Electrical Charging Points 0.5m
- Investment in Red Rose Forest £0.3m
- Improvements to green spaces and Biodiversity £0.7m
- Public realm works in our town centres £3.8m
- Community Safety improvements £0.5m
- Installation of Cleaner Resomation Cremators £1.0m
- Town centre and business loans £0.5m
- Investments in Systems and Assets to improve the way we work £2.5m
- Investment in a small number of other schemes £4.4m
- Decarbonisation of Council Buildings - £4.3m (subject to final approval from SALIX/BEIS)
- Future High Street Fund - £1.7m (this is first year phasing. Part of total allocation of £17.6m)

The Council's Asset Investment Strategy is continuing to support the achievement of a balanced budget in later years and is providing invaluable revenue streams to support the budget. To date commitments of £377m have been made from the Fund and are currently delivering nearly £7m of net benefit to the revenue budget in 2020/21. This is not without risk but we have taken a prudent approach to our investments and are building up a healthy risk reserve to mitigate against any future risks as well as setting amounts aside for future debt repayment. Some of the acquisitions involved some key regeneration sites in the Borough and now they are in the Council's control provide a real opportunity to develop them into assets we can be proud of in the future. An example here is the acquisition of Stretford Mall in Stretford Town Centre and we have recently secured £17.6m from the Government's Future

High Streets Fund Funding to support improvements to the town centre; something which we have been consulting on over recent years.

In respect of climate change this will continue to be at the forefront of Council decision making and a Carbon Neutral Action Plan has been developed including a number of short, medium and long term actions to support the ambition of becoming carbon neutral by 2038. There are a number of measures in this budget report which provide a start to this process including substantial investment through the Mayor's Challenge Fund in new cycling and walking schemes, and a significant investment in parks and open spaces including new tree planting schemes. There are also proposals to reduce the carbon emissions at Altrincham Crematorium through the introduction of two resomation cremators and further work will be undertaken to understand the business case and financial viability of these proposals. In addition we have recently been notified that a bid for external funding has been agreed in the sum of £4.3m to introduce de-carbonisation measures in our operational buildings. The Asset Investment Strategy has also been reviewed to include priority towards socially responsible and green investments.

On 1st January 2021, the UK left the European Union and a Trade Deal has been agreed. The principles of the Trade Deal are for tariff free trade between the UK and EU, however certain issues around the regulatory framework, rules of origin, Northern Ireland status and increased bureaucracy are likely to have a direct effect on businesses. In addition, the ending of free movement of people from the EU to the UK could have an impact on recruitment and meeting skills gaps. While the implications of the Trade Deal will evolve over time, the Council will be commissioning a review of the potential impacts on businesses, residents and the local economy; and will continue to monitor the implications of the UK's departure from the EU. The full impact is not wholly clear but forecasts from OBR suggest an overall negative impact on GDP which ultimately is likely to impact on public finances in future years.

The proposals in this report still leave a budget gap of £11.12m in 2022/23 and £10.3m in 2023/24 and sustainability of Council budgets remains a major risk. Even without having to contend with reductions to funding the Council is faced with annual expenditure pressures caused by cost of living increases in pay for our staff, contract prices and demography pressures. Our ability to pay for these services through an increase in council tax is limited and means that future sustainability is a major concern. This means that new savings to already stretched Council services will be required on an annual basis unless these pressures can be addressed by additional grant or changes to the future funding arrangements for social care as promised in a future green paper.

Local government will continue to play a vital role in delivery of public services, in combatting the effects of austerity and the effects of Covid-19 on the local community, inclusion and accessibility for all. With a budget gap for the following two years of £21.42m, the size of the challenge remains significant. The impact of Brexit, lack of information on the future of social care funding, potential reset of business rate baselines and expected review of how funding is distributed across local government all add significant pressure and uncertainty in future years. For that reason the Council's Executive and Leadership Team will continue to work on developing further budget proposals during 2021/22 to meet this future financial challenge.

Councillor Tom Ross

Executive Member for Finance and Governance

1 BUDGET PROCESS 2021/22

1.1. Budget Approach 2021/24

- 1.1.2 When the budget was set for 2020/21 it was set at a time before the Covid-19 pandemic. Since the onset of Covid-19, the borough has gone through three lockdowns since the start of the financial year and the borough has now been under enhanced restrictions since 31 July. Addressing the unprecedented and ongoing impact of the Covid-19 pandemic has put a severe financial strain on the Council. It had been hoped that the second of these lockdowns, coupled with the commencement of a vaccination programme, would put the borough into a Recovery phase at this stage of the financial year. However, the emergence of a new and more transmissible strain of Covid-19 has resulted in a further lockdown which has impacted the Council's finances further.
- 1.1.3 The outbreak of the Covid-19 pandemic in March has had far-reaching impacts for the economy and communities of the borough. It has also had a deep impact on the way Council services are delivered and has brought many financial challenges. It has rightly been the overriding focus for the Council for the last 11 months but, throughout this time, it has been essential we did not lose sight of those overriding priorities set out within the framework of the Council's vision and its corporate plan.
- 1.1.4 At the heart of the Council's vision is a common cause to make Trafford a better borough; a place where everyone has a chance to succeed and where everybody has a voice. The Council knows it has to do things differently as it cannot do it all and, by virtue of its democratic mandate, will lead the way in ensuring that this is a shared endeavour and that across Trafford there will be a more joined up approach to service delivery. Through the vision,

“Working together to build the best future for all our communities and everyone in Trafford”

it is making a commitment to work together across different services and agencies to make the best use of its resources:

- 1.1.5 The Council has identified seven strategic priorities in the corporate plan that it believes are crucial to enabling Trafford residents, businesses and staff to thrive. These priorities set out the aspirations for our people, place and communities, and how they can affect and improve their daily lives.



Building Quality, Affordable and Social Housing

Trafford has a choice of quality homes that people can afford



Health and Wellbeing

Trafford residents health and well-Being is improved and reducing health inequalities



Successful and Thriving Places

Trafford has successful and thriving town centres and communities



Children and Young People

All Children and Young People in Trafford will have a fair Start



Pride in Our Area

People in Trafford will take pride in their Local Area



Green and Connected

Trafford will maximise its Green Spaces, Transport and Digital Connectivity



Targeted support

People in Trafford will get support when they need it most

- 1.1.6 To deliver on the plan it is also necessary to develop the way we work given the 10 years of austerity that the Council has been through and define the 'Kind of Council We Want to Be'. There is a need to work smarter, make use of digital technology and collaborate with partners where we can. The Council takes a leading role in shaping how joined up services across the sector can best support the borough and is continuously shaping our culture, practices, processes and business models to respond to people's changing needs and expectations. It is working to improve the way it delivers services to meet the needs of a modern Trafford. This is being done so that by 2023:

The Council will be a people-focused, digitally enabled, commercially minded Council where our high-performing place based services will provide an excellent customer experience making the most of our assets in the borough.

- 1.1.7 During the latter part of 2019 work began to modernise the Council by rethinking what the shape and purpose of the Council should be and how it works with and for the borough's residents, businesses and partners. A 10 week review was undertaken working with stakeholders and partners to understand the opportunities for change and the projects to catalyse change in key areas as well as the challenges to address. The foundations are in place for undertaking the type of long term structural changes needed to bring the Council into the 21st century. Based on the findings of the review, a work programme for 2020/21 and beyond was prepared.
- 1.1.8 By setting out our plan, corporate priorities and the 'Kind of Council We Want to Be' supported by the modernisation programme, the Council has solid foundations for the future.
- 1.1.9 The Covid-19 outbreak has had a massive impact, as already referenced, but it must provide a further catalyst to develop. It should be used to build on new ways of working and opportunities identified in Response and to build back stronger during the Recovery phase.

1.1.10 As part of developing a planned approach to Recovery, a stocktake was undertaken with staff, businesses, partners and the VCSE community to understand the impact of Covid-19 and what could be learnt from Response. A number of opportunities have been identified that will be developed during the Recovery phase:

- Creating a recovery plan for Trafford and the borough while being flexible in accordance with government advice;
- Capitalising on huge community, public response and VSCE contributions so there is a clear way forward for all parts of the community;
- Developing further partnership collaborative working; build on positive ways of working across boundaries and on strong leadership behaviours demonstrated;
- Contributing to environmental improvement; sustaining emissions reduction through travel strategies;
- Supporting re-building of businesses, skills and employment opportunities, working with investors to create confidence and investment;
- Accelerating the digital strategy such as capitalising on delivering adult social care support via technology, supporting those in digital poverty, making greater use of Microsoft Teams, WhatsApp and other digital technologies;
- Building on the tools for data sharing and homeworking - embrace new ways of working, staff working in different ways, old fashioned boundaries removed, delivering blended learning;
- Improving data intelligence across the system.

1.1.11 In addition, it was vital that the modernisation programme of work planned was revisited to ensure the priority and timescale was appropriate. The opportunities originally identified are still very much needed, although other opportunities did arise. The modernisation programme is currently concentrating on Children's Service redesign, supporting the Ofsted Improvement Plan and reviewing the Children's data and insights. It is also developing a new neighbourhood model/place based community support to meet the needs of residents and businesses with and by partners and communities. We are continuing to work with partners to review our processes and improve customer outcomes in other important areas too, such as domestic violence.

1.1.12 Other activities include the automation of processes across a number of key areas, including but not limited to Exchequer Services, Regulatory Services (such as licensing, parking permits), Registrars, Recruitment and other corporate services. Robotics and moving more services online to improve the experience are key to reshaping how we deliver services in the future. Also, by establishing a new Business Intelligence Unit, we will possess the tools and systems that will inform Trafford's strategic and tactical business decision making and transform the Council into a data-driven and evidence-led organisation.

1.1.13 It is acknowledged that Council employees are its greatest resource. A significant cultural change programme is underway that has a strong focus on establishing a

more strategic commercial and performance orientated culture. Equal weight is put on **how** things are done not just **what** is achieved. In order to achieve the vision and plan a number of key values have been co-produced with staff:

- **EMPOWER** – We inspire and trust our people to deliver the best outcomes for our customers, communities and colleagues.
- **PEOPLE CENTRED** – We value all people, within and external to the organisation and give those around us respect. We will act with honesty and integrity in all that we do.
- **INCLUSIVE** – We are committed to creating an environment that values and respects the diversity and richness differences bring.
- **COLLABORATE** – We build relationships, collaborate, treat people as equal partners and work together to make things happen.

1.1.14 For the borough, it is essential that as a Council we do not lose sight of our key ambition and objectives for 2021/22 and beyond, and the budget proposals remain closely aligned to these. These include:-

- Implementing the carbon neutral framework action plan and Clean Air Plan to deliver net zero emissions; with the other GM authorities and the GMCA, undertake the activities required to implement the clean air plan, improving air quality across the borough.
- Bringing forward Area Action Plans for the Civic Quarter and Stretford town centre – the Council has begun work on two strategic regeneration areas in the Civic Quarter and Stretford town centre, and is developing Area Action Plans to help shape the form and types of development in both location.
- Continuing to develop the Council's Estates strategy and the economic recovery plan across the borough.
- Progressing the development of new housing on Council land – bringing forward new development on key Council sites, including Sale Magistrates Court site, and the former Kellogg's headquarter site, owned jointly with Bruntwood.
- Advancing the Asset Investment Strategy to bring about regeneration and generate income.
- Reviewing the One Trafford Partnership contract – to progress how the delivery of these services could be improved to meet agreed standards.
- Responding to the consequences and impacts of Brexit.
- Progressing 'living well in my community' – supporting and educating Trafford residents, working with them to ensure that they can live a happy healthy life with the access to the services that they need at the right time. This will be done by developing a place-based community model that can respond to local resident's needs.

- Developing ‘living well at home’ – to provide a range of support to enable people to live fulfilling independent lives in their own homes (and other home-settings) for as long as possible.
- Advancing ‘a short stay in hospital’ – to ensure that there is a range of services to support residents when they need additional support, enabling people to return to their normal place of residence and reduce the time they spend in hospital by delivering a number of programmes that aim to address a range of challenges which will need to be managed at a locality, system and national level in order to run an efficient and safe service that does not create health inequalities.
- Reviewing the Leisure offer and provision to improve health and wellbeing of residents by increasing levels of physical activity and promoting healthier lifestyles.
- Progressing a Framework for Change – the review of all our Legal and Governance Services and exploration of opportunities for developing shared services and alternative business models in order to better support and protect the Council in the delivery of its objectives.
- Reviewing our libraries and cultural provision across Trafford – to understand what it takes to facilitate and create a quality and diverse cultural experience that has a lasting impact on people’s lives and the communities they live in.
- Enhancing our approach to Social Value across the Council.
- Progressing the Ofsted improvement plan and modernising Children’s Service to ensure collaborative high quality service delivery that makes a difference.
- Promoting the learning of all our children and support especially for our most vulnerable children where learning has been lost as part of Covid-19.
- Implementing in Children’s Services our co-produced locality right help, right time, early help model.
- Continuing to implement our People Strategy – by focussing on our people with specific attention on how we attract and retain great talent within Trafford Council. We will seek to develop career pathways and create opportunities for continued professional development, ensuring that the Council is a place where career ambitions can be achieved.
- Supporting employee wellbeing – continuing to be a key area of focus and our commitment to support colleagues to have a balanced home and working life will remain a priority. We recognise that in the current Covid climate colleagues are facing new and different anxieties and worries. As such we will ensure that we continue to offer a range of interventions to support colleagues to maintain good mental and emotional health.

- Enhancing our Traded Services – by being commercially competitive and developing and enhancing our range of commercial services to schools (and more broadly), as well as reflecting the pressure Covid-19 has had on these services, we will seek to retain all current contracts and engage new clients in the process.
- Enhancing the borough wide Trafford Partnership – working with Trafford Partnership as part of the recovery strategy to ensure our residents, businesses and communities achieve their potential, particularly those who have been impacted more than others by Covid-19.
- Refreshing and delivering the financial strategy in light of the Spending Review and Covid-19 – to set a new financial strategy for 2021/22 and beyond that addresses the long-term budgetary impact of Covid-19. This strategy will need to ensure that essential services can be funded while also ensuring financial balance.
- Developing the Digital Strategy and investing in new technology – ensuring that digital innovation is at the heart of service changes. This digital strategy will build on the innovation at pace during the first phase of the Covid-19 pandemic. It will also enhance customer experience and create an increasingly agile workforce. By supporting the Local Digital Declaration we are designing services that best meet the needs of citizens.
- Continuing to deliver the Corporate Plan and Strategic Priorities.
- Progressing the modernisation programme and remodelling of services – to rethink the way we deliver our services through to co-design and co-produce our future service delivery.

1.1.15 With this framework as the context, the budget proposals have been developed. Members of the Executive and the Corporate Leadership Team have worked together over the summer and autumn to review the overall budget position and to ensure it supports the delivery of outcomes related to each priority.

1.1.16 However, it must be said that the scale of the challenge for 2021/22 represents the biggest budget gap the Council has ever had to address and, after many years of austerity, budgeting will place an immense strain on the Council's finances.

1.1.17 A full review of all assumptions used in developing the budget plans has been undertaken, to ensure they are still relevant and up to date, including a review of all continuing savings programmes. To bridge the budget gap for 2021/22, a number of new savings proposals have been identified and business cases developed.

1.1.18 All the proposals in the report have been subject to review by the Executive and Corporate Leadership Team and subject to robustness reviews, Equality Impact Assessments and public consultation, where appropriate.

1.1.19 The draft budget for 2021/22 was agreed by the Executive on 12th October 2020 and set out the overall approach to the budget to address a budget gap of £58.45m in the revenue budget over the next three years, of which £37.52m related to 2021/22.

1.1.20 At draft budget in October 2020 a number of income generation and savings proposals totalling £14.45m were identified and assumptions were made on increases to the rate of council tax. At that stage a budget gap of £4.71m remained in 2021/22.

Summary of the Budget Proposals	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Revised Gross Budget Gap (Oct 20)	37,516	9,820	11,109	58,445
Policy Choice Funding Proposals				
Reinstate Social Care Precept increase 2% (*)	(2,188)	(2,327)	(2,300)	(6,815)
General Increase in basic Council Tax to 1.99% (*)	(1,986)	(2,083)	(2,289)	(6,358)
Contribution from Budget Support Reserve to Support Covid-19 Pressures	(15,648)	0	0	(15,648)
Total Policy Choice Funding	(19,822)	(4,410)	(4,589)	(28,821)
Savings continuing from 2019/20	1,466	(196)	1,512	2,782
Savings and Income proposals (New) – See Annex D	(14,452)			(14,452)
Revised Budget Gap (Oct 20)	4,708	5,214	8,032	17,954

1.1.21 Since the draft budget which was approved by the Executive there have been a number of factors which have impacted on the overall budgetary position and are updated in this report:-

- **Section 2** – Review of the Financial Background for Local Government, including the Spending Round and Provisional Local Government Finance Settlement
- **Section 3** – Review of the current year budget monitoring position
- **Section 4** – Budget Update including the changes to the budget pressures and funding assumptions since draft budget and how the budget gap is met for 2021/22
- **Section 5** – Proposed Budget 2021/22 – 2023/24
- **Section 6** – Budget robustness and review of risks and update on the planned application of reserves
- **Sections 7** - An update on School Budgets
- **Section 8** – Council Tax Requirement and Statutory Calculations

1.2 Consultation

- 1.2.1 In order to assist the evaluation of the budget proposals and to ensure that the Council is sufficiently informed to enable it to meet its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) have been carried out to ensure that due consideration was given to those with the protected characteristics and to identify the likely impact of the proposals on each of these groups for the savings measures included in the report.
- 1.2.2 The Council has undertaken public consultation on a range of the budget proposals and targeted and specific consultation has been undertaken where relevant. The outcome of the consultation has been considered as part of these budget proposals.
- 1.2.3 A number of the proposals involve staff and in a number of areas staff consultation is either being undertaken or is scheduled for later in the year; other proposals including an early retirement/severance scheme and terms and conditions changes have been undertaken on a voluntary basis.

1.3 Scrutiny Review

- 1.3.1 The Scrutiny process for the budget was undertaken across two different sessions on 1 and 3 December to look at the budget plans, key assumptions, risks and challenges and covered:-
- Session 1 - Review of the Place Directorate, Investment Strategy budget, impact of Covid-19 and a review of Council reserves
 - Session 2 – Review of the budgets for Adult Services and Children’s Social Care.
- 1.3.2 All sessions were attended by relevant Executive Members and senior officers to give background to the budget proposals and answer questions.
- 1.3.3 Scrutiny Committee comments were submitted to the Executive on 25 January 2020 in the Overview and Scrutiny Review of the Executive’s Draft Budget Proposals for 2021/22 report.
- 1.3.4 The Committee recognised the challenging financial position and the risks faced by the Council and a number of updates were requested from the Executive to support their work over the coming year, including:-
- An update on the in-year budget deficit and details of any contingency plans in place to address any shortfall in savings at its March 2021 meeting;
 - Regular updates on the use of Budget Support Reserve at its meetings during 2021/22;
 - That a review of the Budget Scrutiny process be conducted during the wider review of scrutiny for 2021/22 and the outcome outlined in the annual scrutiny report to Full Council;
 - Following the service review of external placements for children and young people, the Executive report to Children and Young People’s Scrutiny Committee of performance against targets to monitor the reduction of such placements;

- That the Executive continue to strengthen training and support services for foster carers to reduce the number of placement breakdowns in 2021/22;
- That a review into the effectiveness of surge planning for Healthy Young Minds (former CAMHS) services be conducted and reported to the Children and Young People's Scrutiny Committee using service waiting times as measure of effectiveness;
- That Scrutiny be provided with the plans to stimulate the Trafford economy at its first meeting in 2021/22 and Scrutiny would welcome the opportunity to be involved in the planning and delivery of the Council Recovery Plan;
- That Children and Young People's Scrutiny Committee receive a report on how the Voice of the Child and families' feedback is used to shape services;
- That Scrutiny receive regular updates on performance against targets to monitor the activity of the new model for residential care.

1.3.5 The Executive's response to the Scrutiny Committee issues and recommendations can be found in a separate report on the Executive agenda.

2 FINANCIAL BACKGROUND

2.1 Background

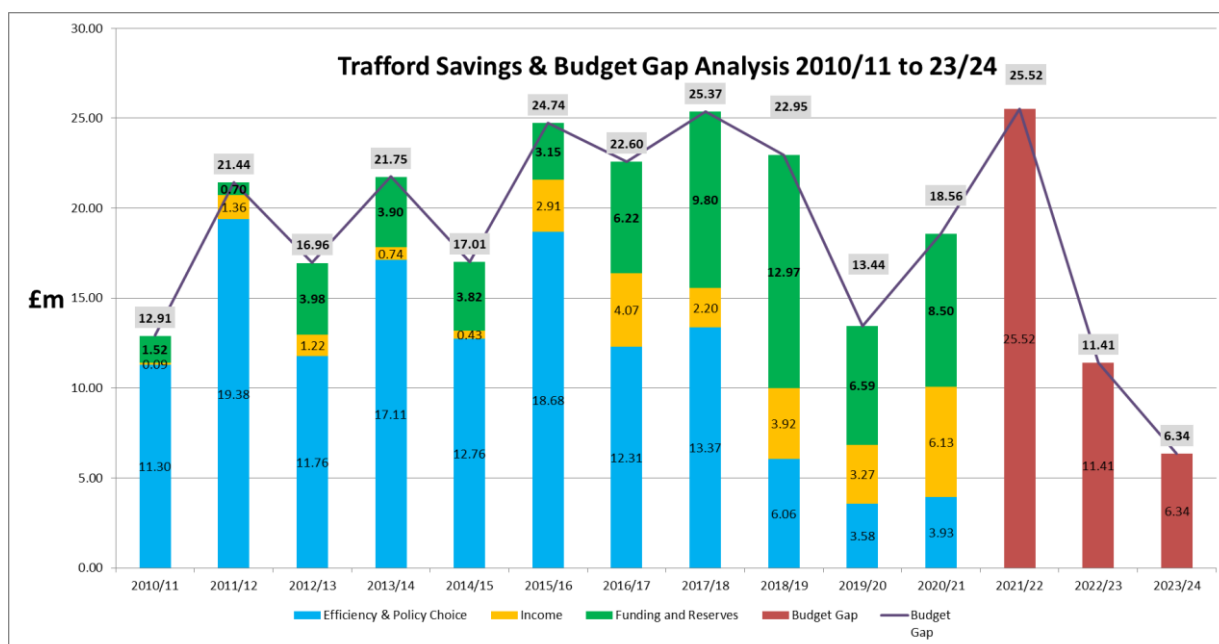
2.1.1 Since 2010 Local Government has faced substantial reductions to overall funding as part of Government plans to reduce fiscal deficits equating to 29% from £28.1bn in 2010/11 to £19.8bn in 2020/21.

2.1.2 Alongside reductions in funding, local authorities have had to deal with growth in demand for key services, most notably adults and children’s social care; this demand is expected to continue. Other pressures have also been faced including higher national insurance contributions, inflationary pressures on goods and services, the apprentice levy and the National Living Wage.

2.1.3 In addition to the business as usual pressures, the Council has also faced additional demand on services and loss of income as a result of COVID-19. This has resulted in additional pressures of £8.34m in 2021/22, after the receipt of £8.67m of Government support.

2.1.4 In recent years Government has provided some extra funding for social care by way of specific grant and combined with the introduction of the adult social care precept this has meant that the rates of reduction to overall funding have levelled since 2016/17, albeit in recent years more emphasis is being placed on raising funds through council tax increases.

2.1.5 By 2021/22 the total value of budget gaps caused by the expenditure pressures and funding reductions since 2010/11 to 2020/21 was £217.73m. There is a further forecast gap for the next three years of £43.27m, of which £25.52m relates to 2021/22.



2.2 Budget 2021/22 and Impact of COVID-19

- 2.2.1 In February 2020 a budget gap of £15.01m was estimated for 2021/22. Shortly after COVID-19 hit putting pressure on council services and impacting income generation, as a result the budget gap for 2021/22 increased to £37.52m at the time the draft budget was prepared. This included an estimated figure of £15.65m relating to the recurrent impact of the pandemic.
- 2.2.2 At the time of preparing the draft budget, the Government had yet to release the level of support it would make available to address any ongoing COVID pressures and the Council had therefore planned to use reserves to offset the £15.65m of pressures. After the application of reserves, savings proposals and assumptions of increases in Council Tax and Business Rates, the remaining draft budget gap for 2021/22 was estimated at £4.7m.
- 2.2.3 The additional support given to the Council to address the in year pressures as a result of COVID has been announced at different stages throughout the year. This added to the complexity of budget setting as the position has been continuously evolving as we have moved through various stages of lockdown.
- 2.2.4 As part of the Spending Round and Provisional Settlement, the Government clarified the level of support for COVID related pressures which included a one off general grant, a Sales, Fees and Charges compensation scheme based continuing loss income for the first quarter of the new year and a further expansion of the Council Tax and Business Rates compensation scheme. Full details of the new support is included in Section 4.
- 2.2.5 During the first lock down, the Government announced a significant level of support which included a 12 months rates holiday for the financial year 2020/21 for all businesses in the Retail Leisure and Hospitality sectors. The Council has been compensated for this loss through a Section 31 grant which equals approximately £90.0m. The rates holiday is due to end on 31st March 2021 and the Government has yet to confirm if the scheme is to be extended. The end of the scheme poses a significant risk to Local Government finance and local businesses. Government Ministers are aware of the risk and it is anticipated that details of any extension may be announced as part of the annual budget on 3rd March, however until such time this remains an area of concern.

2.3 Spending Round 2021/22

- 2.3.1 The Chancellor announced the Spending Round on 25 November 2020 and included headline numbers for government departmental spending for 2021/22 only including the level of support for ongoing COVID-19 pressures. A multi-year spending review was expected, however due to the extra pressures caused by COVID, the spending round focused only on one year. Whilst the plans provide local government with some useful numbers on which it can plan for 2021/22 they do not give any certainty in the medium term.

2.3.2 The main national headlines announced in the Spending Round included:-

<p>COVID-19 funding</p> <p>£1.55 billion unringfenced funding 75% of irrecoverable lost council tax and business rates covered SFC compensation scheme extended to Q1 of 2021/22 £670 million to help fund further council tax discounts</p>	<p>General revenue funding</p> <p>2% general council tax increase referendum limit 3% adult social care precept – can be spread over two years RSG going up in line with inflation (around 0.5%) £300 million social care funding One more round of NHB payments – no legacy Public sector pay freeze in 2021/22</p>
<p>Infrastructure/capital</p> <p>1% cut to PWLB standard rate but additional checks to access the facility (three-year certification) £4 billion Levelling Up fund (bid-based) £1.7 billion funding for potholes £573 million in Disabled Facilities Grant UK Shared Prosperity Fund to be worth at least £1.5bn pa</p>	<p>Other - revenue</p> <p>No BR reset in 2021/22 100% BRR 'pilots' continue for a further year BR multiplier freeze (councils to be compensated) No date for fair funding review £254m homelessness funding (incl £103m announced prior to SR)</p>

2.3.3 Whilst this was a one year Spending Review, Office of Budget Responsibility forecasts for 2022/23 onwards suggest departmental spending increases are to be cut by at least £10bn per year up to 2025, compared to the March 2020 Budget. Protected departments like the NHS, Schools and MOD are likely to receive a significant proportion of future funding leaving tight settlements for local government with no medium signs of a move away from austerity. This must be set in the context again of rising demand for public services following the pandemic.

2.3.4 **Fair Funding** - The Ministry of Housing, Communities and Local Government (MHCLG) has announced a delay in the fair funding review for local government, which will include a complete review of the relative needs and funding required by different councils to fund their services. The new methodology will now be effective from 2022/23.

2.3.5 **Business Rates** – Since 2017/18 Trafford has been part of the Greater Manchester 100% Business Rate Retention pilot and in addition the Greater Manchester Rates Pool and currently benefits from a significant level of business rate funding and growth to support its budget.

An announcement following the Spending Round has confirmed that the GM 100% Pilot will continue in 2021/22 and the full reset of business rates baselines, originally expected for 2020/21, is to be postponed until 2022/23. Although this is positive news for Trafford as any reset will put at risk the majority of the benefit the Council currently receives from business rates growth rewards, there is a significant risk associated with the financial reliance of business rates and the impact COVID-19 has had on the collection rates and potential for an increase in appeals.

With many authorities forecasting substantial reduction in rates revenue for 2021/22 and higher thresholds in calculating when Government would support any losses, for this reason, the 12 members of the GM and Cheshire Pool have agreed to dissolve the current business rate pool from 2021/22. Whilst this means Trafford will now be considered as an individual authority for the purposes of the business

rates retention scheme, Trafford will still remain part of the Greater Manchester 100% retention scheme.

2.3.6 The overall benefit from business rates growth supporting the Council's 2021/22 budget is £8.26m as detailed in Annex C. This is a reduction of £3.5m from the 2020/21 levels.

2.3.7 However, there still remains uncertainty over the level of funding that will be available from 2022 due to the reset to business rate baselines and a redistribution of funding formula and the overall reserves strategy as outlined in these budget proposals recognises this risk.

2.4 Local Government Provisional Finance Settlement

2.4.1 The 2021/22 Local Government Finance Settlement was announced on 17th December 2020. The headline funding measure used by Government to reflect changes in overall funding is called the Core Spending Power (CSP) which includes all the key funding streams available to a local authority including:-

- Settlement Funding Assessment (SFA) (Retained business rate baseline and Revenue Support Grant)
- Section 31 compensation grants for business rate initiatives
- Council tax income
- Improved Better Care Fund
- Adult Social Care Support Grant
- New Homes Bonus
- Rural Services Delivery Grant
- Social Care Grant
- Lower Tier Services Grant (new in 2021/22)

2.4.2 CSP will increase from £49.0bn to £51.2bn (4.5%)

2.4.3 For Trafford the movement in core spending power is as follows:-

Core Spending Power	2020/21 £m	2021/22 £m
Settlement Funding Assessment	41.803	41.833
Section 31 BR compensation grants	1.460	1.898
Council Tax	103.990	110.475
Improved Better Care Fund	7.983	7.983
New Homes Bonus	1.312	1.078
Social Care Support Grant	5.458	6.516
Lower Tier Services Grant (*)	0.000	0.266
Total	162.005	170.048
% Increase		4.96%

(*) This is a new grant for 2021/22 to councils with lower tier responsibilities to reflect minor adjustments in the method of distribution.

2.4.4 Trafford's increase is £8.043m or 4.96% (2020/21 £162.0m to £170.0m in 2021/22) which is driven by the relatively high council tax-base and assumes authorities will take advantage of the full extent of the council tax referendum principles outlined below.

2.4.5 At a headline level the provisional settlement reiterated the figures highlighted from the November spending round with the main headlines being:-

- The Council Tax referendum limits for local authorities are in line with those outlined in the spending round. There will be a core council tax referendum principle of up to 2% or £5, if greater for district councils, no change from our draft budget assumptions. An adult social care precept of 3% on top of the core principle, this is 1% higher than our draft budget.
- New Homes Bonus (NHB) funding of £622m will be made available for 2021/22 with proposals for reform to NHB to be outlined in 2021;
- An additional £300m social care grant will be made available.
- A new Lower Tier Services Grant of £111m has been made available for 2021/22;
- An additional £4m has been added to the Rural Service Delivery Grant taking the total distributed to £85m for 2021/22;
- There was a late adjustment to the Improved Better Care Fund increasing allocations for inflation ;
- The Secretary of State confirmed a commitment to the Fair Funding Review and the business rates reset; however it is yet unknown when the reform will be implemented

2.5 Council Tax

2.5.1 Whilst Council Tax in Trafford remains one of the lowest in the country and the second lowest in Greater Manchester, council tax revenues have in the past offered a fairly buoyant source of income due in part to the growth in the tax base. However the level of growth has been scaled back in our budget assumptions to reflect the ongoing pressures of COVID-19 impacting cash collection and a higher cost of the council tax support scheme, a reduction of 2.03% has been assumed in 2021/22. This is expected to recover with an assumed increase in tax base of 2.7% for 2022/23 and 1% thereafter increase thereafter.

2.5.2 Taking these factors into consideration the Corporate Director of Finance and Systems, in accordance with her delegated powers, has approved a Tax Base of 75,816 Band D properties for 2021/22, which is a reduction of 1,570 Band D equivalents on 2020/21.

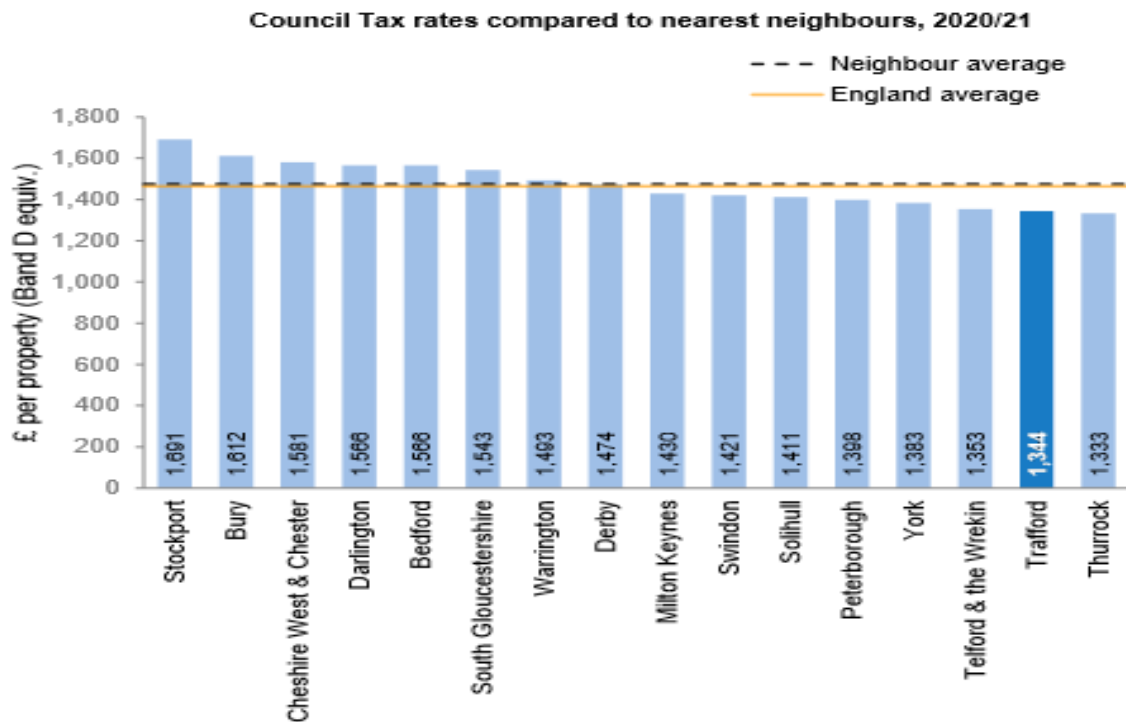
2.5.3 Within the Provisional Local Government Finance Settlement the Government set out its proposals regarding Council Tax referendum principles for 2021/22.

2.5.4 As previously set out in the 2020 Spending Review, to allow Local Authorities to increase their Council Tax by up to 2% without the need to hold a referendum i.e. allow a 1.99% general increase in the 'relevant basic amount'. This budget report includes for a 1.99% increase in 2021/22 and a further 1.99% for 2022/23 and later years.

- 2.5.5 For local authorities with social care responsibilities continuation of the flexibility offered by the use of the 'adult social care precept' by allowing an additional 3% increase of Band D precept. This is an increase of 1% over that previously assumed at draft. A further 2% increase has been assumed in the funding assumptions for 2022/23 and later years.
- 2.5.6 Despite the proposal to increase council tax by 4.99% in 2021/22, Trafford will still maintain lower than average council tax rates. Currently, Trafford has the second lowest across all Greater Manchester Authorities. As can be seen in the table below, if Trafford was to increase council tax by 4.99% whilst all other GM authorities remained static, Trafford would remain the second lowest. If in 2020/21 Trafford had increased council tax to match the average across Greater Manchester, it would have resulted in additional income of £14.8m.

Average Band D Council Tax 2020/21	
	£
Wigan	1,316
Trafford	1,344
Manchester	1,425
Bolton	1,516
Tameside	1,528
Bury	1,612
Salford	1,640
Rochdale	1,645
Oldham	1,673
Stockport	1,691
Average GM	1,539
England Average (excluding districts and counties)	1,458
Trafford after 4.99% increase	1,411

- 2.5.7 Trafford's Council Tax of £1,344 is 8.9% lower compared with the average of £1,475 of our statistical neighbours as demonstrated in the chart below. If Trafford were to increase its council tax to £1,475, this would result in additional income of £9.9m



2.6 Brexit

- 2.6.1 Following ratification of the Withdrawal Agreement Bill by the UK Parliament and European Union, the UK left the EU on January 31, 2020. A post-Brexit trade arrangement between the UK and EU was agreed on Christmas Eve 2020, and brings with it its own new rules and regulations.
- 2.6.2 As of 1st January 2021, the UK has now left the European Union and a Trade Deal has been agreed. The principles of the Trade Deal are for tariff free trade between the UK and EU, however certain issues around the regulatory framework, rules of origin, Northern Ireland status and increased bureaucracy are likely to have a direct effect on businesses. In addition, the ending of free movement of people from the EU to the UK could have an impact on recruitment and meeting skills gaps. While the implications of the Trade Deal will evolve over time.
- 2.6.3 The full impact is not wholly clear but forecasts from OBR suggest an overall negative impact on GDP which ultimately is likely to impact on public finances in future years.
- 2.6.4 The Council will be commissioning a review of the potential impacts on businesses, residents and the local economy; and will continue to monitor the implications of the UK's departure from the EU.

2.7 Summary

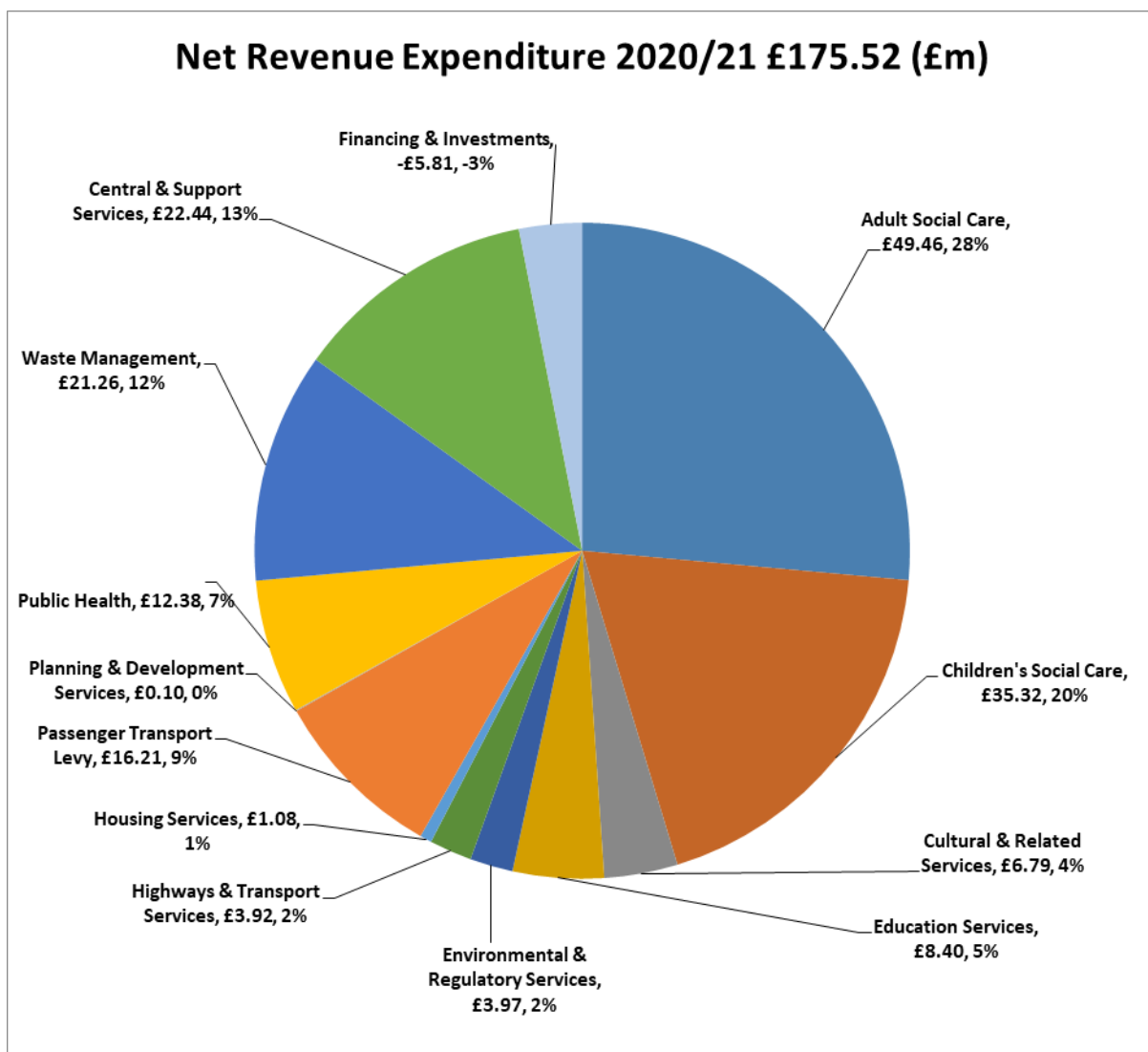
- 2.7.1 The Spending Review, coupled with the increased funding announced to help local authorities with the additional pressures faced by COVID-19, have provided some positive respite against the funding reductions encountered over the last ten years. Whilst they provide positive support for the budget for 2021/22 the impact of the business rate reset now planned for 2022/23 will reduce business rate funding by

approximately £10.67m. This reduction in funding, together with an assumption around a government transitional protection scheme and growth in business rates post reset have been factored into the projections contained in this budget report.

3. BUDGET & MONITORING POSITION 2020/21 as at PERIOD 8 (November 2020)

3.1 Base Budget 2020/21

3.1.1 The Council's current gross budget for 2020/21 is £477.36m however this includes specific funding of Dedicated Schools Grant and Housing Benefit. The Council's net controllable budget agreed by Council in February 2020 was £175.26m and later increased by £261k to £175.52m as a result of a minor late change in the financial settlement relating to resources to support the Public Health budget.



3.2 Revenue Budget Monitoring 2020/21 Period 8 (November 2020)

3.2.1 **Impact of COVID-19** - during the course of 2020/21 the implications of COVID-19 have had a major and unprecedented impact on the Council's finances. The net pressures being felt in 2020/21 are shown below.

3.2.2 Delivery of the 2020/21 budget is critical to ensure that budget forecasting for future years can be done on a sound basis. The period 8 (November 2020) revenue budget monitoring report forecasts an underspend of £2.108m as follows:-

Budget Monitoring results by Service	2020/21 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	42,095	41,477	(618)	(1.5)%
Adult Services	49,385	49,596	211	0.4%
Public Health	12,381	12,404	23	0.2%
Place	29,360	36,612	7,252	24.7%
Strategy and Resources	5,128	7,701	2,573	50.2%
Finance & Systems	7,900	7,673	(227)	(2.9)%
Governance & Community Strategy	6,518	6,689	171	2.6%
Total Directorate Budgets	152,767	162,152	9,385	6.1%
Council-wide budgets	22,755	15,984	(6,771)	(29.8)%
Net Service Expenditure variance	175,522	178,136	2,614	1.5%

Funding				
Business Rates	(65,792)	(65,792)		
Council Tax	(103,990)	(103,990)		
Reserves Budget Support	(4,524)	(4,524)		
Reserves to Support COVID-19		(4,722)	(4,722)	
Collection Fund surplus	(1,216)	(1,216)		
Funding variance	(175,522)*	(180,244)	(4,722)	(2.7)%
Net Revenue Outturn variance	0	(2,108)	(2,108)	(1.2)%
Dedicated Schools Grant	139,392	140,858	1,466	1.1%

3.2.3 It is fair to say that there still remains a significant risk from COVID-19 and therefore caution needs to be attached to these projections. At the time of drafting this report, the Government has just announced the latest national lockdown commencing on 5th January 2021. It is now likely that further pressures will be experienced, particularly regarding income from traded services. Some of these pressures will be offset by the various packages of Government support already in place, such as the Sales, Fees and Charges Compensation Scheme. In addition, as mentioned in the period 6 monitoring report, the Council received an additional £2.23m to accommodate winter pressures relating to COVID-19. Due to the uncertainty surrounding the increased costs related to this latest announcement, the full amount of the additional grant is held in a contingency reserve to cover the expected pressures.

3.2.4 Gross COVID-19 financial pressures are estimated at £51.212m, representing a small reduction from period 6. The net impact after Government support and other contributions is £4.574m which have been offset by other potential savings across other service and corporate contingency budgets, such as adult placement costs and staffing vacancies, which if fully realised should help mitigate the overall COVID-19 pressures to arrive at a net underspend of £2.108m.

- 3.2.5 The Government has issued exceptional guidance during the year which allows authorities to spread the full deficits on the collection fund balances for council tax and business rates over the next three financial years and will therefore have a neutral impact in the current financial year. Without this flexibility the adverse pressure on the Council's budget in 2020/21 would have been a further £8.8m and a forecast outturn of £6.7m.
- 3.2.6 **Council Tax** - forecasting a deficit of £5.307m which is an adverse movement of £580k from period 6. Improvements have been seen in collection rates, however this has been offset by pressures in our tax base due to an increase in discounts and reliefs.
- 3.2.7 **Business Rates** continues to be a complex area and prone to variation which has been exacerbated by the impact of COVID-19. An in-year deficit of £3.5m is still forecast.
- 3.2.8 **Reserves Movements** – Any final in-year underspend in 2020/21 will be transferred to the Budget Support Reserve; in addition work is continuing with the GMCA over the release of other reserves. These will be used to mitigate the risks on the budget in future years.
- 3.2.9 These items above have been considered in developing the budget proposals for 2021/22 and later years.

4 BUDGET UPDATES & PROPOSALS

4.1 This section identifies:-

- The revised budget gap for 2021/22 and later years and explains the changes since the draft budget was published in October 2020;
- The final budget proposals to address the budget gap.

4.2 Updated Budget Gap

4.2.1 The budget position reported to Council in the October 2020 Draft Budget Report showed an overall gross budget gap of £58.45m over the three year period 2021/2022 to 2023/2024 with £37.52m relating to 2021/22. Of this £21.87m related to business as usual activity and £15.65m to the impact of COVID-19.

4.2.2 Due to the changes announced in the Spending Review and the provisional 2020/21 Local Government Finance Settlement, updates on COVID-19 funding and pressures and updates to policies, assumptions and estimates, the gross budget gap for the three years has now reduced by £15.18m to £43.27m.

4.2.3 In respect of 2021/22 the overall gap moved from £37.52m to £25.52m, of which £17.18m relates to business as usual activity and £8.34m to the impact of COVID-19. This represents a reduction in the gap in 2021/22 of £12.0m since draft of which £4.69m relates to Business as Usual activity and £7.31m is COVID-19.

4.2.4 Details of the improved position of £12m are included in the following paragraphs, however in summary the significant movements since draft relate to :-

- a pay freeze for the majority of staff, a reduction of £1.07m
- changes in the Living Wage rate, a reduction of £1.0m
- additional service grants of £1.43m, largely due to Adults and Children's Social Care Grant of £1.06m
- an improvement in the Collection Fund deficit as a result of Government Support of £0.55m
- Other service growth of £3.1m of which £0.39m relates to childrens placements and £0.5m on home to school transport.
- Improvements in Business Rates income of £2.3m largely relating to a review of the provision for appeals.
- Additional grant income to support ongoing impacts of Covid-19 £8.7m

4.2.5 A full breakdown of the changes to the gross budget gap from Draft to Final are detailed in Annex B and summarised below in relation to both COVID and business as usual (BAU):-

<i>Budget Gap</i>	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	Total (£'000)
Gross Gap at Draft Budget (Oct 20)	37,516	9,820	11,109	58,445
Movements in Budget Assumptions (BAU)	(1,858)	(16,016)	2,500	(15,374)
Movements in Funding BAU	(2,833)	3,200	(173)	194
BAU Movements	(4,691)	(12,816)	2,327	(15,180)
Movements in Budget Assumptions (Covid-19)	1,360	5,737	(7,097)	0
Movements in Funding Covid-19	(8,667)	8,667	0	0
Covid-19 Movement	(7,307)	14,404	(7,097)	0
TOTAL BUDGET MOVEMENTS	(11,998)	1,588	(4,770)	(15,180)
REVISED BUDGET GAP (Feb 21)	25,518	11,408	6,339	43,265
CUMULATIVE BUDGET GAP (Feb 21)	25,518	36,926	43,265	

4.2.6 The overall approach to balancing the budget as detailed in the draft budget was based on the principle of separating COVID-19 related pressures from Business as Usual pressures, with the former being met from the use of reserves pending the outcome of the spending review and clarity on the level of Government support. The following paragraphs provide an update on BAU and COVID-19 pressures and funding since the draft budget was presented.

4.2.7 Business As Usual £17.177m in 2021/22 a reduction of £4.69m since draft:-

The significant features of the 2021/22 gap and changes since draft are detailed below with a summary of the base budget assumptions shown in Annex A:

- Pay: includes the updated announcement on the pay award for 2021/22, which proposed a pay award freeze for all staff apart and up to £250 for staff on less than £24,000. A core provision of 2.0% has been assumed in the remaining years. An impact of £3.598m over three years with £0.461m in 2021/22; **a reduction of £1.07m since draft budget.**
- Living Wage: an allowance of £5.770m over the next three years has been provided, which covers projected increases in pay, for external care staff, based on the National Living Wage. The forecast reflects the updated hourly rate announced in the spending review; **a reduction of £1.0m since draft.**
- Inflation: relates to non-staffing budgets and includes contractual and general inflation assumed totalling £7.469m over the next three years, **a slight increase of £0.337m since draft** to reflect potential pressures within the public health contract.
- Levies: an increase of £0.783m (£211k in 2021/22) over three years, **no change in assumptions since draft.**

- Demography: an annual budget increase to reflect the increasing number of adults & children requiring social care of £7.548m over the next three years a **small increase of £0.185m since draft.**
- Service Grants – The draft budget assumed a zero growth in service related grants, the 2020 Spending Review announced additional resources for Adults and Children’s Social Care of which Trafford’s share is £1.059m. Further adjustments have been made relating to the indexation of Better Care Fund Grant of +£0.337m, a reduction in New Homes Bonus Grant of £0.234m which has been offset by a new Lower Tier Services Grant of £0.266m to reflect changes in the method of national distribution, **resulting a net increase in grants since draft of £1.428m in 2021/22.**
- Other - included in the draft budget and **which remain unchanged**, include additional investment in back office infrastructure £0.6m, £0.5m to alleviate the pressures in the housing benefit and further investment budget and additional investment in adult social care of £2m to support the costs of delayed discharges and client costs.
- Other – The following significant other changes have been made since draft to the 2021/22 budget, an additional £0.5m to reflect pressures in the Home to School Transport Budget, £0.385m additional support for children’s placements, £0.460m continuation of the Troubled Families Grant, £0.250m for additional borrowing costs relating to the capital programme, £0.250m assumed pressures in reduced take up of voluntary leave scheme.
- Collection Fund Deficit Repayment – as part of the package of support measures to assist in offsetting COVID-19 costs in 2020/21 authorities have been allowed the ability to offset 2020/21 deficits on both Council Tax and Business Rates over the following three years. Based on the latest forecast deficit and the updated support from Government announced at the Spending Review this deficit has been estimated to increase pressures by £4.614m over the next three years of which £1.538m relates to 2021/22, **an improvement of £0.549m in 2021/22.**
- At the draft budget the total benefit from Business Rates for 2021/22 was estimated at £59.5m, a reduction of £6.3m from 2020/21. The estimated benefit from Business Rates has been updated to £62.3m, **an improvement of £2.8m.**
- Full details of the benefit from Business Rates are shown in Annex C
- Income from the Asset Investment Strategy- because some investments are due for planned repayment by third parties later in 2020/21 and 2021/22 this means the net returns will cease, putting pressure on the budget until suitable replacement investments can be identified. This is a total pressure of £3.32m. No change since draft budget.
- Use of reserves to support the budget in 2020/21 amounted to £4.52m; because reserves are a one-off resource this means that recurrent savings in 2021/22 needs to be found. No change since draft.

4.2.8 COVID-19 Related £8.341m 2021/22 an improvement of £7.307m since draft:-

The table below shows the impact of the COVID-19 related pressures at the time of the draft budget compared with the latest assumptions.

At draft budget the recurrent impact of COVID-19 pressures was estimated at £15.648m in 2021/22 and these pressures were assumed to be neutralised in 2022/23 as the economy returned to pre-covid levels.

Given the uncertainty surrounding the length of pandemic, certain assumptions have been reviewed to reflect the findings of the in-year budget monitoring, updates on the level of Government support and the timeframes for economic recovery in particular surrounding the income from our strategic investment in the Manchester Airport.

The gap in 2021/22 has closed to £8.341m, largely as a result of additional Government Support, however assumptions on the phasing of the pre-pandemic return of the Manchester Airport dividend of £5.597m and the bolstering of a contingency budget of £1.5m have resulted in ongoing pressures of £7.097m in 2022/23.

The paragraphs which follow the table explain the changes in assumptions in more detail.

COVID-19 Budget Gap by Year	Draft Budget				Total
	2021/22 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	
COVID Budget Assumption Pressures					
MAG Dividend	5,597	5,597	5,597	0	11,194
Additional PPE	120	120	0	0	120
Increased cost of childrens placements	1,200	0	0	0	0
Increased cost of Home to School Transport	800	0	0	0	0
Reduced Income from Sales, Fees and Charges	200	1,760	0	0	1,760
Additional ASC Demand	1,000	1,000	0	0	1,000
Increase in Contingency to provide for delayed demand	0	1,500	1,500	0	3,000
Other COVID pressures	0	300	0	0	300
Leisure CIC COVID Support	0	1,700	0	0	1,700

Leisure CIC COVID Support contribution from Reserve	0	(1,700)	0	0	(1,700)
Total COVID-19 Budget Assumption Pressures	8,917	10,277	7,097	0	17,374
COVID Funding					
Reduction in Collection Rates Council Tax	1,994	1,994	0	0	1,994
Reduction in Council Tax (Tax Base and LCTSS)	1,250	1,250	0	0	1,250
5% Fall in Retained Rates Income	3,487	3,487	0	0	3,487
Council Tax Support Grant	0	(1,651)	0	0	(1,651)
COVID Support Grant	0	(5,691)	0	0	(5,691)
Sales, Fees and Charges Compensation Grant	0	(1,325)	0	0	(1,325)
Total COVID-19 Funding by year	6,731	(1,936)	0	0	(1,936)
Total COVID-19 Budget Gap	15,648	8,341	7,097	0	15,438
Contribution from Reserves to support COVID	(15,648)	(8,341)	(7,097)	0	(15,438)

- **Council Tax £3.244m** - During the current financial year the challenges faced by COVID-19 have placed considerable pressure on the Council Tax Collection Fund namely from a reduction in cash collection rates, an increase in the amount of local council tax support awarded and a general delay in the completion of new properties coming online. This has resulted in a reduction in our Tax Base of -2% which was against a previously assumed +1% for 2021/22. **This assumption remains unchanged for the final budget.**
- **Council Tax – Hardship Scheme** - Additional support was also awarded in 2020/21 under the Government’s Council Tax Hardship Scheme, which on top of the Council’s already generous Local Council Tax Support Scheme, enabled all working age recipients of CTS registered on the system on 11th March 2020 to benefit from a zero Council Tax charge. Given the continuing economic uncertainty, it is proposed to extend the Hardship Scheme for a further 12 months; further details are included in Para 4.3.
- **Business Rates £3.487m** – As with Council Tax, the impact on projecting the impact of COVID-19 on Business Rates has added further uncertainty to the accuracy of projections and the recurrent impact in future years. The draft budget included for a broad assumption for a £3.49m reduction in rates income to represent the continued annual pressures being felt in the current financial year. **This assumption remains unchanged for the final budget.** (More details are provided in Annex C).
- **Loss in Airport Dividend - £5.597m 21/22** – The 2020/21 budget includes an estimate of £5.597m annual dividend from our strategic investment in Manchester Airport Group (MAG). The downturn in the aviation sector resulting

from COVID-19 has been dramatic and our draft budget assumed that dividend would not be received in 2021/22, however would return to pre-pandemic levels from 2022/23. Our final budget now includes for the loss of the dividend in full for two financial years. The return of the airport to a position where it may be able to pay a dividend to its shareholders depends on the return of trading levels. **Although there is no change in the effect on 2021/22, the change in our assumptions has led to an additional pressure of £5.597m in 2022/23.**

- **Impact on demand led services social care £1.0m** – The coronavirus pandemic has had a significant impact on the adults and children’s service both in terms of changes to its service delivery and finances. The draft budget had assumed continuing pressure of £1.2m for Children’s placements and £1.0m for Adults plus a further £0.8m to cover the increased costs of home to school transport. Taking into account evidence from the in-year monitoring, the increase in demand in children’s placements and home to school transport have now been built into the base budget as recurrent costs. The assumption on adults placement pressure remains at £1.0m. **An overall reduction of £2.0m since draft budget.**
- **Other Costs - £0.42m** Provisional estimates were included in the draft budget for ongoing costs of PPE at £0.12m and this assumption remains. **Changes in assumptions on additional costs associated with legal expenses and waste collection has increased the gap by £0.3m from draft.**
- **Lost Income from Sales, Fees and Charges £1.76m** – the draft budget assumed lost income from media advertising, totalling £0.2m and after further analysis a number of other lost income streams totalling £1.56m have been included in the final budget. This reflects the Government’s assumptions that the impact of the pandemic will continue in these areas during the first quarter of the year.
- **Leisure Services Recovery Fund (via Leisure CIC) - £1.7m** – It is estimated that the Council will need to provide direct support to our Leisure Community Interest Company. Currently a provision of £1.7m has been set aside in 2021/22, although the announcements on the duration of the current national lockdown will impact on this figure. This pressure will be met from a specific earmarked Leisure risk reserve which has been financed from the accumulation of our annual budget provision and, if successful, Government grant support for the recovery of leisure provision against which the Council has recently submitted a bid to Sport England.
- **COVID-19 Contingency - £1.5m** - The ongoing impact of COVID-19 is difficult to predict and there is a very real risk of latent demand being felt in many services areas, particularly in children’s services and adults mental health. With this in mind a contingency budget provision of £1.5m has been included in the final budget for a period of 2 years. Should the demand materialise the permanency of this budget will be reviewed over the medium term.
- **Government Support - £8.667m** – as part of the 2021 Spending Review the Government announced further measures to support ongoing COVID-19 pressures. The measures of support included:-

- £1.651m Council Tax Support Grant, to help provide funding to local authorities to help them deal with the expected increase in the cost of Local Council Tax Support in 2021-22,
- a further £5.691m of general COVID support Grant and
- additional grant under the Sales, Fees and Charges compensation scheme estimated at £1.325m, to reflect their expectation of continued lost income for the first quarter of the year.

In summary since the draft budget there has been an overall reduction in the gross budget gap related to COVID-19 pressures of £7.307m in 2021/22 (£15.648m reducing to £8.341m).

4.3 Extension of Trafford's COVID-19 Council Tax Hardship Scheme

- 4.3.1 As part of its response to COVID-19 in 2020/21, the government announced that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area using their discretionary powers under s13A (1) (c) of the Local Government Finance Act 1992.
- 4.3.2 The Government's strong expectation was that the funding should first be used to support working age recipients of CTS with a further reduction in their annual Council Tax 2020-21 bill of at least £150 (or the full liability if it is less than £150). Any remaining funding could be used to provide additional support outside the Council Tax system, for example, through Local Welfare Assistance or similar schemes.
- 4.3.3 During the course of 2020/21, the Council also received, additional resource under the DEFRA and Winter Grant Scheme to support vulnerable families and part of this was applied through our Local Welfare Assistance (LWA) programme. This included resource for the various administrative burdens. These were in excess of requirements and a figure of £0.25m remains uncommitted and therefore can be made available alongside the hardship resource.
- 4.3.4 Trafford's hardship award was £1.56m and was applied to support working age CTS recipients registered on the system at 11 March 2020 by reducing their Council Tax liability in full. As reported in our Period 8 monitor, the final cost is estimated at £0.81m, with the remaining unspent hardship grant of £0.75m being transferred into an earmarked reserve for potential future use.
- 4.3.5 As the economic consequences of the pandemic will remain uncertain for some time and it is felt that the current hardship scheme should be extended for the financial year 2021/22 to support the most economically vulnerable, in the spirit of the original underlying principles on how the grant money should be targeted.

Continuation of Trafford's COVID-19 Council Tax Hardship Fund 2021-22 Proposal

- 4.3.6 Trafford's Council Tax Support (CTS) scheme already provides 100% support to the vast majority of its working age claimants.
- 4.3.7 The number of working age claimants in receipt of CTS is estimated at 8,128 at the 31st March, with 1,450 having something to pay towards their 2020/21 Council Tax bill. The cost of continuing the current hardship scheme of awarding them all the full amount of their Council Tax liability, i.e. no Council Tax to pay in 2021/22, would be in the region of £1.02m.
- 4.3.8 It is therefore proposed to award in full all working age CTS recipients registered as at 31st March 2021, the remaining balance on their 2021-22 Council Tax account up to the full liability due.
- 4.3.9 The cost of the extension to the scheme at £1.02m can be met from the carried forward balance of the 2020/21 hardship grant, plus the balance of uncommitted resource within the Exchequer Services staffing reserves Local Welfare Assist budget of £0.25m.
- 4.3.10 As the support grant has been provided directly to the Council and to avoid the cost of the scheme falling on the major preceptors, no adjustment will be made to the Council Tax Base for 2021/22. The shortfall in income in the Collection Fund as a result of the extension will be met from a transfer from the Council's General Fund.

New CTS claims after 31st March 2021

- 4.3.11 It is proposed that new claims received after 31st March 2021 should be administered in accordance with the Council's existing CTS scheme, except for the removal of the minimum income floor for self-employed claimants in line with the Universal Credit (UC) changes.
- 4.3.12 Under this arrangement, the vast majority of working age claimants will receive full CTS due to the 100% maximum award amount as described above. Those that do not qualify for 100% only will not qualify if they have actual earnings/income that exceeds the thresholds.
- 4.3.13 However, to ensure the Council captures any new claimants struggling to pay their remaining Council Tax balance, it would continue to amend the existing notification letter that is sent to residents explaining how much CTS they are entitled to and specifically include how they can access additional COVID-19 information and advice on how they can apply for additional discretionary financial support.

4.4 Approach to managing the Budget Gap

- 4.4.1 The draft budget established the principles to managing the budget gap through the separation of the COVID-19 Related Pressures and Business as usual pressures. A reminder of these principles, and an update on activity, is as follows :-
- COVID-19 Related Pressures – it was proposed that Council reserves are used to support the impact of these pressures in the event that the forthcoming

spending review fails to address the ongoing impact sufficiently. Since the draft report, the Spending Review for 2020 has set out the level of support the Government is making available over the next 12 months and as such this has been reflected in our final budget plans. Our levels and scope of reserves have also been reviewed to reflect the more favourable level of support and their sufficiency to accommodate the range of business risks faced in managing the ongoing uncertainty surrounding the pandemic. More details on the use of reserves is given in Section 5 of the report.

- Business as Usual Pressures – a mix of savings and income proposals were developed to address this gap and specific details are included at Annex D.

4.5 Meeting the Gap

4.5.1 The table below shows the final budget position following the update of the Governments Spending Review and clarification on the level of COVID-19 support, the final budget savings proposals and policy choice funding updates.

Summary of the Budget Proposals	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Revised Gross Budget Gap	25,518	11,408	6,339	43,265
Policy Choice Funding Proposals				
General Increase in basic Council Tax to 1.99%	(1,986)	(2,083)	(2,289)	(6,358)
Social Care Precept increase 3%, 2%, 2%	(3,206)	(2,396)	(2,356)	(7,958)
Contribution from Budget Support Reserve to Support COVID-19 Pressures in 2021/22	(8,341)	8,341		0
Contribution from Budget Support Reserve to Support COVID-19 Pressures in 2022/23		(7,097)	7,097	0
Contribution from Budget Support Reserve (BAU)	(2,803)	2,803		
Total Policy Choice Funding	(16,336)	(432)	2,452	(14,316)
Savings and Income proposals (*)	(9,182)	143	1,512	(7,527)
Revised Budget Gap (Feb 21)	0	11,119	10,303	21,422

(*) Full details are included in Annex D

4.5.2 A summary of the changes since the Draft Budget Report in October 2020 which included a remaining gap of £4.708m are detailed in Annex B

5 PROPOSED 2021/22 BUDGET and 2022/24 MTFS

5.1 The proposed net budget for 2021/22 is £179.304m an increase in the net budget of £3.782m or 2.15%, from £175.522m. Full subjective and objective summaries providing a breakdown of the 2021/22 net budget can be found in Annexes E & H.

5.2 An objective breakdown is shown below:-

Objective Summary The 2021-24 Budget	Final Budget February 2021		
Budget	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Service:			
Children's Services	43,002	44,140	45,103
Adult Services (incl. Public Health)	65,222	70,473	75,525
Place	30,231	30,426	33,608
Governance and Community Strategy	6,669	6,575	6,725
Finance and Systems	7,741	7,960	8,183
Strategy and Resources	5,442	5,303	5,569
Total Service Budgets	158,307	164,877	174,713
Council-wide Budgets	20,997	30,795	28,466
Net Budget	179,304	195,672	203,179
Funding:			
Council Tax	(105,868)	(113,139)	(118,886)
Business Rates: Local Share	(150,195)	(153,198)	(156,263)
Business Rates: Tariff Payment	95,720	97,996	100,317
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	(7,817)	(9,615)	(7,925)
Fairer Funding Assumptions	0	500	1,000
Funding	(168,160)	(177,456)	(181,757)
Movement in Reserves			
Budget Support Reserve (COVID-19)	(8,341)	(7,097)	0
Budget Support Reserve (BAU)	(2,803)		
Movement to/(from) Reserves	(11,144)	(7,097)	0
Cumulative Budget Gap	0	11,119	21,422
Annual Budget Gap	0	11,119	10,303

5.3 Whilst the budget gap has now been closed for 2021/22 the size of the challenge over the following two years remains significant. For that reason the budget process for 2022/23 will, as in previous years, commence immediately after the approval of the 2021/22 budget such that sufficient time is afforded to consider all options at an early stage.

6 ROBUSTNESS, RISKS & RESERVES

6.1 Robustness and Risks

- 6.1.1 The law requires that the Council sets a balanced and robust budget, which is sufficient to meet its legal obligations, and then its aspirations. This requires all plans to be costed, forecasts and estimates to be checked for reasonableness, and risks to be assessed across the many varied services the Council provides. This also includes an assessment for emergencies, severe weather and other service and strategic risks.
- 6.1.2 Robustness does not guarantee that all possible eventualities are identified, or that all budget estimates are exact. Actual income and expenditure is likely to vary from the established budgets, but in the round these will compensate, and the approved budget need only be sufficient to meet overall expenditure requirements.
- 6.1.3 In exercising their statutory duty the Director of Finance and Systems, in conjunction with the Corporate Leadership Team, will take all matters and issues into consideration and will make a reasoned assessment of whether the budget is sufficient and robust. The Executive will ensure the minimum reserve level is maintained to ensure the Council can meet its obligations.
- 6.1.4 The Council faces various financial risks to include:
- The ability to deliver savings within agreed timescales.
 - Potential legal challenges to decisions.
 - Fees & charges income differing to assumptions.
 - Variations to external funding and grant allocations.
 - Demographic pressures.
 - Inflation & Interest Rates differing to assumptions.
 - Business Rates growth & the 100% retention scheme pilot and potential costs with backdated appeal costs.
 - Variations to external levies & contracts.
 - Future changes to legislation
 - An increasing level of its funding from local sources
 - Devolution & integration of Health & Social Care (also an opportunity)
 - the ongoing financial impact that the COVID-19 pandemic will have over the medium term, which also cross cuts many of the areas mentioned above
- 6.1.5 In reviewing the robustness of the Council's budget proposals use has been made of some key Cipfa publications around good financial management, prudential property investment and financial resilience. A key concern for the Council continues to be its low level of reserves.

6.2 Reserves

- 6.2.1 In August 2019, a new reserves policy was developed which set out the methodology for the creation, classification, review and approval process for the use of reserves to enable a more corporate approach to be taken, ensuring reserves are aligned to the Council's priorities over the medium term.
- 6.2.2 Under the Local Government Act 2003, the Director of Finance and Systems is required to prepare a report, for use when the Council is deciding its annual budget and council tax, on the robustness of the budget and the adequacy of the Council's reserves. It is for this reason that the Reserves Policy is reviewed on a bi-annual basis as part of the draft and final budget process and supplemented with regular reviews as part of the monitoring and financial closedown process. This ensures the judgements on the adequacy of reserves are informed and remain appropriate particularly in relation to the potential impact of new risks and financial challenges faced by the Council. The key features of the revisions at final budget stage are set out below.

6.3 Classification

- 6.3.1 For ease of management, reserves have been grouped into six categories as follows:-
- **Budget Resilience and Smoothing Reserves** - earmarked reserves linked to the financial resilience of the Council, for example being able to respond to unexpected demand pressures
 - **Strategic Priority Reserves** - earmarked reserves linked to the Council's priorities over the medium term financial plan
 - **Corporate Reserves** - statutory and ring fenced reserves
 - **Reserves Linked to Service Area Priorities** - earmarked reserves linked to the Council's transformational change and service area priorities
 - **Capital Reserves** – consist of capital receipts, grants and contributions which can only be used to fund capital expenditure and are all allocated to support the current capital programme. These will not be considered as part of the Reserves Policy.
 - **Schools Reserves** - represent the carry forward balances of individual school surpluses and deficits along with the accumulated balance of DSG grant. Individual school balances will not be considered as part of the Reserves Policy.

6.4 Balances and Review of Reserves

- 6.4.1 The Council usable reserves at 31st March 2020 stood at £91.35m, of which £58.68m relates to Earmarked revenue reserves as shown below, along with their projected usage over 3 years including the current financial year.

<i>Usable Reserves</i>	Opening Balance 1/4/20	Est Balance 1/4/2021	Est Balance 1/4/2022	Est Balance 1/4/2023
	£m	£m	£m	£m
Budget Resilience and Smoothing	31.25	36.54	23.24	16.16
Strategic Priority	11.74	8.17	7.38	7.50
Corporate (*)	2.05	89.17	3.50	1.59
General Reserve	7.00	8.00	8.00	8.00
Service Area Priorities	6.64	3.68	2.09	0.65
Earmarked Reserves	58.68	145.56	44.21	33.90
Capital Related Reserves	21.77	15.82	8.26	1.31
School Related Reserves	10.90	10.90	10.90	10.90
Total Usable Reserves	91.35	172.28	63.37	46.11

(*) As at 1/4/2021, the Corporate Reserves will hold the Section 31 Grants provided by the Government of £87.6m relating to lost business rates income as a result of the award of 100% COVID rates relief to the Retail, Hospitality and Leisure Sector. The reserve will be used in 2021/22 to repay the deficit on the Collection Fund.

- 6.4.2 At the time of writing the draft budget report earmarked reserve balances were projected to fall from £58.68m to £26.05m at the end of 2022/23. This reduction reflecting a use of £15.6m to support the budget in 2021/22.
- 6.4.3 As part of the development of the final budget proposals a further review of reserve levels has been undertaken with due regard placed on ensuring any remaining reserves are sufficient to cover the range of risks faced by the Council. The review also took into account changes in assumptions of ongoing COVID-19 pressures, levels of Government Support and revisions in the in-year estimated outturn position.
- 6.4.4 Taking account of the proposals in this budget report reserve balances are now estimated at £33.90m at the end of 2022/23, a favourable movement since draft budget of £7.85m and reflecting the improvements of the 2020/21 budget position and release of contingency budgets and also the work undertaken by GMCA in identifying resources which can be returned to districts to support their immediate budget pressures.
- 6.4.5 Whilst the overall reserves balances show a more favourable picture there is still a material application of reserves in the short term to support these budget proposals. As a consequence each reserve has been reviewed to ensure it remains at an adequate level given the range of risks faced by the Council. The rationale for holding some key reserves and their application and balances is detailed below.

6.4.6 The balance and proposed commitments against each reserve are shown in detail in Annex F and the following paragraphs summarise the salient changes since the draft budget:-

➤ **Budget Resilience and Smoothing - Budget Support Reserve**

This reserve was established to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term. It was proposed at draft budget stage to transfer any available reserves into the Budget Support Reserve to allow sufficient flexibility over the use of the reserves in the future in order to meet the estimated COVID-19 pressures over the medium term.

The final budget for 2021/22 includes an assumption that £11.144m will be met from the Budget Support Reserve, consisting of recurrent COVID-19 pressures of £8.34m and £2.8m required to balance the remaining business as usual budget plans.

A further recurrent COVID-19 pressure in 2022/23 of £7.1m, is also proposed to be met from the Budget Support Reserve, leaving an estimated balance of £3.02m by the end of 2022/2023.

Each year the Council faces unavoidable base budget pressures relating to pay, general inflation and demographic growth which is offset by an assumed level of growth in Council Tax, leaving a net budget pressure. The current policy recommends that as a minimum that the budget support reserve be maintained at a level of 50% of the net pressure, which would equate to approximately £5.5m. Although this principle remains in place, resources have been redirected towards COVID-19 related pressures, resulting in a shortfall in this aspiration of approximately £2m in the short term. Any surplus resources, for instance through a more favourable outturn, will in the first instance be utilised to bolster this reserve until it reaches its target.

➤ **Budget Resilience and Smoothing - Manchester Airport Dividend Reserve**

This reserve was set aside in the event of an economic downturn or other event which affects the performance of the Airport and future dividends. The reserve policy was amended in 2019 to provide an amount equivalent to 10% (£0.5m) of the usual level of annual dividend. This was reduced from a 50% balance in previous years, in reflection of the healthy financial situation and growth of the airport. The impact of the COVID-19 pandemic on the aviation industry has been well publicised and no dividend is expected to be paid in the current financial year and also in our budget assumptions for both 2021/22 and 2022/23. The reliance of the dividend in our annual budget has brought into focus the importance of this risk reserve to help absorb such volatility. Priority should therefore be given over the medium term to replenishing this reserve to a figure of 50% of the annual pre-covid dividend level. Resource has been set aside in the revenue budget of £0.5m for

bolstering reserves and this will be used to replenish this reserve over the next five years.

➤ **Budget Resilience and Smoothing - Business Rate Risk Reserve**

The full economic impact of the pandemic and the impact of Brexit on local businesses is not clear but inevitably the ability to generate current levels of business rates will be challenged. In 2020/21 all retail properties have received full relief from their business rate liabilities and this relief ends on 31 March 2021. Should the relief not continue in some form, this will place further financial burdens on an already strained retail sector meaning business rate revenues are likely to come under pressure. The Council's budget currently relies on significant levels of business rate income of £62.29m, which is £8.26m above our Baseline Funding Level. The Council is protected against a dramatic fall in business rates, with the Government providing support if a safety net figure is breached. The Council would need to absorb the first £9.7m of loss before the Government support becomes available. It is felt that if business rates were to fall significantly due to the economic impact of the pandemic, this situation would not be unique to Trafford and further Government support would be forthcoming.

A balance of £0.6m is required to support the 2021/22 budget, pending the outcome of potential changes in the terms of the growth pilot sharing agreement as a result of the GM Pool being dissolved.

At the time of the draft budget a significant balance of £5m was maintained in the Business Rate Risk Reserve and as a result of the forecast underspend in business rates as reported at period 8, a further £1.75m will be transferred to the reserve. This will provide a buffer representing approximately 11% of the rates budget.

➤ **Budget Resilience and Smoothing – COVID-19 General Reserve**

The 4th Tranche of COVID general support grant at £2.23m has been transferred to this reserve as reported in the Period 8 monitor. It will be utilised to alleviate the risk of unknown costs of COVID-19 should they be higher than anticipated in our budget assumptions.

➤ **Budget Resilience and Smoothing – Housing Benefit Risk Reserve**

A balance of £0.5m has been maintained in this reserve to smooth out volatility in the Housing Benefit budget associated with the collection of prior year overpayment recovery and in-year fluctuations in this demand lead budget. The reserve has been utilised in full in 2020/21 to offset in year pressures and it is thought prudent that this is replenished by an equal amount, given the ongoing economic uncertainty. Additional resource of £0.5m has also been added to the revenue budget in 2021/2022.

➤ **Strategic Priority - Strategic Investment Fund Risk Reserve**

Each strategic property investment business case includes an amount to be set aside to cover any unexpected circumstances, such as lost rental income or a delay in any redevelopments. Pressures faced as a result of the pandemic have again emphasised the importance of this reserve. As such a balance of £0.5m previously earmarked to be transferred to the Business Support Reserve will be maintained here. The year-end balance is anticipated to stand at stand at £6.08m by the end of 2022/2023.

➤ **Strategic Priority - Leisure Centre Risk/Refurbishment Programme**

This reserve was proposed to be utilised in full in 2020/21 to support COVID-19, however pressures will now be absorbed within the estimated outturn. The Council has recently submitted a bid for £0.5m Government support via Sports England to address costs of maintaining/opening leisure services. If successful, this amount will be used to top up this reserve along with the £0.3m annual budget provision. The balance will stand at £1.7m and will be used in full to meet estimated pressures in 2021/22.

➤ **Budget Resilience and Smoothing – Employment Rationalisation**

This reserve was established to meet the one off costs over budget for major restructuring costs (severance/pension strain). The balance brought forward at 1st April 2020 was £1.0m and at final budget it is felt prudent to increase this by £0.5m to absorb the one off costs of the restructuring identified in the savings proposals.

➤ **Corporate**

➤ **Reserves – Council Tax and Business Rates Compensation Reserve**

These two reserves have been set up to hold the Governments support towards meeting the Council Tax and Business Rates deficits in 2020/21. The grants at £4.76m are expected to be paid in 2020/21 and will be carried over in these reserves to be drawn down over three years at £1.59m in line with our budget plans.

➤ **Corporate Reserves - General Reserve**

The level of General Reserve incorporates risk assumptions on pay/inflation, emergency and disaster recovery scenarios, increases in demand led budgets, savings target not being met and business rates/ council tax shortfalls. It is highly unlikely that the events would occur simultaneously and the figure is calculated on a prudent basis. The level of this reserve has been reviewed and will increase to £8.0m (previously £7.0m) to address the level of risks given the economic outlook.

6.5 Reserves Linked to Service Area Priorities

- 6.5.1 The rationale for these reserves is to provide funding to deliver Service Area priorities outside of the MTFP which are largely one off in nature or the timing of delivery cannot be determined accurately.
- 6.5.2 The revised Reserves Policy clarifies that the commitment to create, review and spend these reserves will need to be supported by Corporate Leadership Team as and when required throughout the year in order to confirm that they remain in line with the Council's broad strategic priorities. As referred to in the draft budget a full review of these balances and commitments was undertaken and surplus amounts were redirected towards COVID-19 priorities and the bolstering of the Budget Support Reserve. No significant changes have been made since the review at draft budget.

6.6 GENERAL RESERVE

- 6.6.1 General Reserve: the Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure. In February 2020 Council agreed to set the minimum level of the General Fund Reserve at £7.00m as recommended by the Director of Finance and Systems. It is recommended for 2021/22 that this level be increased to £8.0m with some of the significant reasoning behind this decision set out below:-

- In 2021/22 there is significant uncertainty regarding the economic outlook. The implications on the wider economy from the impact of COVID-19 and Brexit led to the possibility of a further economic downturn. It would seem prudent to increase the general contingency by £0.5m to add extra resilience against the effects of such a downturn.
- The level of gross income receivable from the Asset Investment Strategy is approximately £17m in 2021/22 and whilst full due diligence has been undertaken for each investment there is still a risk to this income stream particularly when older investments reach maturity and new investments are being sought. A specific earmarked investment strategy risk reserve has been built up to address generic risks such as rent defaults and property improvement works and is estimated to stand at £5.3m at the end of 2020/21. In order to address the inherent risk of a shortfall in income during the recycling of new investment opportunities the General Reserve will be increased by a further £0.5m.

Advised minimum level of General Reserve	2020/21 £m
Tax & Treasury Management	0.05
Pay & inflation	1.30
Fees and Charges	0.18
Emergency & Disaster Recovery	1.08
Efficiencies	2.45
Demand led budgets	2.00
Other Pressures	0.96
Funding Risk	4.07
TOTAL	12.09
Risk reduction of 34%	-4.09
Advisory level of minimum reserve	8.00

6.7 Summary

6.7.1 In summary, the Council's overall budget plans include for a specific application of earmarked reserves in 2021/22 of £15.0m, in part offset by budgeted replenishment of reserves.

- **Budget Support Reserve - £2.80m** required to balance the 2021/22 business as usual budget plans.
- **Budget Support Reserve - £8.34m** required to meet the estimated recurrent COVID-19 pressures in 2021/22, with a further amount of £7.097m earmarked in 2022/23.
- **Leisure Centre Risk Reserve - £1.70m** – a provision required to meet estimated COVID-19 pressures experienced by our Leisure CIC in 2021/22.
- **Council Tax and Business Rates Compensation Reserve - £1.59m** Government support towards the 2020/21 Council Tax and Business Rates shortfall will be drawn down over three years at £1.59m per annum.
- **Business Rate Risk Reserve - £0.6m** to be used to support the budget pending the outcome of potential changes in the terms of the growth pilot sharing agreement as a result of the GM Pool being dissolved.

6.7.2 It is a requirement of the Local Government Act 2003 for the Council's Director of Finance and Systems to give an opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.

6.7.3 Members' attention is drawn to the statement by the Director of Finance and Systems attached at Annex I, which should be taken into account before approving the budget together with the comments made in paragraphs below.

7 SCHOOLS FUNDING & BUDGETS 2021/22

7.1 Background

7.1.1 Schools are funded from a ring-fenced grant called the Dedicated Schools Grant (DSG). This funding cannot be used for any other Council function. Schools operate within their own budget with any under or over spends taken forward into future years.

There are 4 blocks within the DSG:

- Schools Block (SB) - which funds schools' budgets. This includes £85m for academies.
- Central Schools Services Block (CSSB) – This block reflects the ongoing local authority role in education and is reducing year by year.
- High Needs Block (HNB) – which primarily supports Special Educational Needs (SEN) expenditure. This includes £15m to fund Trafford Special Schools.
- Early Years Block (EYB) - which funds educational provision for 2 to 5 year olds in both Schools and Private, Voluntary and Independent (PVI) settings.

7.2 Summary Position 2020/21

7.2.1 Schools have provided an essential role within the community during the coronavirus pandemic (COVID19). Although there had been increases in the schools budgets for 2020/21, there were still pressures on these which have been further exacerbated by the coronavirus pandemic.

7.2.2 The latest monitoring position as at the end of November, updated to reflect latest DSG allocations, forecasts a £1.466m over spend for 2020/21.

This is mainly within the HNB because of increases in:

- complexity and demand for places and top-up funding in our own special schools (40 additional places have been funded in year);
- complexity and demand for places exceeding in borough provision resulting in costly out of borough placements;
- the complexity and volume of Education Health Care Plans (EHCPs); and
- home tuition costs.

DSG Overall Position	2020/21 Budget (£m)	2020/21 Expected Outturn (£m)	Variance (£m)
Schools Block	171.944	171.952	0.008
Central School Services Block	1.513	1.478	(0.035)
High Needs Block	29.269	30.794	1.525
Early Years Block	18.491	18.459	(0.032)
Total	221.217	222.683	1.466

The level of central DSG reserve at 1 April 2020 was £2.895m and whilst some is ring-fenced to support specific expenditure, the balance is to support the pressures in the High Needs block.

DSG Central Reserve	Reserves (£m)
Reserve as at 31st March 2020	2.895
Growth Fund	0.468
De-delegation	0.847
Pupil Referral Units (PRU)	0.148
Early Years	0.244
Reserve for High Needs Block (excluding PRU)	1.188
Required to balance the HNB for 2020/21 as at the end of November (excluding PRU over spend as separate reserve)	(1.455)
Estimated balance as at 31st March 2021	(0.267)

7.3 Budget Position 2021/22

The table below outlines the estimated budgets for 2021/22 and how they have moved from 2020/21.

DSG Allocations	2020/21 (£m)	2021/22 (£m)	Change (£m)
Schools Block	171.944	187.120	15.176
Central School Services Block	1.513	1.553	0.040
High Needs Block	29.269	32.426	3.157
Early Years Block	18.491	18.754	0.263
Total	221.217	239.853	18.636

7.3.1 Schools block

Funding from the teachers' pay grant and the teachers' pension employer contribution grant has been added to the schools' National Funding Formula (NFF) allocations from 2021/22. The funding has been added to the basic per pupil entitlement, the minimum funding levels, and to schools' baselines to make sure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2021/22. When these grants are taken out of the schools block allocation, the increase in funding is £6.982m (4.06%).

The minimum per pupil funding levels ensure that every primary pupil receives at least £4,000 per pupil (7% increase, £3,750 in 20/21), and every secondary school at least £5,150 per pupil (3% increase £5,000 in 20/21). In addition to this, these schools will receive an additional £180 and £265 per pupil to cover the two grants mentioned above.

7.3.2 Central School Services Block (CSSB)

Funding from the pay and pension grants mentioned above have also been added to the CSSB totalling £0.081m. There are 2 elements to the CSSB: ongoing responsibilities that local authorities have a statutory duty to deliver for all pupils; and historic commitments made prior to 2013/14. In line with the government's

reforms to move to a fairer funding system, these have been reducing year on year. The allocation for 21/22, net of the additional grant has reduced by £0.041m.

7.3.3 High Needs Block (HNB)

The allocation in the table above also includes an element of the funding from the teachers' pay grant and the teachers' pension employer contribution grant. Without these, the allocation is £31.840m an increase of 8.78%.

There are still significant pressures within the HNB due to:

- Financial pressures in the Schools block results in schools turning to the local authority for help with high needs pupils rather than looking to use available funding within their budgets;
- A continued increase in the numbers and complexity of EHCPs (we are currently funding 2,262 EHCPs which is an increase of 231 (11%) from this time last year);
- The needs of many pupils are becoming more complex;
- Increase in the number of places funded in our own special schools (which are now close to capacity – 73 additional places are being funded in 21/22)
- Lack of places in our own Special Schools resulting in costly out of borough places being sought (places required 378, an increase of 22% from this time last year);
- The demand for home tuition increasing; and
- National policy changes have made inclusion in mainstream increasingly difficult for many learners.

In addition to the above the effects of COVID-19 on the high needs block are not yet fully known but it is expected that schools will require further funding to assist with additional pupil need for emotional support as a result of the pandemic which will put further strain on this budget.

A full review of budget assumptions for future years has been undertaken with expenditure expected to increase by approximately £3.7m in 21/22 and £1.11m in 22/23 and 23/24. Over the three years this will amount to £6m based on the following:-

- Continued increase in the level of EHCP payments to schools & tuition costs (£1.9m)
- An uplift in complexity of need leading to a rise in special school top-ups (£1.4m)
- Increase cost of out of borough placements caused by increasing complexity and lack of places in our own special schools (£1.5m)
- Inflationary cost increases on out of borough placements, pay and running costs (£0.5m)
- Pay and pension grant expenditure (£0.6m)

At this stage the budget does not include any potential increase as a result of COVID-19 as it is not yet known the extent to which this may put a pressure on the HNB.

The High Needs allocation for 2021/22 is £32.426m, an increase of £2.6m (8.8%) on the 2020/21 allocation (excluding the mainstreamed grant). The assumption is that this will increase by 2% in subsequent years.

Although Local Authorities have seen increases in their HNB funding for 2021/22, the government has committed to pursue a review of the special educational needs and disability (SEND) system to see what further improvements are necessary to ensure that it supports children and young people with SEND as effectively as possible. This is expected to begin in spring 2021.

The table below sets out a summary of the HNB position.

High Needs Block Summary	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)
Required HNB budget	32.980	34.090	35.202
HNB grant	32.426	33.075	33.736
(Surplus)/Deficit	0.554	1.015	1.466

Although the additional grant is welcome it is insufficient to keep up with increasing costs over the years.

High Needs share of the DSG Central Reserve	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)
Usable reserves brought forward	1.188	(0.267)	(0.821)	(1.836)
Movements in year	(1.455)	(0.554)	(1.015)	(1.466)
Useable reserves remaining	(0.267)	(0.821)	(1.836)	(3.302)

New provisions were put into regulations so that local authorities are required to carry forward overspends to their schools budget either in the immediately following year or the year after. The impact of these statutory provisions are that a local authority with a DSG deficit from the previous year must either:

- Carry the whole of the deficit forward to be dealt with in the schools budget for the new financial year, deducting it from the money available for that financial year;
- Carry part of it forward into the new financial year and the rest of it into the following financial year;
- Carry all of it into the following financial year; or
- Apply to the Secretary of State for authorisation to disregard the requirements if it wishes to fund any part of that deficit from a source other than the DSG.

This creates a new requirement that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the local authority not to do this.

Therefore savings will need to be identified and the high needs task and finish group has already been re-established to look at savings and measures necessary to

balance the high needs budget. A report on this will be brought to the Executive in July 2021.

7.4 Future Changes

National Funding Formula (NFF)

A National Funding Formula (NFF) was introduced in 2018/19 the aim of which was to create a level playing field by creating a national formula with a single set of values for each of the factors relating to pupil and school characteristics. The intention was that when fully implemented, there would no longer be different sums of money received by schools with similar pupil profiles. However this hasn't materialised as every school's starting point is very different as a result of historic individual local formulae decided by local authorities (LAs) with floors and protections in place.

The introduction of a hard formula, in which the ESFA will calculate and distribute allocations directly to schools and academies using the NFF, was to take place in 2020/21 after 2 years of a soft formula. However this has been delayed due to the recognition that efforts need to be focussed on meeting the challenges of COVID-19. The Education Skills and Funding Agency (ESFA) have said that they will begin consultation in spring 2021 but that implementation is not likely until 2024/25 or 2025/26.

The soft formula involves the ESFA applying the national formula values to individual schools' data and aggregating the allocations at LA level. They then add funding for historic spending factors which currently sit outside the NFF. LAs receive the total funding as a Schools Block allocation and distribute it between schools using a local formula. Trafford Schools' Funding Forum opted to mirror the NFF as a local formula in 2018/19.

8. COUNCIL TAX REQUIREMENT AND STATUTORY CALCULATIONS

8.1 Budget Requirement

8.1.1 The Local Government Finance Act 1992, as amended by the Localism Act 2011, requires the Council to make the following calculations:

- an estimate of the Council's gross revenue expenditure - Section 31A(2),
- an estimate of anticipated income - Section 31A(3),
- a calculation of the difference between (i) and (ii) above, (i.e. net revenue expenditure) - Section 31A(4) – this is known as the Council Tax Requirement,
- a calculation of the Council's 'relevant basic amount' of Council Tax, calculated by dividing the Council Tax Requirement by the council tax base (expressed in Band D's).

8.1.2 If the proposals in this budget report are agreed, the calculation for the 2021/22 Council Tax Requirement will be as follows:

Calculation of Council Tax Requirement & Relevant Basic Amount of Council Tax 2021/22	£
Service Budget	
Gross Expenditure	
Service expenditure	480,817,335
Gross Income	
Fees, charges and specific grants	(301,513,690)
Service Area Net Budget	179,303,645
Financing Budget	
Retained Business Rates Baseline	(54,474,679)
Business Rates (Growth & S31 Grants)	(7,659,549)
Cont from Business Rate Risk Reserve	(600,000)
Business Rates Prior Years accumulated (Surplus)/Deficit	83,468,589
Contribution from Business Rate Deficit Reserve	(83,468,589)
Business Rates Estimated Deficit (COVID-19) 1/3 Spread	1,773,322
Government Support towards Business Rates Estimated Deficit (COVID-19)	(1,329,992)
Council Tax Estimated Deficit (COVID-19) 1/3 Spread	1,352,857
Government Support towards Council Tax Estimated Deficit (COVID-19)	(257,618)
Application of Budget Support Reserve (BSR)	(11,144,499)
Financing Net Budget	(72,340,158)
Council Tax Requirement	106,963,487
Council Tax Base in Band D's	75,816
Relevant Basic Amount of Council Tax	£1,410.83

8.1.3 The Corporate Director of Finance and Systems in accordance with her delegated powers approved the 2021/22 Trafford Council Tax Base (number of equivalent Band D properties in the borough) on 6 January 2021 at 75,816, which is a reduction of 1,570 Band D equivalents on 2020/21. The 2021/22 Council Tax Base for each of the four Parish Councils was also approved as: Partington 1,578, Dunham Massey 235, Warburton 165 and Carrington 126.

8.2 Council Tax Increases

8.2.1 The Localism Act 2011 abolished Council Tax capping and replaced it with a requirement to hold a Council Tax Referendum if an authority wishes to increase its “relevant basic amount of Council Tax” by an amount equal to or exceeding a level set out by the Government annually. For 2021/22 a figure of 5% has been set, which is a combination of the core principle of 2% and the ‘adult social care precept’ of 3%.

8.2.2 As highlighted elsewhere in this report, it is proposed to raise the level of council tax in 2021/22 by 4.99%:

- 1.99% general increase in the ‘relevant basic amount’, and
- 3.0% for the ‘Adult Social Care’ precept.

8.2.3 The calculation of the percentage change in “Relevant Basic Amount of Council Tax”, for Trafford Services is shown below :

	2020/21	2021/22
Council Tax Base	77,386	75,816
Council Tax Requirement with Levies (£)	103,989,759	106,963,487
Basic Amount of Council Tax (£) (excluding Social Care Precept)	1,225.92	1,252.66
Social Care Precept	117.86	158.17
Relevant Basic Amount of Council Tax	1,343.78	1,410.83
% increase in Relevant Basic Amount of Council Tax	3.99%	4.99%

8.2.4 It is proposed to increase the ‘relevant basic amount’ of Council Tax by 4.99%, which is within the 5% figure set by Government in 2021/22 for social care authorities. As this remains in line with Government policy it would therefore not be deemed ‘excessive’ and as a result there is no requirement to hold a Referendum.

8.2.5 Of the two major precepting bodies, the Mayoral Police & Crime Commissioner is recommending a £10.00 increase in their Band D precept and the Mayoral General Precept (including Fire Services) is proposing to freeze their Band D precept.

8.2.6 Partington Town Council, at its meeting on 7 December 2020, elected to keep the level of Band D Council Tax at £52.04 in 2021/22, the same as in 2020/21.

Carrington Parish Council passed a resolution on 17 December 2020 to keep the Band D Council Tax at £30.00 in 2021/22, the same as in 2020/21. Warburton Parish Council at its meeting on 3 November 2020, elected to set a Band D Council Tax of £50.00 in 2021/22. Dunham Massey Parish Council is not setting a Precept in 2021/22.

8.3 Council Tax Levels and Bandings

8.3.1 The overall Precepts and Council Tax levels for 2021/22 for Trafford properties are as follows:

Council Tax per Precepting Body	Precept Amount £	Council Tax per Band D Property £	Council Tax Level Increase
Trafford Services (inclusive of 'Adult Social Care Precept')	106,963,487	1,410.83	4.99%
Mayoral Police and Crime Commissioner (see note)	16,550,633	218.30	£10.00/ 4.80%
Mayoral General Precept (including Fire Services) (see note)	6,895,465	90.95	£Nil/ 0.00%
Total (excluding Parishes)		1,720.08	4.69%
Partington Precept	82,119	52.04	0.00%
Total for Partington		1,772.12	4.84%
Carrington Precept	3,780	30.00	0.00%
Total for Carrington		1,750.08	4.90%
Warburton Precept	8,250	50.00	N/A
Total for Warburton		1,770.08	7.73%

8.3.2 Note: The Council Tax figures for the Mayoral Police and Crime Commissioner and Mayoral General Precept (including Fire Services) included above are recommended amounts and are subject to formal approval on 12 February 2021.

8.3.3 The council tax for 2021/22, inclusive of the 'adult social care precept', for each of the eight valuation bands would be as follows:

Band	Valuation range (in 1991 prices)	Council Tax (Excl. Parishes) £	Council Tax for Partington £	Council Tax for Carrington £	Council Tax for Warburton £
A	Up to £40,000	1,146.71	1,181.40	1,166.71	1,180.04
B	Over £40,000 and up to £52,000	1,337.82	1,378.30	1,361.15	1,376.71
C	Over £52,000 and up to £68,000	1,528.95	1,575.21	1,555.62	1,573.39
D	Over £68,000 and up to £88,000	1,720.08	1,772.12	1,750.08	1,770.08
E	Over £88,000 and up to £120,000	2,102.32	2,165.92	2,138.99	2,163.43
F	Over £120,000 and up to £160,000	2,484.56	2,559.73	2,527.89	2,556.78
G	Over £160,000 and up to £320,000	2,866.79	2,953.52	2,916.79	2,950.12
H	Over £320,000	3,440.16	3,544.24	3,500.16	3,540.16

BASE BUDGET ASSUMPTIONS

Base Budget Assumptions	2021/22 £m	2022/23 £m	2023/24 £m
Service Expenditure			
Pay: Inflation	0.0%	2.0%	2.0%
£250 for employees on < £24k in 2021/22 only	£0.46	£1.55	£1.59
Pay: Pension Inflation	0.0%	0.0%	0.0%
	£0.00	£0.00	£0.00
Pay: Increments & Pension Auto-Enrolment	£0.00	£0.00	£0.00
Pay: Living Wage	£1.26	£2.38	£2.13
General Inflation: Prices	0.0%	2.0%	2.0%
	£0.00	£0.12	£0.12
Contractual Obligations: Inflation Specific e.g. energy	£2.56	£2.25	£2.31
Levies: Waste (GMWDA) Levy Increase	£0.21	£0.34	£0.24
Demographics: Children	£1.76	£0.00	£0.00
Adults	£2.25	£2.00	£1.90
Treasury Management			
Investment Rates	0.20%	0.20%	0.20%
Debt Rates	2.50%	2.50%	2.50%
Funding			
Council Tax rate increase (Adult Social Care)	3.00%	2.00%	2.00%
Council Tax rate increase (Relevant Basic Amount)	1.99%	1.99%	1.99%
Council Tax base increase	(2.03)%	2.70%	1.00%
Change in Baseline Funding Level :-			
Baseline Funding (Core) %	0.00%	2.00%	2.00%
Baseline Funding (Core) £m	£0.00	£0.73	£0.74
Baseline Funding (RSG) %	0.55%	0.00%	0.00%
Baseline Funding (RSG) £m	£0.03	£0.00	£0.00
Baseline Funding (PH) %	0.00%	0.00%	0.00%
Baseline Funding (PH) £m	£0.00	£0.00	£0.00

Budget Movements & Proposals: Draft Budget Oct 20 to Final Feb 21

MOVEMENTS & PROPOSALS	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
REVISED BUDGET GAP AT DRAFT (Oct 20)	4,708	5,214	8,032	17,954
Movements Since Draft affecting the Gross Gap				
Reverse one off contribution from Reserves COVID-19	0	(15,648)	0	(15,648)
Regent Road car park slipped	78	(78)	0	0
Demographic Growth Children	0	(1,000)	0	(1,000)
Changes to New Home Bonus	234	0	0	234
Lower Tiers Allocation Grant	(266)	0	0	(266)
Additional Social Care Grant	(1,059)	0	0	(1,059)
Borrowing to Support Capital Programme	250	250	0	500
Pay Award 21/22	(1,072)	0	0	(1,072)
Home to School Transport	500	0	0	500
Childrens Placements	885	0	0	885
Increase to General Contingency - to cover any Public Health Inflation	337	0	0	337
Indexation of Better Care Fund Grant	(337)	0	0	(337)
Adjustment to Contingency (sufficient held in Children's)	(500)	0	0	(500)
Continuation of Troubles Families Grant	(460)	460	0	0
Adjustment to National Living Wage assumptions	(1,000)	0	0	(1,000)
Reduction in Voluntary Leave Scheme	250	0	0	250
Loss in MAG Dividend	0	0	2,500	2,500
CHANGES TO BUDGET ASSUMPTIONS BAU	(1,858)	(16,016)	2,500	(15,374)
Rates adjustments to assumptions	(2,824)	1,655	(250)	(1,419)
20/21 Council Tax Deficit Spread over 3 years	(41)	0	0	(41)
Changes to Council Tax Base	32	1,545	77	1,654
CHANGES TO FUNDING BAU (NON POLICY CHOICE)	(2,833)	3,200	(173)	194

MOVEMENTS & PROPOSALS	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Investment Rephasing	0	5,597	(5,597)	0
Remove increased cost of childrens placements	(1,200)	1,200	0	0
Remove increased cost of home to school Transport	(800)	800	0	0
Increase in Contingency to provide for delayed demand	1,500	0	(1,500)	0
Reduced Income from Sales, Fees and Charges	1,560	(1,560)	0	0
Other COVID pressures	300	(300)	0	0
Leisure CIC Support	1,700	(1,700)	0	0
Leisure CIC Reserve Contribution	(1,700)	1,700	0	0
CHANGES TO BUDGET ASSUMPTIONS (COVID-19)	1,360	5,737	(7,097)	0
Council Tax Support Grant	(1,651)	1,651	0	0
COVID Support Grant	(5,691)	5,691	0	0
Sales, Fees and Charges Compensation Grant	(1,325)	1,325	0	0
CHANGES TO FUNDING (COVID-19)	(8,667)	8,667	0	0
CHANGES IN MEETING THE GAP				
CHANGES TO SAVINGS AND INCOME PROPOSALS	3,804	339	0	4,143
Additional +1% Social Care Precept	(1,018)	(69)	(56)	(1,143)
Contribution from Budget Support Reserve (COVID pressures) 21/22	7,307	8,341	0	15,648
Contribution from Budget Support Reserve (COVID pressures) 22/23		(7,097)	7,097	0
Contribution from Budget Support Reserve	(2,803)	2,803	0	0
TOTAL CHANGES TO POLICY CHOICE FUNDING	3,486	3,978	7,041	14,505
REVISED BUDGET GAP (Feb 21)	0	11,119	10,303	21,422

Business Rates Retention GM Pilot**Annex C****Business Rates Benefit Calculation 2020/2021 to 2023/2024**

	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Gross Rates Payable	186,028,107	183,901,072	188,531,566	192,221,029
Transitional Adjustments and Mandatory & Discretionary Reliefs	(19,231,360)	(16,677,821)	(16,862,565)	(17,199,817)
NET RATES PAYABLE	166,796,747	167,223,252	171,669,001	175,021,213
Accounting Adjustments (Appeals & BDP) & Cost of Collection	(10,742,245)	(14,151,164)	(10,862,355)	(11,076,112)
NNDR Income	156,054,503	153,072,087	160,806,646	163,945,101
Local Share	154,493,958	151,541,366	159,198,579	162,305,650
Tariff	(95,749,897)	(95,720,118)	(97,995,651)	(100,316,695)
Retained Business Rates	58,744,061	55,821,248	61,202,928	61,988,954
Baseline Funding Level (BFL)	54,444,900	54,474,679	55,203,041	55,945,971
Growth	4,299,161	1,346,569	5,999,886	6,042,983
SAICA Renewable Energy	82,944	82,944	84,603	86,295
Section 31 Compensation Grants	10,832,326	9,001,875	9,083,240	9,325,303
Growth/(Decline) to Baseline	15,214,431	10,431,388	15,167,729	15,454,581
GM Pilot 'No Detriment' Over Payment	(9,019,836)	(5,543,677)	(8,837,496)	(8,981,605)
GM Pilot 'No Detriment' Over Payment Rebate	4,509,918	2,771,839	4,418,748	4,490,802
Business Rates Benefit over BFL	10,704,513	7,659,550	10,748,981	10,963,778
Release of Prior Year Surplus/ (Collection of Deficit)	(4,915,710)	91,715,105		
Contribution from reserves	4,915,710	(91,715,105)		
Contribution from Business Rates Risk Reserve	642,817	600,000		
Business Rates Growth Reset			(10,664,378)	(10,877,483)
Business Rates Growth	11,347,330	8,259,550	84,603	86,295

Total Benefit from Business Rates

Benefit from Business Rates	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
Core Baseline Funding	36,418	36,418	37,146	37,889
Revenue Support Grant	5,385	5,415	5,415	5,415
Public Health Grant	12,642	12,642	12,642	12,642
Total Baseline Funding Level (BFL)	54,445	54,475	55,203	55,946
Business Rates Benefit above Baseline	11,347	8,260	85	86
Assumptions on Transitional Protection			8,973	7,282
Assumption on Growth Post Reset			1,000	1,000
Collection of 2020/21 COVID deficit over three years		(1,773)	(1,773)	(1,773)
Government Support at 75% of estimated 20/21 deficit		1,330	1,330	1,330
Business Rates Benefit over BFL	11,347	7,817	9,615	7,925
Total Benefit from Business Rates	65,792	62,291	64,818	63,871
Yearly Change				
Change in BFL		30	728	743
Change in Business Rates Benefit		(3,087)	2,489	215
Change in 2020/21 COVID deficit		(443)	0	0
Change in Business Rates Benefit post reset			(691)	(1,904)
Yearly Change		(3,500)	2,526	(946)

Loss in Business Rates over period £(3.500)m + £2.526m + £(0.946)m = £(1.920)m

Income & Savings Proposals 2020/23

Theme/Title	Service Area	Description of Saving	2021/22 £000's
Income Proposals from previous years			
Traded Services	Central	Traded Services income inflation increase	(281)
New Investment Income	Place	Effect of previous year's Investment Strategy income dropping out	2,824
TOTAL			2,543
Savings Proposals			
Savings carried forward from 2020/21:-			
Person Centred - Reshaping	Adults	Continuation and roll out of the let's talk and right care for you approach to promote independence and support better outcomes	(301)
Liberty Protection Safeguards (LPS)/Portal - Reshaping	Adults	The implementation of the LPS scheme and a whole system portal which will drive through efficiencies and costs savings.	(201)
Homecare Pilot	Adults	A number of pilots which will trial new ways of working, supporting positive outcomes for service users with financial benefits for the Council	(256)
Market Management	Adults	Pursuing alternative purchasing arrangements with providers.	(68)
Supported Living	Adults	To maximise the current service capacity within the in-house Supported Living Service.	(123)

New Savings in 2021/22:-			
Person Centred reshaping - Mental health and learning disability	Adults	Reshaping of models and care pathways to create a single point of access for care letting, incorporating the lets talk and right care for you approach to promote independence and support better outcomes.	(500)
Learning Disabilities - supported accommodation	Adults	Retender the learning disability supported living accommodation commissioned within Trafford, on a patch basis.	(173)
Learning Disabilities - Develop an assessment facility (Shawe Road)	Adults	The reconfiguration of Shawe Road into an emergency accommodation and assessment unit.	(30)
Care Market - DtA	Adults	Retender of the discharge to assess (DtA) beds	(172)
Care Market – extra care housing	Adults	To develop the extra care housing options, utilising technology, to support people living with dementia for longer in these settings.	(10)
Care – 1:1 hourly rate	Adults	Alignment of the hourly rate for 1:1 hours provided	(10)
Home Care – SaMS	Adults	Retender and reconfiguration of the stabilise and make safe (SaMS) service	(187)
Home Care – rapid discharge	Adults	Reconfiguration of the rapid discharge service	(36)
Digital front door	Adults	Drive through efficiencies and savings as the digital portal is launched at the front door.	(30)
Care at home	Adults	Remodelling of the care at home services	(150)
Community Enhanced Care (CEC)	Adults	Remodelling of the CEC service via the new rapid support services and SAMS.	(150)
General Procurement Savings Target	Adults	Generation of savings on contracts.	(24)

Modernisation of Children's Service	Children	Redesign of Children's Social Care to ensure that the service is organised in the most efficient way that supports effective practice.	(524)
Business Systems	Children	Re-modelling and realignment of Business support within Children's Services	(56)
Home to School Transport	Children	Removal/amendment of the discretionary criteria on home to school transport with the re-introduction of a charging policy.	(48)
Children Placements	Children	A review of demand and placements for looked after children.	(1,500)
General Procurement Savings Target	Children	Generation of savings on contracts.	(18)
LED street lighting – extend to remaining stock	Place	Energy saving from replacing lanterns on cast iron and decorative columns with LED (including replacement of columns where required)	(25)
Property Estates review	Place	Improve efficiency of operational estate, including for example a review of occupation and use of Sale Waterside, Altrincham Town Hall and Flixton House (while still retaining Council ownership). Review opportunities for improved income generation from property assets	(220)
Business rates review	Place	Review rateable value of Council estate	(50)
Parking charges realignment	Place	Increase charges in villages to align with town centres.	(64)
Amended parking tariffs - town centres	Place	A range of charging options assessed for amending the current parking charges in town centres.	(136)
Other Parking Income - Additional Enforcement	Place	Additional enforcement will generate a higher net income from fines	(10)

Charges to capital – operational services client team	Place	Allocation of relevant staff costs which are supporting capital schemes (creates a revenue saving but increases pressure on capital budgets).	(150)
New investment income	Place	This will be in line with our investment strategy, with the aim of replacing income that will be lost when some current investments are repaid.	(3,000)
Major events recovery of support services costs	Place	Holders of major events to pay for all associated support services, for example street cleansing, traffic management.	(207)
Amey call centre telephony operating hours reduced in line with Council contact centre	Place	Saving includes 9-5 access only	(24)
Dim street lights by approximately 20%	Place	Where safe to do so, dimming LED lights further than currently done, delaying when lights come on, and switching lights off earlier in the morning.	(75)
Move to wildflower / good verge guide throughout the Borough.	Place	Positive bio-diversity impact. Some cutting will still take place to maintain sightlines (e.g. for highways).	(95)
Grass cutting review	Place	Grass cutting: Move the cut frequency to 21 days	(67)
20% of greenspaces moved to conservation areas	Place	Reduced maintenance in specified areas	(36)
Cease Night Scouting of Streetlights	Place	Cease provision of all Night Scouting Services - defects reported by residents through the normal means on the main arterial routes.	(9)
Pay inflation	Place	Pay freeze for staff on LG terms and conditions in line with national pay award	(50)

Reduce weed spray from 2 to 1 per annum	Place	Saving in operational delivery of spraying of weeds	(20)
Review cemetery and opening closing contract	Place	Review subcontractor agreement - deliver differently	(20)
Change missed bin response timeframes	Place	Review timeframes for returning to justified missed bins from 24hrs to next working day / 48hrs	(50)
Renegotiate contract performance targets in high cost areas and change in specification of the Amey contract as part of the 7year review	Place	Saving in operational costs e.g. out of hours call out, street lighting response times etc.	(82)
Miscellaneous Licence fees	Place	Improved cost recovery relating to licence fees.	(10)
Review greenspace partnerships	Place	Review contribution to City of Trees and reduce other contributions.	(80)
Place Directorate/Strategic Services and Vacancy Review	Place	Various measures around staffing structures	(250)
Planning and Development	Place	Use of increased planning fee income to cover salary costs in the strategic planning service.	(222)
Remove Free After 3 Car Parking	Place	Remove free Christmas parking after 3pm – additional income	(50)
General Procurement Savings Target	Place	Generation of savings on contracts.	(45)

Review Financial Management Service	Finance and Systems	Would require a service review in the autumn and mainly involve the review of vacant posts and senior management. It would be necessary to ensure the S151 officer is still able to fulfil the statutory financial role of the Council.	(358)
Exchequer Services - robotics and system modernisation	Finance and Systems	Vacant posts would be deleted but introduction of robotics would enable costs to be taken out without reduction in service delivery standards and no impact on the public.	(300)
Review ICT Service - contract and licencing reductions	Finance and Systems	Review of current ICT contracts and licences	(197)
General Procurement Savings Target	Finance and Systems	Generation of savings on contracts.	(3)
Business support – shared services	Strategy and Resources	Review administrative support with a view to exploring shared services, maximising efficiency and potential withdrawal of vacancies.	(150)
Reduce Training Budget by 33%	Strategy and Resources	To undertake mandatory and essential training only for a period of 2 years.	(75)
Review of Directorate vacancies	Strategy and Resources	Managing vacancies within the Directorate to maximise savings.	(35)
General Procurement Savings Target	Strategy and Resources	Generation of savings on contracts.	(2)
Contact Centre - review opening hours	Governance and Community Strategy	The current openings hours for the Contact Centre are 08:30 – 17:30 Monday – Friday. The proposal is to reduce opening hours by 1 hour a day to 09:00 – 17:00 Monday to Friday and realise a staff saving. Reducing opening hours would bring Trafford more in line with other GM authority opening hours.	(115)

General Procurement Savings Target	Governance and Community Strategy	Generation of savings on contracts.	(22)
Voluntary Redundancy/Severance Scheme	Council-wide	Introduction of a VR/VS scheme which allows colleagues to apply to leave the Council's employment through voluntary means. Scheme rules would apply, with the main considerations being impact on ability to deliver services, as well as cost implications (e.g. redundancy and pension strain).	(708)
General Procurement Savings Target	Council-wide	Generation of savings on contracts.	(86)
9 day fortnight - voluntary	Council-wide	A scheme that allows colleagues to apply for a permanent 9 day fortnight. Would use the flexible working policy guidance as a framework to make it a permanent contractual change.	(60)
TOTAL VALUE OF SAVINGS PROPOSALS			(11,725)
TOTAL SAVINGS AND INCOME PROPOSALS			(9,182)

2021/22 Subjective Budget Analysis

	CHILDREN £000's	ADULTS £000's	PLACE £000's	GOV AND CS £000's	FINANCE & SYSTEMS £000's	STRATEGY & RESOURCES £000's	COUNCIL- WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
NET BUDGET Brought Forward	42,038	61,769	29,360	6,518	7,880	5,181	22,776		175,522
<u>Budget Pressures :</u>									
Pay	46	37	10	34	55	227	52		461
Living Wage	24	1,183	48	0	0	0	0		1,255
General Inflation	18	24	45	22	3	2	2		116
Contractual Inflation & Obligations	411	1,007	863	26	97	154	0		2,558
Levies	0	0	208	0	0	0	3		211
Demographics/ Care Costs/ Social Worker	1,756	3,250	0	0	0	0	0		5,006
Grants, Legislative & Service Transfers	0	(1,396)	0	0	0	0	(8,695)		(10,091)
Loss of Income	0	0	212	0	0	0	0		212
Treasury Management	0	0	0	0	0	0	5,363		5,363
Policy Choice Investment	0	0	0	0	0	0	0		0
Other	855	1,769	1,574	340	635	350	2,350		7,873
Total Budget Pressures	3,110	5,874	2,960	422	790	733	(925)		12,964
<u>Budget Savings</u>									
Income Generation	0	0	2,824	0	(71)	(210)	0		2,543
Savings Proposals Efficiencies & Policy Choice	(2,146)	(2,421)	(4,913)	(271)	(858)	(262)	(854)		(11,725)
Total Approved Budget Proposals	(2,146)	(2,421)	(2,089)	(271)	(929)	(472)	(854)		(9,182)
PROPOSED NET BUDGET	43,002	65,222	30,231	6,669	7,741	5,442	20,997	0	179,304

	CHILDREN £000's	ADULTS £000's	PLACE £000's	GOV AND CS £000's	FINANCE & SYSTEMS £000's	PEOPLE & TRADED £000's	COUNCIL- WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
Funding:									
Council Tax								(101,880)	(101,880)
Council Tax - 1.99% General Increase								(2,027)	(2,027)
Council Tax - 2% Adult Social Care Increase								(3,056)	(3,056)
Council Tax 20/21 Estimated Deficit								1,353	1,353
Council Tax Government Support (COVID-19)								(258)	(258)
Business Rates: Local Share								(150,195)	(150,195)
Business Rates: Tariff Payment								95,720	95,720
Business Rates: Growth Assumptions, S31 Grants, GM Pilot								(8,260)	(8,260)
Business Rates 20/21 Estimated Deficit								1,773	1,773
Business Rates Government Support (COVID-19)								(1,330)	(1,330)
Funding Total								(168,160)	(168,160)
PROPOSED FUNDING								(168,160)	(168,160)
<u>Additional Use of Reserves:</u>									
Budget Support Reserve								(11,144)	(11,144)
FUNDING FROM RESERVES								(11,144)	(11,144)
BUDGET GAP									0

Details of Reserves by Category

Annex F

CATEGORY	RESERVE NAME	BALANCE AT 31st MARCH 2020	TOTAL COMMITTED 20/21 to 22/23 £000	BALANCE AFTER COMMITMENT (UNDER)/ OVER £000	TOTAL TRANSFERS 20/21 to 22/23 £000	REVISED BALANCE £000	Narrative
Budget Resilience	MAG Dividend	(550)	(1,000)	(1,550)	550	(1,000)	Previously released in full to support COVID-19 pressures. Reviewed at final budget stage, policy to accumulate a balance of 50% of budgeted dividend (approx. £2.5m) to be replenished over five years to reduce risk of future dividend fluctuations. £0.5m increase in annual budget identified to replenish reserve.
Budget Resilience	Budget Support	(9,855)	14,237	4,382	(7,401)	(3,019)	Included realignment from various reserves to support COVID-19 +£10.87m at draft budget , plus £3.7m from GMCA redistribution, less £4.5m agreed budget support in 20/21. Reviewed during preparation of final budget to reflect budget underspend in 20/21 +£2.1m plus Business Rates growth pilot benefit +£2.72m transfers to reinstate various earmarked reserves plus transfer £1m to bolster General Reserve. Drawn down in 21/22 for general budget support £2.8m, plus recurrent COVID pressures over 2 years of £15.44m
Budget Resilience	Business Rate Risk Reserve	(7,978)	(507)	(8,485)	2,335	(6,150)	£2.4m released to support COVID-19 pressures. Increased by underspend in rates budget in 20/21 £1.75m and committed £0.6m to support budget in 21/22, pending outcome of GM rate pool benefits sharing agreement. Remaining balance deemed sufficient to meet underlying business rate volatility.
Budget Resilience	Covid Grant Reserve	(4,722)	4,722	0	0	0	Reserve created from 1st Tranche of support grant paid in 19/20. Will be drawn down in full 20/21.

Budget Resilience	Insurance Reserve	(1,900)	0	(1,900)	200	(1,700)	£200k released for COVID-19 pressures. Balance £1.7m sufficient for potential insurance claims.
Budget Resilience	Earmark Gen - Employment Rationalisation	(1,000)	1,250	250	(500)	(250)	Reserve increased by £0.5m as part of review of final budget robustness to provide sufficient resource to meet anticipated costs of rationalisation in 21/22 and 22/23.
Budget Resilience	Housing Benefit Overpayment Reserve	(500)	500	0	(500)	(500)	Brought forward balance utilised if full to meet underlying pressures in 20/21. Additional resource added to MTFP so need for reserve to mitigate risk should be minimal. Reviewed at final budget robustness and increased by £0.5m to reflect risk of 21/22 budget pressures due to COVID-19
Budget Resilience	High Needs Support Reserve	(468)	0	(468)	468	0	Higher Needs Support Reserve established to meet potential demand in Children with higher needs
Budget Resilience	Timperley Sports Club Synthetic Pitch	(78)	78	0	0	0	This will be used towards replacing synthetic pitches across the Borough
Budget Resilience	Earmark Gen - Legal Expenses	(106)	105	(1)	0	(1)	Reserve established as a contingency to cover volatility in costs associated with defending legal cases.
Budget Resilience	Earmark Gen - Local Search Litigation Costs Settlement	(142)	99	(43)	43	0	Reserve established as a contingency for potential back claims regarding changes in local search litigation costs
Budget Resilience	Earmark Gen - Civic vehicle reserve	(37)	0	(37)	19	(18)	Replacement of mayoral vehicle, 50% released for COVID-19 pressures.
Budget Resilience	Smoothing - Waste Levy	(1,059)	487	(572)	488	(84)	To smooth the effects on the Council's budget of movements in the waste levy over the medium term. £0.488m released to support COVID-19 pressures
Budget Resilience	Smoothing - Winter Maintenance	(120)	120	0	0	0	To provide emergency funds to cover the costs of highway & footway maintenance during periods of adverse weather conditions.
Budget Resilience	Smoothing - Elections	(144)	144	0	0	0	To smooth the elections budget across the 4 year Municipal cycle.
Budget Resilience	Smoothing - Interest Rate	(2,132)	242	(1,890)	1,000	(890)	£1.0m released to support CIVID-19 pressures. Remaining balance sufficient to

							meet potential short term volatility in the financial markets
Budget Resilience	Exchequer Services Reserve	(142)	141	(1)	0	(1)	Accumulated underspend of unspent grants (ring-fenced for activities such as fraud work, ICT systems, Universal Credit)
Budget Resilience	EU Exit Funding Reserve	(315)	0	(315)	0	(315)	Government funding to be used to enhance capacity and capability within local authorities in preparation for EU Exit related activities
Budget Resilience	COVID-19 General Reserve	0	(2,234)	(2,234)	0	(2,234)	Balance of 4th tranche of General COVID-19 support grant held in reserve to support potential ongoing pressures related to COVID-19
Budget Resilience	Council tax Hardship Reserve	0	0	0	0	0	Balance of Council tax Hardship Grant not spent in 2020/21 £0.75m. To be used to support hardship cases in 2021/22
Sub-Total Budget Resilience and Smoothing		(31,248)	18,384	(12,864)	(3,298)	(16,162)	
Strategic Priority	Transformation Fund	(532)	531	(1)	0	(1)	see below
Strategic Priority	Transformation Fund Match Funding Reserve	(4,286)	1,699	(2,587)	2,000	(587)	Monies allocated from Greater Manchester Health and Social Care Partnership for the transforming of health and social care services. This money can only be used on the activities that were laid out in the Transformation programme and some of this money will be allocated to the CCG for their share of programme costs. A figure of £2m has been identified as available to support COVID-19 pressures, with remaining commitments now built in to the MTFP.
Strategic Priority	Strategic Investment Fund Risk Reserve	(3,893)	(2,186)	(6,079)	0	(6,079)	Reserve established as a contingency for potential loss of income, additional cost due to delays in investment property fund/ A figure of £0.5m was released to support the COVID-19 pressures. Balance transferred back to this earmarked reserves after review of final budget robustness.

Strategic Priority	Leisure Centres Refurbishment Reserve	(668)	300	(368)	0	(368)	Reserve to manage the risk during leisure centre refurbishment programme and any economic downturn. Particularly loss of income, changes in assumptions for demand, inflation and also risk of potential default on development loan. A budget provision of £300k exists to increase the reserve annually, at draft budget the full balance (£0.967m) in 20/21 was released to meet COVID-19 pressures. Reviewed at final budget and balance retained in this earmarked reserve to meet ongoing COVID pressures in Leisure Trust in 21/22. Provisionally increased by £0.5m to reflect expected bid to Sports England re COVID impact. £1.7m provision could be drawn down in 21/22.
Strategic Priority	Children's Action Fund Reserve	(378)	378	0	0	0	A new reserve of £1.5m which was established in 2019/20 for investment in Children's Services following the recent OFSTED inspection. It is anticipated that this will be drawn down during 2020/21.
Strategic Priority	Bus Reform	(1,500)	0	(1,500)	1,500	0	Reserve established to hold Trafford's share of redistributed GM reserves. To be held for future bus reform however released in full to support COVID-19 pressures. Revenue budget to be provided in 23/24 to reinstate reserve.
Strategic Priority	Major Projects Reserve Abortive costs and DSG Academy Trans	(488)	488	0	(468)	(468)	Major Projects can result in abortive costs and the transfer of schools with deficits can also result in costs which need to be written off and so a small reserve has been created to protect against these two write off risks. Reserve maintained at current levels.
Sub-Total Strategic Priority		(11,745)	1,210	(10,535)	3,032	(7,503)	
	NDR Deficit Reserve	(792)	792	0	0	0	Reserve established towards meeting Trafford's share of the NDR Deficit. This is a requirement of collection fund accounting and is not available for any other purpose

Corporate	Star Procurement Earmarked Reserve	(617)	618	1	0	1	STAR revenue budget under/overspends to be carried forward. Commitment to spend is approved by STAR Board (Stockport, Trafford, Rochdale and Tameside). Ring-fenced reserve for members of STAR
Corporate	Planning Income Reserve	(358)	357	(1)	0	(1)	A reserve established to hold surplus planning income in line with Government requirements to reinvest increases in fee income towards improvements in planning services. This is a ring fenced reserve with specific statutory conditions attached to it.
Corporate	Council Tax Smoothing Reserve	(285)	285	0	0	0	Reserve established to hold Trafford's contribution towards Council Tax over distribution 19/20
Corporate	Council Tax Compensation Grant Smoothing Reserve	0	(258)	(258)	0	(258)	New reserve established at Final budget stage to hold Government support in meeting 20/21 Council Tax deficit. Will be drawn down over 3 years as planned in MTFP
Corporate	Business Rates Compensation Grant Smoothing Reserve	0	(1,330)	(1,330)	0	(1,330)	New reserve established at Final budget stage to hold Government support in meeting 20/21 Business Rates deficit. Will be drawn down over 3 years as planned in MTFP
Corporate	General Reserve	(7,000)	0	(7,000)	(1,000)	(8,000)	This is the reserve that the Council is required to hold to protect against in year financial shocks. This has been held at the same level (£7m) for the past 5 years. Robustness review at Final budget stage recommended increase to £8m to absorb higher risks during current climate.
Sub-Total Corporate		(9,052)	464	(8,588)	(1,000)	(9,588)	
Service Area Priority	Earmark Gen - ICT Development	(625)	300	(325)	287	(38)	Reserve established to ensure there are funds available for the replacement of equipment such as ICT and to smooth out maintenance costs as a result of the Digital Investment programme. £288k released to support COVID-19 pressures
Service Area Priority	Economic Development	(663)	600	(63)	0	(63)	Reserve set aside specifically for economic development related projects.

Service Area Priority	Earmark Gen - Libraries and Customer Services Reserve	(18)	18	0	0	0	Funds earmarked for ICT upgrades plus additional costs associated with the new Altrincham library.
Service Area Priority	Earmark Gen - Vol Sec Grants Reserve	(40)	40	0	0	0	Carry forward of prior year spend due to slippage on projects - committed on schemes.
Service Area Priority	Earmark Gen - Community Safety	(319)	318	(1)	0	(1)	Investment in Community Safety initiatives.
Service Area Priority	Earmark Gen - LAA Performance Reward Grant	0	0	0	0	0	Revenue element of grant to be allocated to schemes via the Trafford Partnership - £75k to support 2019/20 budget proposals.
Service Area Priority	One Trafford Partnership Reserve	(2,129)	1,392	(737)	500	(237)	Established to hold contractor penalty payments to be invested in one-off Partnership schemes. £500k released to support COVID-19 pressures.
Service Area Priority	Sports Partnership Reserve	(215)	216	1	0	1	Ring-fenced funding from Sports Partnership to be used on specific projects
Service Area Priority	Earmarked Service C/fwd. CFW (was CYP)	0	0	0	0	0	
Service Area Priority	Earmarked Service C/fwd. Place	(651)	525	(126)	209	83	Service Carry Forward Place. £209k released to support COVID-19 pressures.
Service Area Priority	Earmarked Service C/fwd. T&R	0	0	0	0	0	
Service Area Priority	Earmarked Service C/fwd. G & CS	(127)	126	(1)	0	(1)	Service Carry Forward Governance and Community Services
Service Area Priority	Earmarked Service C/fwd. F & S	(380)	381	1	72	73	Service Carry Forward Finance and Systems. £72k released to support COVID-19 pressures.
Service Area Priority	Earmarked Service C/fwd. P & TS	(570)	570	0	0	0	Service Carry Forward People and Traded Services
Service Area Priority	Earmarked Service C/fwd. Children	(453)	0	(453)	0	(453)	Service Carry Forward Children's
Service Area Priority	Traded Services Reserve	(451)	234	(217)	200	(17)	Service Carry Forward Traded Services. £200k released to support COVID-19 pressures.
Sub-Total Service Area Priority		(6,641)	4,720	(1,921)	1,268	(653)	
SUB-TOTAL Earmarked Reserves		(58,686)	24,778	(33,908)	2	(33,906)	

Capital Related Reserves	(21,772)					
School Related Reserves	(10,898)					
SUB-TOTAL	(32,670)					
Total Reserves	(91,356)					

2021/22 Objective (Service) Budget Analysis

Annex G

SERVICE EXPENDITURE ANALYSIS	Net Budget 2020/21 (£'000)	Proposed Net Budget 2021/22 (£'000)	Movement (£'000)
Children's Service			
Children with Complex and Additional Needs	909	768	(141)
Commissioning	1,628	1,714	86
Children's Social Services	28,237	28,229	(8)
Education and Early Years' Service	6,496	7,095	599
Early Help Delivery Model	2,049	2,522	473
First Response	2,557	2,510	(47)
Youth Offending Service	161	163	2
DSG		0	0
Children's Service Sub-Total	42,037	43,002	964
Adults Service (incl. Public Health)			
Client Costs	54,816	58,809	3,993
BCF and Other Grants	(19,494)	(20,820)	(1,326)
Assistive Equipment and Technology	1,004	991	(13)
Social Care Activities - Care Management	10,778	11,185	407
Commissioning and service delivery	2,285	2,338	53
Public Health	12,381	12,718	337
Adult Service Sub-Total	61,770	65,222	3,451
Place			
One Trafford Partnership	17,093	17,779	686
Street Lighting Energy	868	811	(57)
Media Advertising	(817)	(417)	400
Waste Disposal Levy	15,695	15,903	208
Strategic Management	1,586	1,408	(178)
Property Investment Fund	(7,431)	(7,607)	(176)

SERVICE EXPENDITURE ANALYSIS	Net Budget 2020/21 (£'000)	Proposed Net Budget 2021/22 (£'000)	Movement (£'000)
Sport and Leisure	118	119	1
Economic Growth & Planning	2,026	1,729	(297)
Public Protection & Enforcement	523	617	94
Parking Services	(1,166)	(982)	184
Strategic Support Services	866	870	4
Place Sub-Total	29,361	30,231	869
Governance and Community Strategy			
Legal & Democratic Services	2,428	2,677	249
Access Trafford	3,065	2,966	(99)
Partnerships and Communities	503	369	(134)
Arts and Culture	714	848	134
Directorate Wide Efficiency -G&CS	(193)	(192)	1
Governance and Community Strategy Sub-Total	6,517	6,669	151
Finance and Systems			
Finance Services	5,283	4,707	(576)
ICT Services	2,785	3,222	437
Transformation	0	0	0
Directorate Wide Efficiency -F&S	(188)	(188)	0
Finance and Systems Sub-Total	7,880	7,741	(139)
People and Traded Services			
Human Resources	2,572	2,525	(47)
Communications	240	240	0
Executive	463	463	0
School Crossing Patrols	438	442	4
Bereavement Services	(678)	(658)	20
Catering & Cleaning Traded Services	244	444	200

SERVICE EXPENDITURE ANALYSIS	Net Budget 2020/21 (£'000)	Proposed Net Budget 2021/22 (£'000)	Movement (£'000)
Music Service	239	359	120
Business Intelligence	1,126	1,799	673
Directorate Wide Efficiency -People	537	(170)	(707)
People and Traded Services Sub-Total	5,181	5,442	263
Total Service Budget	152,746	158,305	5,559
Council Wide Service			
Transport Levy	16,209	16,209	0
Flood Defence	149	152	3
Coroner's & Mortuary	728	728	0
AGMA/ Other	495	495	0
Contingencies, Provisions and Corporate savings	1,837	2,854	1,017
Interest Receivable (incl. Airport Dividend)	(7,545)	(702)	6,843
Loan Debt (principal and interest)	9,163	7,683	(1,480)
Insurance	840	860	20
Members Expenses	870	886	16
Other Centrally held budgets	1,934	2,434	500
Central Grants	(1,906)	(10,605)	(8,699)
COUNCIL-WIDE BUDGETS	22,774	20,996	(1,780)
Proposed Net Budget	175,520	179,304	3,779

**REPORT of the DIRECTOR OF FINANCE AND SYSTEMS
to the COUNCIL 17 FEBRUARY 2021
ROBUSTNESS of the 2021/22 PROPOSED BUDGET ESTIMATES
(S25-26 LGA 2003)**

1. INTRODUCTION

- 1.1 The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26).
- 1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.
- 1.3 A summary of this report providing the general opinion is included within the main report at section 6.
- 1.4 In drafting the budget reports close consideration has been given to various publications and relevant information from Cipfa, namely:-
- **Financial Management Code** which provides a useful framework to assist local authorities in demonstrating their financial sustainability and sets expected standards of financial management for local authorities;
 - **Prudential Property Investment** which provides a useful update on the Prudential Code and how they relate to the expansion of commercial activity by local authorities; and
 - **Financial Resilience Index (FRI)** which usefully compares the Council against similar local authorities across a range of key financial measures to give an indication of financial stability.
- 1.5 In respect of the FRI there are a number of areas which show the Council to have higher levels of risk compared to similar local authorities, particularly:-
- **the level of reserves** as a proportion of net revenue budget – this is a recognised risk and whilst the Council has successfully replenished reserves in previous years, their relatively low level remains a concern particularly given the planned application over the next two years to support the ongoing costs related to the impact of Covid-19 which are not met from government support. To mitigate the impact of this application of reserves these budget plans include for a “repayment of reserves” over the medium to long term. In addition, based on the overall budget monitoring position as reported to Executive in January 2021 it is expected that some material contributions will be made to reserves in 2020/21. Given the size of the budget gap in 2022/23 prioritisation will be given to replenishing the budget support reserve to a level of 50% of this budget gap in 2021/22 by reallocating from other reserve areas.
 - **the level of business rate growth** above baseline supporting budget – this continues to be an ongoing and significant risk given the impact of Covid-19

on the economy, particularly the retail, hospitality and leisure sectors. The Council's budget currently relies on business rate growth of £8.3m above nationally set business rate baselines. A Government safety net exists which means it would step-in only in the event that business rate income fell by 7.5% below business rate baselines. For Trafford this would equate to an overall fall in income of £11m, equivalent to a fall in overall rateable values of £22m before any Government support was forthcoming. If business rate income falls then this risk is borne by the Council and is therefore a significant budget risk for which a Business Rate Risk Reserve is maintained; the estimated balance of this is £6.1m at 31 March 2021. The ongoing impact of Covid-19 and Brexit will inevitably place Trafford at a greater risk as a result of the large business rates base in Trafford including both Trafford Park and the Trafford Centre and key town centre sites. To protect businesses in the retail, hospitality and leisure sectors in 2020/21 from the effects of Covid-19 all retail, hospitality and leisure received 100% relief on their business rate bills, at a cost nationally in the region of approximately £11bn. Whilst Government has said it would review the extent of any continued support to the sector in 2021/22 the economic situation places a significant financial risk on the Council in the event of a contraction in the business rates base caused by closures of retail businesses; the extent of this will be directly linked with the form of any continuing Government support for businesses from April 2021.

- In addition any future national reset of the business rate system would impact on the levels of business rate funding supporting the budget plans, although Government have strongly indicated that any adverse implications would be dampened by a national transitional protection scheme. A significant business rate risk reserve is also maintained in the Council's accounts as well as a prudent provision to offset the impact of future business rate appeals.

2. IMPACT OF Covid-19

- 2.1 After eleven years of austerity funding reductions the ability to balance budgets is extremely challenging. Compounding this has been the impact of the Covid-19 Pandemic in 2020/21 and its medium term impact on not just ongoing expenditure and income pressures but also on funding the Council receives from council tax and business rates.
- 2.2 These budget plans assume an ongoing impact in 2021/22 and then abating in 2022/23, albeit a longer term pressure is included on council tax collection rates. To meet the pressures in the short term the financial plans in this budget report have been aligned to the Government assumptions at this stage which assume the majority of cost and income pressures to continue through the first quarter of 2021 and for which they have announced ongoing funding support for these. Given these plans were announced prior to the national lockdown in January there is now a risk these pressures could continue for longer. Within the budget plans the general contingency budget has been bolstered to cover any longer term implications if no additional government support is announced.
- 2.3 What we do know is that our overall "business as usual" expenditure pressures in a number of areas are unavoidable with rises in costs due to pay inflation and living wage increases, general inflation on contracts and goods and services and demography are predicted to cost the Council in the region of £10m annually with assumed increases in Council Tax only part mitigating these pressures. It is

imperative that local government receives news of longer term funding certainty when the Government announces its Spending Review in 2021.

- 2.4 Given the short term uncertainty, the pressures on the financial plans caused by Covid-19 and the size of the remaining budget gap in 2022/23 the risk attached to our budgetary position will continue to be a classed as a significant risk in the Strategic Risk Register.

3. PROCESS

- 3.1 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2020/21 budget monitoring process and planning process review have been addressed in the 2021/22 budget wherever appropriate.
- 3.2 The process has involved the Executive Portfolio Holders, members of the Corporate Leadership Team and other service management supported by the Financial Management Service.
- 3.3 All budget managers have been requested to agree their budget working papers and are therefore aware of their proposed budget for 2021/22 and the assumptions the budget is based on, which includes income targets.
- 3.4 With the support of the senior finance staff within the Financial Management Service, I have undertaken a review of the Executive's budget proposals (both revenue and capital budget and reserves) at varying levels of detail taking into account known factors that will have a significant bearing on the conduct of the Council's business in 2021/22 and in the medium term. Importantly it includes discussion, information and assurances supplied by Directors and other senior staff.
- 3.5 At a detailed level budgets are based on forecasted activity and have been subject to appropriate challenge, sensitivity analysis and to ensure that they reasonably allow for a degree of error. Risks can be mitigated through a variety of management actions and the Corporate Leadership Team (CLT) has ensured that in higher risk areas additional capacity and rigour has been put in place to ensure forecast savings are robust and are capable of being delivered during the year with monthly updates on financial performance reviewed. Savings will continue to be monitored through CLT as part of the budget monitoring process which is a well-established bi-monthly financial monitoring of all Council activity on an outturn basis from May each year. In addition monthly budget monitoring is reported to CLT on all high risk budgets.
- 3.6 I have also taken account of how the Council is likely to react if an adverse financial situation was to arise during the year. This helps in assessing the adequacy of reserves.
- 3.7 In assuring the robustness of the Council's budget it is also important to have regard to the financial management capabilities across the organisation and this includes regular updates to the training given to budget holders and also to Council Members and the range of available training, supported by the Financial Management Service, will be reviewed during the year.

4. BUDGET 2021/22

4.1 **The year ahead presents a number of financial challenges**, and in particular I would draw Members' attention to areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required. These are detailed below and paragraph 4.2 refers specifically to concerns for 2022/23 given the expected reset of the business rate retention scheme baselines, implementation of fairer funding and compounded by the use a one-off reserves supporting the 2021/22 budget.

- The Government has now indicated that the national reset of the business rate retention scheme baselines and introduction of fair funding review of local government needs and resources will now take place in 2022/23 rather than 2021/22 as originally intended. This will give rise to significant financial turbulence and has made financial forecasting extremely difficult. Whilst the reset in itself poses a significant financial risk to the Council the Government is likely to include a transitional protection system to protect authorities from any significant financial cliff edges. The current budget assumptions include for these protections and are based on the Council's current funding levels from the original retained business rate and 100% GM Pilot schemes. There is a risk the Government does not afford protection to the additional funding derived from the 100% Pilot in which case this will put further pressure on the budget gap in future years. The delay in resetting the system, whilst in part good news, exposes the Council to a further year of potential decline in business rate funding and ongoing impact of the Covid-19 pandemic. To mitigate against any adverse impact priority has been afforded to maintaining a material Business Rate Risk Reserve.
- The delivery of the savings programme will be a challenge. All proposals have been subject to review and all business cases have been examined by budget holders and Strategic Finance Managers. There will continue to be significant demands on the capacity of managers and staff and particularly given the size of savings programme.
- There is potential for increases in demand on social care services in both children's and adult services following in the recovery stages from the Pandemic. Whilst the full implications are not known at this stage this poses a risk to the budget. In addition a small number of the savings proposals are high risk or require further consultation. **Therefore an additional temporary increase to the general contingency within the "council wide" section of the budget of £1.5m for the next two years has been included in the budget plans to mitigate these risks.**
- A review and realignment of earmarked reserves has been undertaken to cover potential and expected pressures in a number of areas including the Housing Benefit budget, the continuing pressures that will be faced by Trafford Leisure during 2021 and a bolstering of the Employment Rationalisation Reserve to cover the impact of voluntary severance cost in 2021.
- The approach to investments as included in our investment strategy has mitigated to a certain extent the need to make further efficiencies in service delivery. The assessment of risks is crucial to ensure this course of action continues to provide a secure source of income to support the revenue budget and remains proportionate. In this regard close attention continues to be given to all updates from MHCLG and the Cipfa Prudential Code. A review of all

assets is undertaken on an annual basis to determine the appropriateness of the level of specific reserve set aside to cover all outstanding risks. Particular pressure will be felt during 2021 on the investments made to support town centre regeneration and in the event that interventions are not sufficient to minimise any losses that arise, any shortfalls in income required to cover borrowing costs will be funded by the Investment Risk Reserve.

- Additional investment is being made in our Children's Services teams, particularly Early Help with the aim that through this service modernisation programme there will be an increase in the quality of services and lead to reduced demand and in later years and ultimately, net budget savings. In the event that future savings are not achieved to the level anticipated, additional headroom has been included in the general contingency.
- The Council has ambitions to undertake some substantial regeneration and development in the Borough with particular focus on town centre regeneration and provision of new housing. An outcome of this is that it will generate new capital receipts which can be used to support capital investment in the Council's property and infrastructure but given the lead in times to some of this development it is likely to mean that more of the capital receipts are realised in 2022/23 and 2023/24. This potentially will give rise to some short term temporary borrowing to finance the capital programme, the costs of which will be financed from the Interest Rate Smoothing Reserve.
- **Having assets that are in good condition and suitable for the delivery of Council priorities is crucial and in order to support this additional prudential borrowing of £10m has been included to cover required investment in our key assets.**
- There is always the risk that the Council could face legal challenge in relation to any of the decisions it makes, and whilst every effort has been made to guard against the likelihood of successful challenge, the costs of defending any such proceedings can be significant;
- The uncertainty that exists on demand led services, particularly in adults and children's social care continues to pose the biggest threat to the Council's budget in the future and significant new investment has been incorporated into the 2021/22 budget plans to reflect the latest demand pressures.
- There is also risk with regard to the ability of the external care market to provide sufficient capacity at a price supported by the Fair Price for Care review in order to support our growing care needs;
- Pressures are continuing to be felt on school budgets and also in high needs provision where government funding increases are not keeping pace with the demands on expenditure. A working group is currently being established to look at how this pressures can be addressed in 2021/22.

5. FUTURE YEARS

- 5.1 The decisions in this report and the utilisation of a level of temporary reserves funding increases the challenges for future years. Current projections still leave a budget gap of £11m in 2022/23 even after assumptions on additional funding raised from general council tax increases and the social care precept. After eleven years of making

savings and achieving additional income to balance the budget there is limited scope to achieve future savings given the increased demand pressures in adults and children's services. Whilst Government have started to acknowledge some of these pressures any additional funding provided has failed to keep pace with these demand pressures.

5.2 It is therefore crucial that as soon as this budget is agreed both senior officers and Executive Members begin consideration of the corporate priorities and overall budget strategy in advance of any further funding updates during 2021. This exercise should aim to be well under way by the end of Q1 2021/22 and identify a range of options that can address the significant budget gap for 2022/23 in advance of funding announcements which are expected to be made in the autumn of 2021.

5.3 It is unlikely that any indicative funding figures will be made available by Government until late summer or early autumn 2021 which will make financial planning difficult for 2022/23 and is why advance work needs to commence in March and April. A number of potential mitigating factors exist:-

- In the summer/autumn there will be a longer-term Spending Review, alongside the Fair Funding Review (FFR) of the allocation and distribution of those resources, and a review and upcoming reset of the business rates tax.
- The outcome of the FFR and Business rate reset is now expected during 2021 and at this stage it will be necessary to review the existing budget assumptions, particularly those included for the transitional arrangements that are to be put in place.
- The continuing modernisation programme and digital improvements are expected to yield some benefits which are capable of supporting the budget.
- The Council's current budget contains a modest level of discretionary services which will be reviewed during 2021 as well as fees and charges.
- It is imperative that the Council lobby Government for a change in the current council tax referendum levels such that more discretion is afforded for those authorities with a below average level of council tax.

5.4 Given the size of the budget gap in future years it has been necessary to review the level of the Budget Support Reserve and the proposals in this report recommend a full rationalisation and review of reserves such that a balance of £5.5m can be reinstated, being 50% of the remaining budget gap for 2022/23. This will provide a prudent level of budget resilience for the 2022/23 budget process. The reinstatement of the Budget Support Reserve to such a level is a key financial priority and whilst a challenge for the Council given the low level of reserves could be achieved by:-

- Earmarking any outturn savings achieved in 2020/21
- Potential one-off redistributions from AGMA budgets, including waste and retained business rates
- Review of Service Area Priority Reserves
- Review of Business Rate Risk Reserve

5.5 During the year school balances are reviewed and whilst a number of schools are operating with an in-year deficit they have sufficient reserve cover in most instances to support this. Where necessary a team comprising of finance, HR and support from school improvement help support schools in financial difficulty. In a small number of cases some schools have licensed deficits, the position of which is regularly monitored to ensure recovery action plans are developed and implemented. In the event of sponsored academisation the responsibility of any legacy school deficit remains with the local authority, therefore our reserves strategy takes this risk into consideration.

6. OUTCOME OF REVIEW

6.1 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible. As part of the review of draft savings proposals, risk assessment and mitigating action a number of changes in assumptions were subsequently made, the salient ones are as follows:

- It is a key priority to reinstate the level of the Budget Support Reserve to a level equivalent to 50% of the remaining budget for 2021/22, i.e. £5.0m
- Priority to be given to replenish reserves over the long term given the significant use to support any short term impact caused by Covid-19
- Temporary increase to the general contingency budget to cover the risk associated with the delivery of the savings programme, continuing impact of Covid-19 and to cover any pressures on social care services in the recovery stages from Covid-19.
- Priority be given to an increase in the level of general reserve from its current level of £7m to £8m primarily due to the risks around the Investment Strategy and business rate funding pressures.
- Start the 2022/23 budget immediately to commence scenario planning in the event the upcoming national budget and spending review fail to address the financial pressures of local government
- Proportionality of the Investment Strategy has been assessed and appropriate and prudent levels of risk reserve and MRP are being set aside.
- A full review of the fair price for care level for adult social care homes
- A pressure on the Housing Benefit budget caused by an increase in temporary, homeless and supported accommodation costs which are not fully reimbursed through housing subsidy. This shortfall is being compounded by a reduction in recovery rates for benefit overpayments and a move to Universal Credit. Therefore a specific reserve has been created.
- Earmark an element of the Interest Rate Smoothing Reserve in the event there is a need to undertake any short term borrowing to support the capital programme.
- Increase in budget provision within Adults Social Care due to the impact the external care market is having on client costs.
- The leisure centre strategy will need further review before the commitment of the next phases of development.

7. CONCLUSION

- 7.1 This statement is not a guarantee that expenditure will be contained within each budget line as the nature of the Council's business means that some services will be placed under financial pressure at various times throughout the year. Therefore it is an assessment of the overall budget package and whether there is a reasonable expectation that the budget overall will not be breached.
- 7.2 On the basis of the above mentioned financial planning and monitoring processes together with the risk assessment of the budget, the Director of Finance and Systems is able to report (in accordance with Section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget are robust and the level of reserves and balances are adequate and (in accordance with Section 26 of the Local Government Act 2003) the minimum level of general reserve be set at £8m for 2021/22.

Annex I

OUTLINE OF 2021/22 FUNDING FORMULA RECOMMENDED BY SCHOOL FUNDING FORUM

-	Description	Amount per pupil		Pupil Units		Sub Total	Total
	Primary (Years R-6)	£3,207.18		21,024.00		£67,427,752	
	Key Stage 3 (Years 7-9)	£4,495.16		9,956.00		£44,753,813	£144,143,132
	Key Stage 4 (Years 10-11)	£5,057.21		6,320.00		£31,961,567	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
Deprivation	FSM	£462.51	£462.51	2,849.00	2,051.00	£2,266,299	£11,104,888
	FSM6	£578.13	£844.58	3097.20	2,802.54	£4,157,555	
	IDACI Band F	£216.17	£311.69	1,754.14	1,346.47	£798,873	
	IDACI Band E	£261.42	£417.26	1,504.76	1,183.27	£887,106	
	IDACI Band D	£412.23	£583.16	1267.26	805.88	£992,361	
	IDACI Band C	£447.43	£633.43	656.38	628.64	£691,885	
	IDACI Band B	£477.59	£683.71	731.58	742.71	£857,195	
	IDACI Band A	£623.38	£869.71	318.69	293.14	£453,613	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
English as an Additional Language	EAL 3	£553.00	£1,493.09	2,403.24	236.40	£1,681,957	£1,726,094
Mobility		904.91	1297.03	43.30	3.82	£441,137	
		Amount per pupil		Eligible proportion of primary and secondary NOR respectively			
Prior attainment	Low Attainment % new EFSP	£1,100.97		5,131.86		£5,650,022	£9,056,850
	Low Attainment % old FSP 78						
	Secondary pupils not achieving (KS2 level 4 English or Maths)	£1,669.05		2,041.18		£3,406,829	
Lump Sum						£118,442.01	£9,949,129
Split Sites							£40,000
Rates							£1,573,195
Additional funding under the minimum funding level (primary £4,180 secondary £5,415)							£6,126,692
Total Funding for Schools Block Formula (excluding MFG Funding Total)							£183,719,981

Minimum Funding Guarantee (MFG is set at + 2%)	£2,434,967
Total Funding For Schools Block Formula	£186,154,949
less de-delegation	-£651,866
less Education functions	-£216
Total Funding For Schools Block Formula less de-delegation	£185,502,867

Formal Council Tax Resolution

The Council is recommended to resolve as follows:

1. It be noted that on 6th January 2021 the Council calculated
 - (a) the Council Tax Base 2021/22 for the whole Council area as 75,816 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and;
 - (b) 1,578 for dwellings in the Parish of **Partington**;
 - (c) 126 for dwellings in the Parish of **Carrington**;
 - (d) 165 for dwellings in the Parish of **Warburton**;

to which Parish Precepts relate.

It is recommended : -

2. That the Council approve the Council Tax Requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) as £106,963,487.
3. That the Council agrees the calculation of the Aggregate Amounts for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
 - (a) £573,334,655 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £466,277,019 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £107,057,636 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
 - (d) £1,412.07 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £94,149 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) £1,410.83 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) £1,462.87 **Parish of Partington** being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's

area mentioned at 3(e) above divided by the amount at 1(b) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) £1,440.83

Parish of Carrington

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(c) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate

(i) £1,460.83

Parish of Warburton

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(c) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate

4. The council tax set by Trafford Council includes a 3.0% increase to be spent exclusively on supporting the delivery of adult social care services.
5. That it be noted that for the year 2021/22 the Mayoral Police and Crime Commissioner and the Mayoral General (including Fire Services) have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate shown in the tables below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Valuation Bands

Council Tax Schedule 2021/22	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Trafford Council (including Adult Social Care Precept)	940.55	1,097.31	1,254.07	1,410.83	1,724.35	2,037.87	2,351.38	2,821.66
Mayoral Police and Crime Commissioner Precept	145.53	169.78	194.04	218.30	266.81	315.32	363.83	436.60
Mayoral General Precept (including Fire Services)	60.63	70.73	80.84	90.95	111.16	131.37	151.58	181.90
Sub total	1,146.71	1,337.82	1,528.95	1,720.08	2,102.32	2,484.56	2,866.79	3,440.16

Partington								
Parish only	34.69	40.48	46.26	52.04	63.60	75.17	86.73	104.08
Parish & District only	975.24	1,137.79	1,300.33	1,462.87	1,787.95	2,113.04	2,438.11	2,925.74
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,181.40	1,378.30	1,575.21	1,772.12	2,165.92	2,559.73	2,953.52	3,544.24
Carrington								
Parish only	20.00	23.33	26.67	30.00	36.67	43.33	50.00	60.00
Parish & District only	960.55	1,120.64	1,280.74	1,440.83	1,761.02	2,081.20	2,401.38	2,881.66
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,166.71	1,361.15	1,555.62	1,750.08	2,138.99	2,527.89	2,916.79	3,500.16
Warburton								
Parish only	33.33	38.89	44.44	50.00	61.11	72.22	83.33	100.00
Parish & District only	973.88	1,136.20	1,298.51	1,460.83	1,785.46	2,110.09	2,434.71	2,921.66
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,180.04	1,376.71	1,573.39	1,770.08	2,163.43	2,556.78	2,950.12	3,540.16

PARISH COUNCIL PRECEPTS

Parish/Town Council	2020/21			2021/22			C Tax Increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Partington	1,573	81,859	52.04	1,578	82,119	52.04	0.0%
Carrington	125	3,750	30.00	126	3,780	30.00	0.0%
Warburton	166	0	0	165	8,250	50.00	N/A
TOTAL	1,864	85,609		1,869	94,149		

TRAFFORD COUNCIL

Report to: Executive and Council

Date: 17 February 2021

Report for: Decision

Report of: The Executive Member for Finance and Governance and the
Corporate Director of Finance and Systems

Report Title

**CAPITAL STRATEGY, ASSET INVESTEMENT STRATEGY, CAPITAL PROGRAMME
AND PRUDENTIAL & LOCAL INDICATORS 2021/24**

Summary

This report highlights the Council's investment plans for the next three years taking into account the estimated resources to be made available from Government as well as the Council's own resources and consists of :-

Capital Strategy (Appendix 1) – The Capital Strategy which includes the core principles that underpin the Council's Capital Programme.

General Capital Programme (Appendix 2 – Section 1) - The level of resources forecasted to be available for general capital investment purposes during the period is £169.94m. The proposals included in this report will result in a Capital Programme totalling £170.84m. This equates to £0.90m of over-programming over the three year programme and will be reviewed each year to ensure actual capital resources are not overcommitted. To assist with the delivery of the capital programme individual scheme proposals are included for a number of key programmes.

Asset Investment Strategy (Appendix 2 – Section 2) – This report highlights the Council's proposals to utilise the fund created during 2017 by acquiring a range of investment assets to facilitate development and regeneration whilst providing a sustainable revenue stream and covering any related borrowing costs and also supporting local authority functions. The fund was previously increased to a level of £500m to allow headroom to cover the cost of local regeneration schemes.

Prudential and Local Indicators (Appendix 3) – the Council is required to set indicators in accordance with the CIPFA Prudential Code which are designed to support decisions taken on affordability, sustainability and professional good practice.

Details of Block Budget Allocations (Appendix 4) – Provides individual details of schemes that are covered by block allocations.

Recommendations

That the Executive approve the:-

1. Capital Programme as detailed in Appendix 2 of the report;
2. Schemes to be undertaken from the “block” budget allocations reported in paragraph 21 and detailed Appendix 4.

That Executive recommends the Council to approve:-

3. The Capital Strategy included in Appendix 1;
4. the overall Capital Programme in the sum of £415.40m for the period 2021/24, comprising £170.84m in respect of the General Capital Programme and £244.56m for the Investment Fund
5. approve additional prudential borrowing of £10.00m to support the general capital programme, as detailed in Paragraph 11; and
6. the Prudential and Local Indicators as set out at Appendix 3 of this report.

Contact person for access to background papers and further information:

Name: Frank Fallon

Extension: 4170

Background Papers – None

BACKGROUND

1. The Capital Strategy focuses on the core principles that underpin the Council's capital programme and gives a position statement with regards to capital expenditure and the resources available. It also reviews the key issues and risks that will impact on the delivery of the Council's capital investment plans and the governance framework required to support delivery of the Strategy.
2. The three year Capital Programme 2021/24 and update of available resources is detailed in Appendix 2. This includes specific reference to a number of budget areas which historically have had subsequent reports to Executive to approve the programme of schemes for these areas e.g.:- Public Building Repairs and Highway Programmes.

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial Implications	Planned capital expenditure over the next three year period will be contained within available capital resources.
Legal Implications:	None arising out of this report.
Equality/Diversity Implications	In approving the detail of schemes proposed through the capital programme the Council will need to ensure that any decisions are made fully in accordance with its Public Sector Equality Duty.
Sustainability Implications	The indicative capital programme includes a number of proposals that will aid the Council in its environmental sustainability objectives, as detailed in Annex A.
Staffing/E-Government/Asset Management Implications	A number of improvement schemes are being undertaken in 2021/24.
Risk Management Implications	Assumptions have been made on the level of receipts from land sales and developments to be generated in 2021/22 to 2023/24. This is subject of the Strategic Land Review Programme and is being presented as a separate report. An ongoing review will be undertaken of the future funding sources and in the event that there is a shortfall in resources to finance the Capital Programme, adjustments will be made to our expenditure plans. Any other properties or other assets acquired as part of the Asset Investment Strategy will be subject to the annual review and revaluation. An appropriate risk reserve has been created and is monitored in line with the investment strategy to mitigate risk and provide protection to ourselves for potential future unknowns.
Health & Wellbeing Implications	The proposed capital programme includes a number of schemes that seeks to provide a positive

	impact on the Health and Wellbeing of Trafford's residents, including sports and leisure improvements, home adaptations as part of the Disabled Facilities Grant, tree replacement programme and improvements to play area infrastructure across the borough.
Health and Safety Implications	A number of schemes are being undertaken on the grounds of health and safety.
Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.

RECOMMENDATIONS

That the Executive approve the:-

- Capital Programme as detailed in Appendix 2 of the report;
- Schemes to be undertaken from the "block" budget allocations reported in paragraph 21 and detailed Appendix 4.

That Executive recommends the Council to approve:-

- the Capital Strategy as included at Appendix 1;
- the overall Capital Programme in the sum of £415.40m for the period 2021/24, comprising £170.84m in respect of the General Capital Programme and £244.56m for the Investment Fund,
- approve additional prudential borrowing of £10.00m to support revenue generating investment opportunities as detailed in Paragraph 11; and
- the Prudential and Local Indicators as set out at Appendix 3 of this report.

Other Options

The Executive could decide to use capital receipts to repay debt which would generate revenue savings on the Medium Term Financial Plan. However, the proposed application of the capital receipts are to schemes with mandatory requirements and schemes to protect the long-term viability of the Council's assets; enabling efficient and effective service delivery and avoiding potential increases in maintenance costs in future years, the benefits of which are greater than just using the receipts to repay debt.

Consultation

Consultations have taken place with budget holders, responsible officers and professional services to ascertain the new projects to be put forward for inclusion in the Capital Investment Programme for 2021/24. Consultation with the public and user-groups will follow, where appropriate, once the programme is set and specific proposals within the budget allocations are developed.

Reasons for the Recommendation

The Authority is regularly assessed on the performance of its Capital Programme and how delivery matches corporate policies and proposed spending plans. To reflect budgets in line with revised expectations will assist in evidencing that compliance with the above is being met.

Finance Officer ClearanceGB.....

Legal Officer ClearanceJLF.....

CORPORATE DIRECTOR'S SIGNATURE

A handwritten signature in blue ink, consisting of stylized, overlapping letters that appear to be 'N' and 'K'.

TRAFFORD COUNCIL

Capital Strategy



Contents	Page
Introduction	2
Objectives	2
Context	4
Capital Resources	10
Governance Framework	11
Risk Management and relationships with other processes	12
Knowledge and Skills	13
Summary	13

INTRODUCTION

The effective management of capital resources is an important aspect in the delivery of the Council's corporate objectives and associated priority areas. The Capital Strategy provides the framework for this delivery and ensures there is a focused approach to our capital investment.

The Strategy maintains a strong and current link to the Council's priorities and to its key strategy documents notably the Corporate Plan and Place Shaping Strategy, Medium Term Financial Strategy, Treasury Management Strategy, Asset Management Plans and the Asset Investment Strategy.

The Strategy is reviewed annually and updated to take account of the new challenges facing the Council and the aspirations of our residents - ensuring that we provide a Capital Strategy which meets the Council's long-term vision of ***"Working together to build the best future for all our communities and everyone in Trafford"***.

OBJECTIVES

The high level objectives for the Council's capital investments over the medium term are:-

- ❖ Support the Medium Term Financial Strategy (MTFS) by ensuring that capital investment decisions are not taken in isolation from revenue spending with specific emphasis on delivering future savings and income streams capable of supporting the revenue budget. Also ensuring the right capital assets are fit for purpose for the Council and partners and supports the priorities in the asset management plans
- ❖ Ensure health and safety and other schemes of a statutory nature are delivered
- ❖ Support the reshaping of Council services
- ❖ Support the economic recovery from the effects of the Covid-19 pandemic.
- ❖ Support achievement of Corporate Objectives and key priorities :



Building Quality, Affordable and Social Housing



Health and Wellbeing



Successful and Thriving Places



Children and Young People



Pride in Our Area



Green and Connected



Targeted support

❖ Specific priorities include:-

- Regeneration of Strategic Locations including, Stretford Civic Quarter, Sale Town Centre development and the Stretford and Altrincham Town Centre Masterplans
- Development of the Bee Network/cycle schemes
- Leisure Centre Strategy
- Investment in Highways and Infrastructure
- Secondary Schools - Expansion Programme and Improvement
- One Public Estate, particularly relating to new health related provision and best use, including rationalisation of public sector assets
- Adult Social Care – In-house dementia support
- Increase the availability and range of suitable housing options for older people within Trafford and improve the quality and standard of existing housing.
- Affordable Housing
- Appropriate levels of housing measures to address spatial framework
- Major infrastructure schemes to support new housing development, including Carrington Relief Road - A1 Route
- Parks, greenspaces and tree planting programme
- Contributing to achieve carbon neutrality
- Asset Investment Strategy, including the acquisition of commercial properties, provision of senior development or investment debt and direct development of council owned sites.

The Council's 2021-2024 Capital Programme, associated financing and prudential borrowing requirements is attached as an appendix to this strategy.

A developing theme for this and future capital programmes will be how our capital investment plans support the Council's ambition of achieving carbon neutrality by 2038.

In delivering both the Capital Programme and maintaining a mixed investment portfolio, opportunities to improve the carbon footprint will need to be explored. This will be done through exploring alternative delivery solutions around construction and working with potential partners to assess their green credentials. Also as part of the ongoing review of the investments portfolio, analysis of any potential carbon impact will be undertaken. This will then formulate, if required, a plan of action that will need to be delivered to improve the carbon footprint of the investments that are held.

Within the indicative capital programme at Annex A are a number of schemes supporting the Council's carbon neutrality objectives, including substantial investment through the Mayor's challenge fund in new cycling and walking schemes, a significant investment in parks and open spaces, including new tree planting and a number of schemes that include the provision of EV charging points for Electric Vehicles. There are also proposals around the decarbonisation of Council buildings and a scheme to reduce the carbon emissions at Altrincham Crematorium through the introduction of two resomation cremators.

CONTEXT

In December 2017 CIPFA issued an update to the Prudential Code requiring that authorities should have a Capital Strategy with the purpose of establishing a long term direction for the management and use of capital resources for the organisation

The Capital Strategy is closely linked to a number of other key strategies including:

- ❖ Corporate Plan
- ❖ Medium Term Financial Strategy
- ❖ Asset Management Plans
- ❖ Asset Investment Strategy and Town Centre Strategies
- ❖ Treasury Management Strategy



CORPORATE PLAN

The corporate plan describes Trafford Council's vision and priorities for the borough and the priorities we have identified as an organisation as being key to the delivery of that vision. It includes an overview of our

strategies which provide the detail of what the Council will do and how we will work with our communities and our partners to deliver change to Trafford in line with these commitments.

At the heart of our vision is a common cause – we want to make Trafford a better borough. We want to make it a place where everyone has a chance to succeed and where everybody has a voice. We know we need to do things differently as the Council cannot do it all. The Council, by virtue of its democratic mandate, will lead the way in ensuring that this is a shared endeavour and that across Trafford there will be a more joined up approach to service delivery. Through our new vision, we are making a commitment to work together across different services and agencies to make the best use of our resources. It is aligned with our aspirations as we develop the future model for our statutory obligations and existing partnership arrangements.



Our vision is about giving people in Trafford greater choice about where they live; to build and sustain in thriving communities; and to develop areas which we can all take pride in. Our vision is about people living healthily; receiving care when they need it and having access to our green spaces. It is also about making Trafford a great place to live and work through connected transport links, so that there is a real choice of how we travel in and around our borough.

Far too many people are still getting left behind. Too many people's lives are still blighted by not having access to good housing and employment opportunities; by child poverty and health inequalities. Our vision is a call for fairness – for all children and young people to have a fair start no matter their circumstances and to ensure people get support when they need it most.

These are exciting times for Trafford and our vision aims to meet the opportunities and challenges that lie ahead. Over the next few years, this vision will be at the forefront of everything the Council does and aims to achieve.

The Priorities and outcomes for Trafford

The Council has identified seven strategic priorities that we believe are key to enabling Trafford residents, businesses and staff to thrive. Our priorities set out our aspirations for our people, place and communities, and how they can affect and improve their daily lives.

Our people are our greatest resource. Through engagement with our staff we will create an environment for staff to grow and develop life- long skills and see the benefit of their contribution to the borough. We want to be an employer of choice.

Our Priorities:



Building Quality, Affordable and Social Housing

Trafford has a choice of quality homes that people can afford



Health and Wellbeing

Trafford residents health and Well-Being is improved and Reducing Health Inequalities



Successful and Thriving Places

Trafford has successful and thriving town centres and communities



Children and Young People

All Children and Young People in Trafford will have a fair Start



Pride in Our Area

People in Trafford will take pride in their Local Area



Green and Connected

Trafford will maximise its Green Spaces, Transport and Digital Connectivity



Targeted support

People in Trafford will get support when they need it most

These priorities are not just for the Council but for the whole community and have been shared with members of the Trafford Partnerships and adopted by the NHS Trafford CCG our locality health provider. In order to make the difference we want to make, we will need to work closely and effectively with partners, residents, businesses and communities to make this a success.

PLACE SHAPING BOARD

The Trafford Place Shaping Board reports to the Executive Member for Housing and Regeneration, chaired by the Corporate Director for Place and comprising directors and senior council officers meets regularly to develop, direct and deliver a Place Shaping Programme encompassing a number of inter-related programmes including Leisure, Investment and enabling projects.

The purpose of the Place Shaping Board is to ensure that development, disposal, investment and acquisitions taken forward by the Council realise and maximise the financial and strategic objectives for growth and regeneration.

The Strategic Place Shaping Board applies the direction of the Executive:

- ❖ To establish a Place Shaping Programme comprising projects from: Place Shaping, Leisure, Schools, Investment, Disposal; and Enabling categories;
- ❖ To consider the inclusion of new projects within the Place Shaping Programme;
- ❖ To consider strategic development sites and how these can contribute to place shaping objectives;
- ❖ To drive the implementation of the Place Shaping Programme through weekly meetings;

- ❖ To review a monitoring report on a monthly basis on the financial, legal, commercial (including risk management) and development milestones of the Place Shaping Board Programme to ensure programme delivery;
- ❖ To receive, review and agree Outline Business Cases and (subsequent) Full Business Cases for projects within the Place Shaping Programme prior to Executive or Investment Board approval.
- ❖ To receive and review regular updates from any Place Shaping sub / working groups including the Adult Care (place shaping) working group and Leisure Board.
- ❖ The Place Shaping Programme sponsor is the Corporate Director Place and responsibilities for individual projects will be delegated/allocated to Place Shaping Board members (See below)

MEDIUM TERM FINANCIAL STRATEGY

The objectives and supporting policies of the Medium Term Financial Strategy (MTFS) are designed to assist the Council in ensuring that the people of Trafford will continue to be provided high performing, efficient and effective services for now and into the future, whilst avoiding unnecessary tax burdens and ensuring best value for money.

These objectives of the MTFS are:

- ❖ Increasing the resources available to the Council
- ❖ Delivering value for money
- ❖ Delivering a robust, balanced and sustainable budget (both capital and revenue)

ASSET MANAGEMENT PLANS

The Council has historical data on both the property and highways infrastructure portfolios to assess the condition and backlog maintenance.

The condition data and backlog maintenance requirements identified in the asset management plans for corporate property, schools and highways infrastructure are then used to determine the priorities for investment to ensure statutory compliance along with improving the assets.

These plans set out the current and longer term condition of Trafford's infrastructure and provide information on the 10-20 year requirements of these assets, which informs the decisions made on capital investments plans into the future.

ASSET INVESTMENT STRATEGY

The Council's Asset Investment Strategy, which was originally drafted in September 2017, has been reviewed in order to better align with Council's strategic priorities and values, protect against near-term market uncertainty and incorporate recent guidance on Local Authority finances. The primary objective of the Asset Investment Strategy is to promote the Council's 7 Strategic Priorities while creating a suitable income stream to support frontline services. The Council will also ensure that future investments are in keeping with the Council's objective and policies around environmental sustainability. The approved strategy document can be found here:

<https://members.trafford.gov.uk/documents/s37991/TBC%20Investment%20Strategy%20September%202020.pdf>

As part of the decision making process an Investment Management Board (IMB) has been established to oversee the approval of new acquisitions and to undertake a performance management role. This process is supported by independent external advice on each acquisition and also a robustness statement from the Director of Finance and Systems. The Investment Management Board is a cross-party decision making board consisting of:

- ❖ Leader of the Council
- ❖ The Chief Executive
- ❖ Leader of the Green Party Group
- ❖ Leader of the Conservative Group
- ❖ Leader of the Liberal Democrat Group
- ❖ Executive Member for Finance and Governance
- ❖ Executive Member for Housing and Regeneration

Representation from the Leader of the Liberal Democrat Group has not been forthcoming.

The financial performance of the investment portfolio and of each property within the portfolio is measured and reported on a bi-monthly basis by an officer group to the Executive. Annual reviews of external revaluations and net yield generated are undertaken with a view to making recommendations concerning sales or purchases and any amendments to the adopted strategy to ensure that the main objective continues to be achieved.

In November 2019 CIPFA issued revised guidance around councils' commercial investment activity which has been reviewed and will be taken into account when considering future opportunities. This includes assessing the proportionality of the size of the Council investment portfolio, the appropriateness of any investments and the Council's legal powers that allow it to invest. Further information on the proportionality of the portfolio is included in this report in Appendix 3 as part of the Prudential and Local Indicators.

TREASURY MANANGEMENT

The Council also produces a Treasury Management Strategy which is approved by full Council annually as part of the budget setting process.

The Treasury Management Strategy aims to maximise investment interest whilst minimising risk to the Council. The main objective surrounding the Council's investment criteria is security of capital first, liquidity of its cash flows and finally yields.

The Strategy takes account of the Council's capital expenditure plans and ensures that any borrowing requirement to fund these plans remains robust, prudent, affordable and sustainable.

There are close links between the Capital Strategy and Treasury Management Strategy with the Capital Strategy determining the borrowing need of the Council. The take up of debt is done in

accordance with the Treasury Management Strategy which involves arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives. The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding.

A copy of latest Treasury Management Strategy can be found at:

<http://www.trafford.gov.uk/about-your-council/budgets-and-accounts/revenue-and-capital-budgets.aspx>

CAPITAL RESOURCES

External Resources

External resources available to support the Capital Programme are received from a number of sources. These include grants from government bodies, statutory and other developer contributions (e.g. S.106) and partner contributions from bodies interested in specific projects. These resources can be very specific with little, if any, discretion on how they can be applied.

Internal Resources

The restrictions on the ability to apply external resources to specific schemes means that only internal resources are available for application on discretionary investment. Internal resources mainly comprise **prudential borrowing** and **capital receipts** from the sale and development of council assets as included in the Strategic Land Review Programme.

Prudential Borrowing

Prudential Borrowing is an alternative way of financing capital expenditure. In considering the use of borrowing to support its capital investment proposals the Council must show how stewardship, value for money, prudence, sustainability and affordability can be demonstrated. Examples of schemes that would be appropriate for this type of financing include:

- ❖ Invest to save schemes
- ❖ Investing in income generation schemes

Generally a scheme will only be considered for Prudential Borrowing if the impact on the revenue budget is at least neutral and the scheme has gone through the capital prioritisation and appraisal process. This will ensure that the scheme will contribute to the delivery of council objectives, whilst not placing any additional pressure on the council tax. This process will take account of the risk associated with changes in interest rates (for example, in recent years government borrowing rates have been amended overnight).

A significant proportion of Council borrowing is linked to the Asset Investment Strategy, which generates a financial return to the Council above the borrowing cost and a lot of the schemes are asset backed.

The Council is required to set prudential indicators, supplemented by local indicators, in accordance

with the CIPFA Prudential Code which are designed to support and record decisions taken on affordability, sustainability and professional good practice and these are included within the annual capital budget setting report and approved by full Council.

Capital Receipts

Capital receipts are the income the Council receives from the sale of surplus assets. In line with the Local Government Act 2003 these can only be applied to support capital expenditure, or to repay debts or other liabilities.

Traditionally local authorities have maintained a property review and disposal programme to rationalise property holdings and raise capital but this approach has changed significantly in recent years. The process of review and disposal continues, however rather than the traditional direct sale of surplus assets which only generates a capital receipt the council can also look into direct development which can increase the value of the eventual capital receipt or may produce a revenue stream which can be used to support wider Council objectives.

In order to maximise the returns from these surplus assets the PSB reviews the sites to identify the optimum use for the asset. The result of this review process is an annual Strategic Land Review Programme which reports the delivery method for each site and the potential returns, both capital and revenue, that can be used to support future capital investment and revenue pressures.

GOVERNANCE FRAMEWORK

It is important given the risks surrounding Capital Projects that the appropriate governance framework is in place hence the following processes are in place:

- ❖ The Capital Strategy itself to be presented annually alongside the Medium Term Financial Strategy at Council
- ❖ All new bids are prioritised and assessed by the Corporate Leadership Team
- ❖ All schemes and the overall Capital Programme are subject to approval by the Executive within the overall resource envelope agreed by Council.
- ❖ All new investments within the asset investment strategy are approved by the Investment Management Board and/or the Executive (where appropriate).
- ❖ Responsible Officers are assigned projects in line with their responsibilities
- ❖ The Strategic Place Shaping Board is led by the Executive Member for Housing and Regeneration, and chaired by the Corporate Director for Place. The group monitors the strategic direction of the council's capital investment plans.
- ❖ The progress of the programme is reported to the Executive on a bi-monthly basis.
- ❖ The Council's Finance Procedure Rules identify the parameters within which officers need to manage capital expenditure
- ❖ Regular budget monitoring meetings are held with Directorate Departmental Management Teams.
- ❖ The Capital Programme is subject to Internal and External Audit Review
- ❖ Scrutiny Committee can call in Executive Decisions.

The Capital Programme is agreed annually by the Executive and Council. The Programme, to assist

in planning and delivery of schemes, covers three years. Each year the Executive confirm the next three years' Programme, in light of available resources. If priority schemes come forward but insufficient resources are available then the opportunity is taken to review the priority of schemes in the Programme that are not contractually committed alongside new proposals. This ensures that the capital resources available to the Council are used as affectively as possible. The overall process will continue to be led by the Council's Financial Management Service.

A de-minimis level of £10,000 exists for capital schemes. Schemes with a lower value are assessed for inclusion into the revenue budget. The only exceptions to this are if the scheme is supported by specific external resources.

As part of the budget process and annual review of the Programme a capital bidding round for those projects requiring support from discretionary resources, i.e. capital receipts and prudential borrowing is undertaken. This includes uncommitted schemes in the existing programme giving priority to:-

- ❖ Support the Medium Term Financial Strategy (MTFS) by ensuring that capital investment decisions are not taken in isolation from revenue spending with specific emphasis on delivering future savings and income streams capable of supporting the revenue budget. Also ensuring the right capital assets are fit for purpose for the Council and partners and supports the priorities in the asset management plans.
- ❖ Ensure health and safety and other schemes of a statutory nature are delivered.
- ❖ Supporting the economic recovery from the effects of the Covid-19 pandemic.
- ❖ Supporting the achievement of Corporate Objectives and the 7 key priorities.

Larger schemes have specific working groups, for example leisure strategy developments. The make-up of the groups include service departments, professional services, legal and finance services to ensure that schemes are progressed, monitored and completed in line with the original objectives. The results and findings of these meetings are reported, on a bi-monthly basis, to Members and Senior Officers. These reports give a progress report on all schemes as well as reporting any amendments to the Capital Programme for scheme slippage and new approvals.

As part of the decision making process for the Asset Investment Programme an Investment Management Board has been established to oversee the approval of new acquisitions and to undertake a performance management role. This process is supported by independent external advice on each acquisition and also a robustness statement from the Director of Finance

RISK MANAGEMENT AND RELATIONSHIP WITH OTHER PROCESSES

The Council's management of risk is supported by the following:

- ❖ The Council's risk management strategy and strategic risk register
- ❖ The governance structure and responsibilities, particularly around the Asset Investment Strategy
- ❖ Risk reporting
- ❖ Monitoring and escalation procedures.

Risk is managed both collectively and on an individual basis as required, e.g. the treasury portfolio, asset investment strategy, and place shaping strategy etc.

KNOWLEDGE AND SKILLS

The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills. The Council's Director of Finance and Systems is the Section 151 Officer and is the officer with overall responsibility for Capital and Treasury activities, who is also a professionally qualified accountant and follows an ongoing CPD programme.

All the Council's commercial projects have project teams from all the relevant professional disciplines from across the Council and, when required, external professional advice is taken.

Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance. The Council ensures that members are adequately informed at each relevant stage of a project's life cycle.

The Council's Investment Management Board reviews all commercial and investment activity from inception right through to project completion and ongoing performance management and this process is supported by a number of external advisors.

SUMMARY

The above sets out the Council's Capital and Asset Investment Strategy, in order to support the Corporate Objectives within an appropriate level of risk management.

Capital Programme & Prudential Indicators

CURRENT CAPITAL PROGRAMME

1. The current value of the three year programme, including re-profiled expenditure from 2019/20 and other changes as reported in the period 8 budget monitoring report to Executive in January 2021 is £452.10m, including £179.68m in 2020/21.
2. The Programme can be split into two distinct areas, firstly the General Capital Programme, worth £212.75m, which aims to ensure that the Council can deliver its services in line with the priorities included within the Capital Strategy and secondly the Asset Investment Fund, worth £239.35m, which has been set to support regeneration in the borough and also generate income streams which will support the revenue budget for years to come. These two elements are shown in the table below and are included in this report as :
 - Section 1 : General Capital Programme
 - Section 2 : Asset Investment Fund

Table 1 - Capital Investment Programme 2020/21	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Service Analysis:				
Children's Services	8.16	25.94	5.41	39.51
Adult Social Care	1.79	5.52	2.97	10.28
Place	28.70	86.01	44.09	158.80
Governance & Community Strategy	0.08	0.42	-	0.50
Finance & Systems	1.60	2.01	0.05	3.66
General Programme Total	40.33	119.90	52.52	212.75
Asset Investment Fund	139.35	100.00	-	239.35
Total Programme	179.68	219.90	52.52	452.10
Resourcing :				
Capital Grants	16.98	66.19	27.69	110.86
External contributions	2.43	5.17	1.78	9.38
External Resources	19.41	71.36	29.47	120.24
Reserves & revenue	0.58	0.36	0.19	1.13
Borrowing(*)	154.79	134.71	6.81	296.31
Receipts – Strategic Land Review	1.91	8.85	21.09	31.85
Internal Resources	157.28	143.92	28.09	329.29
Resourcing total	176.69	215.28	57.56	449.53
Surplus / (Deficit)	(2.99)	(4.62)	5.04	(2.57)

(*) Borrowing level includes £239.35m for Asset Investment Fund

SECTION 1 - GENERAL CAPITAL PROGRAMME

CURRENT 2020/21 PROGRAMME

3. The current forecasted expenditure for 2020/21 to 2022/23 is £212.75m of which £40.33m relates to 2020/21 and will deliver a number of key projects including:-
 - School Places and condition works of £7.81m
 - Adult Social Care of £1.79m
 - Corporate landlord investment of £0.70m
 - Town centre regeneration and investment of £15.89m
 - Leisure Centre Strategy of £0.93m
 - Highways improvements of £9.68m
 - Parks and Open Space improvements of £0.66m
 - Housing Services of £0.48m
 - ICT investment of £1.60m
 - Other investment of £0.79m
4. The current programme was subject to a detailed review as a result of slippage from 2019/20 and impact that Covid-19 had on the ability to deliver the previously approved capital programme. This was reported during the financial year and budgets revised accordingly. As the Covid-19 pandemic continues there is still the potential for this to have an impact on the ability to deliver schemes as initially planned and will continue to be monitored and revised.
5. There is also the potential for the impact of Brexit to have implications on the ability to deliver the capital programme within planned timescales or within approved budgets although as of yet these potential implications are not yet known and will continue to be monitored and will be reported if required.
6. As reported in the P8 Monitor to Executive good progress has been made with this year's Capital Programme with £39.97m (96%) to date, of the 2020/21 budget now being committed or is programmed to start in the financial year.

BUDGET PROCESS

7. As part of the budget process this year, the Programme has been reviewed to ensure it continues to meet Council priorities and remains affordable within the level of resources available; this has involved:-
 - Undertaking a capital bidding round for those projects requiring discretionary support in the next three years, i.e. capital receipts and prudential borrowing. This included uncommitted schemes in the existing programme. The bidding gave priority to:-
 - invest to save schemes or those which reduce revenue liabilities,
 - schemes of a mandatory / contractual nature and
 - schemes that meet Council priorities.
 - A full review of all bids was undertaken by the Corporate Leadership Team, with bids prioritised and approved based on the capital strategy and available funding by the Executive.
 - An update to the level of all capital resources available to support the new programme.
 - Identifying those schemes that can be financed from external contributions.
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CAPITAL RESOURCES UPDATE 2021/24

8. A review of capital resources was undertaken to determine the scope for including schemes in the Programme over the next three years and allowing for the requirement for funding the 2020/21 programme. This indicates total resources of £169.94m, a decrease of £2.90m.

Table 2 – Changes to available resources	Current 2021-2023 £m	Movement £m	Total £m
Capital Grants	93.88	32.38	126.26
External contributions	6.95	(1.45)	5.50
External Resources	100.83	30.93	131.76
Reserves & revenue	0.55	0.42	0.97
Borrowing(*)	41.52	(23.49)	18.03
Available Receipts – Strategic Land Review and other	29.94	(10.76)	19.18
Internal Resources	72.01	(33.83)	38.18
Resourcing Total*	172.84	(2.90)	169.94

*Excludes Asset Investment Strategy

External Resources

9. External resources available to support the Capital Programme are received from a number of sources. These include grants from government bodies, statutory and other developer contributions (e.g. S.106) and partner contributions interested in specific projects. These resources can be very specific with little, if any, discretion on how they can be applied.
10. **Capital Grants - £126.26m** : These include grants from central government departments and agencies and the major areas include :-
- **£30.21m** for schools related investment from the Department for Education.
 - **£8.14m** from the Ministry of Housing, Communities and Local Government for disabled facilities grants
 - **£1.57m** from the Football Foundation to assist in improving football facility provision
 - **£0.25m** from Department for Digital, Culture, Media & Sport as part of a Greater Manchester wide award for a full-fibre initiative
 - **£10.05m** from the Department of Transport to support investment in highways and infrastructure
 - **£12.33m** from Homes England to support infrastructure improvements
 - **£6.84m** from Transport for Greater Manchester to assist with infrastructure schemes.
 - **£34.74m** from the Mayors Challenge Fund for improving the network for pedestrians and cycle users.
 - **£0.43m** from the Department for Education create places and to improve facilities for pupils with special educational needs and disabilities (SEND).

- **£17.40m** from the Ministry of Housing, Communities and Local Governments Future High Streets Funds to support works in Stretford
- **£4.3m** from Salix to support decarbonisation across Council assets.

11. The estimate of grants available reflects adjusted allocations for 2021/22 and 2022/23 and make assumptions as to the level of grant expected in 2023/24, resulting in additional resources of **£32.38m**.

Table 3 : Updated Level of Capital Grants	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
<i>New notifications/ Assumptions</i>				
• Schools Devolved Formula	-	-	0.36	0.36
• Schools Maintenance	-	-	1.79	1.79
• SEND Capital Funding	0.13	-	-	0.13
• Disabled Facilities	0.30	0.30	2.47	3.07
• Highways Structural Maintenance	0.06	0.06	1.94	2.06
• Highways - Pot Hole Funding	1.60		0.14	1.74
• Highways Incentive Fund	-	-	0.39	0.39
• Cycle and Ride Station	0.14	-	-	0.14
• Football Foundation	-	1.00	-	1.00
• Salix Decarbonisation Funding	4.30	-	-	4.30
• Future High Streets Fund	1.74	9.92	5.74	17.40
Total	8.27	11.28	12.83	32.38

12. **External Contributions - £5.50m** : The majority of other external resources are made up of Section 106 contributions from developers which cover all areas of investment. The major areas currently included are :

- **£0.42m** S.106 towards the Red Rose Forest
- **£4.25m** for the continuing investment in public realm improvements in Altrincham and Stretford town centres. Funded from a mixture of developer contributions including the anticipated S.106 and S.111 contributions relating to the redevelopment of Barton Square.
- **£0.30m** contributions to support junction improvements at Flixton road.
- **£0.53m** of contributions to support a range of other projects.

Internal Resources

13. The restrictions on the ability to apply external resources to specific schemes means that only internal resources are available for application on discretionary investment. Internal resources mainly comprise prudential borrowing and capital receipts.

14. Prudential Borrowing - £18.03m:

Capital expenditure financed from borrowing approved last year was £41.52m and included:

- £33.82m for development of new leisure centres in Stretford and Altrincham.
- £3.25m to support project mere at Manchester Airport
- £4.45m of general borrowing to support general investment.

A report to Executive in January 2020 set out the Strategic Outcomes Planning Model (SOPM), aligning the leisure strategy with the Council's corporate plan to inform decisions on leisure facilities and services. Due to significant budget pressures the investment strategy has been reviewed to provide an affordable option that would improve the leisure centre facilities and continue to meet the objective improving health and wellbeing outcomes for a greater number of Trafford residents through increasing levels of physical activity. The formulation of this capital programme for 2021/24 now includes for the initial development and delivery of the business case for three Leisure Centre refurbishments, along with essential improvement and maintenance works across the leisure estate. Previously assumed level of Prudential Borrowing has been adjusted accordingly.

As part of the review of new bids, the ability to provide additional income or savings to support borrowing has been assessed and a number of schemes can support being funded in this manner; albeit business cases will be kept under review and assessed against any changes in interest rates prior to final commitment on a project. The proposals put forward for inclusion in the Capital Programme, which total £0.33m, are:

- Electric Street Furniture £0.15m
- Business Loan Scheme £0.15m
- Other schemes £0.03m.

During the bidding process it was also identified that additional resources would be needed to better support the delivery of priorities within the capital strategy. To support this, provision has been made in the revenue budget for 2021/22 and 2022/23 to fund additional prudential borrowing of £5m per annum, £10m in total.

15. Short term borrowing (up to 3 years) may need to be taken out where receipts requirements are in advance of realising actual receipts or income stream being received which would then be used to service debt costs. In these cases the cost of the borrowing will need to be identified from within the Councils revenue budget. The Council's direct development schemes, such as at the Brown Street or Sale Magistrate Court developments, in these instances the interest incurred would be capitalised as part of the scheme.
 16. **Reserves and Revenue – £0.97m** : There are currently a range of projects supported by the application of reserve including:
 - **£0.10m** for investment in Trafford Town Hall for heating and cooling system and DDA works
 - **£0.10m** in support of a range of security measures at Trafford Town Hall and Sale Waterside
 - **£0.04m** for 'Recycling on the Go' phase 2
 - **£0.13m** for the provision of artificial sports surface replacement
 - **£0.60m** additional support for Disabled Facilities programme of work
 17. **Capital Receipts – £19.18m** : A review of the sites included in the current Strategic Land Review Programme has been undertaken along with other potential receipts and an estimate for 2023/24 has been built into this programme. The Strategic Land Review Programme is a subject of a further report to the Executive. Total capital receipts over the next three years are expected to be £22.90m, this includes £17.72m from the sites that have been identified for self-development by the Council. Of the total receipts, £3.72m is required to support a
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funding shortfall in 2020/21, giving a balance of £19.18m available to support the 2021/24 programme.

18. The following table gives the current position of capital receipts for 2021/22 to 2023/24

Table 4 : Capital Receipts	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Land Sales	3.24	1.71	0.60	5.55
Self-development Returns	4.02	11.10	2.60	17.72
S.106 Release	-	0.65	-	0.65
<i>Less costs :</i>				
Disposal costs / MRP allowance	(0.36)	(0.35)	(0.31)	(1.02)
Total Estimated Receipts	6.90	13.11	2.89	22.90
Amount required to support estimated deficit in 2020/21	(3.72)	-	-	(3.72)
Net receipts available to support 2020/23 capital programme	3.18	13.11	2.89	19.18

INDICATIVE CAPITAL PROGRAMME 2021/2024

19. The value of the indicative three year Capital Programme is £170.84m and a summary shown in the table below, with detailed analysis shown in Annex A. The capital programme will be reviewed and updated in the monitoring reports to Executive throughout the year.

Table 5: Capital Programme and funding	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget Total
<i>Investment :</i>	£m	£m	£m	£m
Children's Services	14.08	15.83	4.71	34.62
Adult Social Care	5.02	3.17	3.17	11.36
Place	41.49	54.61	26.53	122.63
Governance & Community Strategy	-	0.06	-	0.06
Finance & Systems	1.21	0.96	-	2.17
General Programme Investment	61.80	74.63	34.41	170.84
<i>Funding :</i>				
Grants	39.86	63.54	22.86	126.26
External Contributions	4.71	0.79	-	5.50
Revenue & reserves	0.85	0.12	-	0.97
Prudential Borrowing	6.98	1.00	0.05	8.03
Capital Receipts available	3.18	13.11	2.89	19.18
Total Funding	55.58	78.56	25.80	159.94
Additional Borrowing	5.00	5.00	-	10.00
Surplus / (Deficit)	(1.22)	8.93	(8.61)	(0.90)

20. Appendix 4 is a specific list of the schemes that require approval in 2021/22 for the areas of the programme covering :

- Public Building Repairs and Compliance Programme
- Integrated Transport Programme
- Highways Structural Maintenance (including street lighting)

21. **Public Building Repair and Compliance Programme** - Schemes suitable for capital funding and part of the maintenance and repair programme are assessed by surveyors and categorised in terms of priority. The programme prioritises works (category 1) required to:

- Address safety issues
- Negate higher maintenance repair bills in the future
- Support commercial decisions such as preparing assets for immediate lease or disposal.

22. **Integrated Transport Programme** – The programme of schemes to be undertaken in 2021/22 has been compiled in line with the adopted Highways Infrastructure Asset Management Plan (HIAMP). The proposed schemes cover the following areas:

- Collision Analysis
- Dropped crossing programme
- Minor/Medium Traffic Management schemes
- Traffic Regulation Order Programme
- Disabled Parking Spaces

23. **Highways Structural Maintenance** – The programme of schemes to be undertaken in 2021/22 has been compiled in line with the adopted HIAMP. The rationale for investment in roads and bridges is threefold:

- through resident surveys, “better roads and pavements” are consistently cited as one of the top service areas that residents and businesses wish to see supported;
- roads and bridges are a vital part of ensuring economic growth in the area, providing access to education and recreation for residents and revitalisation of town centres.
- to reduce the deterioration rate of the highway asset, there must be continual investment in maintenance.

24. To ensure the available funding is used optimally, the Integrated Transport and Highways Structural Maintenance programmes are the result of an analysis of condition survey data by officers, in conjunction with feedback from Elected Members, communities, businesses, residents, schools, and focus groups such as the Trafford Cycle Forum.

SECTION 2 – THE ASSET INVESTMENT STRATEGY







25. The Council's updated Asset Investment Strategy was recently approved by the Executive. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing. The transactions that have been agreed by the Investment Management Board to date have a total committed cost of £377.26m. The facility agreement at The Crescent (£44.32m anticipated outlay) is due to be repaid in 2020/21, meaning the balance of the approved £500m which is available for further investment is £167.06m (table 6).
26. This investment to date has already provided a net benefit to support the revenue budget in 2018/19 of £1.67m, £3.12m in 2019/20 and is forecast to provide £6.71m in 2020/21.
27. The current level of commitment for 2021/22 stands at £122.57m and relates to:
- a. Further development work at the K-Site (Lumina Village), Stretford. The purchase of this site was completed in April 2018 and a joint venture company with Bruntwood was set up to progress the development of the site. Works on the university are now complete with the first intake of students in September 2019. The joint venture is now progressing development for the remainder of the site.
 - b. The residential development of the Brown Street site in Hale is being undertaken at a gross cost of £7.98m. £3.34m has been spent to date with a further £4.64m committed. The projected development return is approximately £1.1m, which is an IRR of 14%.
 - c. The cost of acquisition and development of Sale Magistrates Court is included within the Investment Fund. A formal planning application has now been submitted with the Planning Authority and this process is now expected to be completed by March 2021. Once approval is given for the scheme to proceed, the cost of development will come from the Investment Fund, to be repaid by sales from the site.
 - d. The fund is providing two debt facilities funded from PWLB borrowing; one of £19.0m to a developer for the construction of a new residential development at Castle Irwell, Salford, and £67.50m in respect of the construction of a new headquarters for the HUT Group. The provision of these facilities was approved by the Investment Management Board as compliant with the Investment Strategy objective of delivering a financial return to support the Council's revenue budget in addition to providing regeneration to the wider Greater Manchester area.
28. Included in the 'Prior Years' Spend' on the table are costs listed under Development Pipeline, these costs relate to feasibility work that has been undertaken to progress future developments. Once the feasibility work is completed, any approved schemes will be brought forward and the costs included within the Asset Investment Fund envelope. Future schemes being evaluated include the Jubilee Centre, Bowdon, and Stokoe Avenue, Altrincham.
29. In addition to the capital commitments listed in the following table, the Investment Management Board has also approved the Council to provide a debt facility of £17.62m secured against a portfolio of properties in Manchester City Centre, known collectively as Albert Estate. This facility is funded through surplus cash balances and so is a part of the Council's Treasury Management Strategy, rather than a capital investment.
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Table 6 : Asset Investment Fund 2021 to 2024	Asset Category	Prior years spend £m	Current Commitment £m	Total £m
Total Investment Fund				500.00
Capital investments				
<i>K Site, Stretford:-</i>				
Equity in Trafford Bruntwood LLP	Equity	10.69	1.56	12.25
Development Loan to Bruntwood	Debt	10.69	1.56	12.25
Sonova House, Warrington	Acquisition	12.17		12.17
DSG, Preston	Acquisition	17.39		17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	Acquisition	10.84		10.84
Trafford Magistrates Court	Development	4.15		4.15
The Fort, Wigan	Acquisition	13.93		13.93
Sainsbury's, Altrincham	Acquisition	25.59		25.59
Brown Street, Hale	Development	3.34	4.64	7.98
CIS building, Manchester	Debt	60.00		60.00
<i>Stretford Mall & Stamford Quarter:</i>				
Stretford Mall, Equity	Equity	8.81		8.81
Stamford Quarter, Equity	Equity	16.69		16.69
Acquisition loan to Bruntwood	Debt	25.53		25.53
The Hut Group	Debt		67.50	67.50
Castle Irwell	Debt		19.00	19.00
Sorting Office – Lacy Street	Acquisition	0.86	0.10	0.96
Development Pipeline	Development	0.28		0.28
Total Capital Investments		220.96	94.36	315.32
Treasury Investments:				
Albert Estate	Debt	17.62	0	17.62
Total Treasury Investments		17.62	0	17.62
Total Investments		238.58	94.36	332.94
Balance available				167.06



















PRUDENTIAL AND LOCAL INDICATORS

30. The Council is required to set indicators that are designed to support and record decisions taken on affordability and sustainability. There is also a requirement to impose *limits* on the Council's treasury management activities to ensure decisions are made in accordance with professional good practice and risks are appropriate (these are included in the Treasury Management Strategy Report). The Director of Finance and Systems will monitor these and report on them at appropriate times. The Council can revise these indicators and limits at any time.

31. All the indicators take account of the proposals in this report and a list of Prudential and Local Indicators is included at Appendix 3.

2021/2024 INDICATIVE CAPITAL PROGRAMME					
DESCRIPTION	Council Priority (See key at end)	2021/22	2022/23	2023/24	Total
		£m	£m	£m	£m
Schools					
Basic Need – School Places		0.49	3.50	1.00	4.99
Firswood Primary School		1.50	3.00		4.50
Worthington Primary School		0.43			0.43
Stamford Park Schools		1.23	5.00	1.50	7.73
Sale High School		0.71			0.71
Blessed Thomas Holford College		3.97	1.50		5.47
Barton Clough Primary School		0.36			0.36
Devolved Formula Capital		0.86	0.61	0.37	1.85
Capital Maintenance Grant		3.63	1.80	1.80	7.21
Delamere School – Hydrotherapy Pool		0.37			0.37
Small Specialist Class		0.13			0.13
Sub-total		13.68	15.41	4.66	33.75
Children's Services					
Hayeswater Centre – Improving outdoor provision		0.03			0.03
Children's Services Data Capture		0.30	0.37		0.67
Foster Carers Accommodation Improvements		0.05	0.05	0.05	0.15
Kindle Lodge Children's Home – Kitchen upgrade		0.02			0.02
Sub-total		0.40	0.42	0.05	0.87
Adults Social Care					
Disabled Facility Grants		3.97	3.07	3.07	10.11
Assistive Technology/Technology Innovation		0.10	0.10	0.10	0.30
Right Care For You		0.10			0.10
Shawe Road, Urmston – Complex Needs (Change of use)		0.80			0.80
Liberty Protection Safeguards (Liquid logic updates)		0.05			0.05
Sub-total		5.02	3.17	3.17	11.36

	Council Priority (See key at end)	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Place					
Town Centres Loans Fund		0.10			0.10
Business Loan Scheme		0.40			0.40
Altrincham Town Centre – Public Realm		2.25	0.50		2.75
Stretford Town Centre – Public Realm		1.50			1.50
Future High Streets Fund		1.74	9.92	5.74	17.40
Greater Manchester Full Fibre		0.50			0.50
Manchester Airport Investment		3.25			3.25
Trafford Waters, Trafford Park - Infrastructure		3.43	0.50		3.93
Public Building Repairs and Compliance Programme (Page 31)		0.75	0.90	0.77	2.42
Decarbonisation of Council Buildings		4.30			4.30
Watling Gate		0.13			0.13
Altrincham Driving Range		0.10			0.10
Sale Waterside – Improvements/Kitchen		0.40			0.40
Trafford Town Hall – Heating and cooling system		0.09			0.09
Trafford Town Hall and Sale Waterside – Security		0.12			0.12
Leisure Strategy – ‘Increasing Physical Activity’		1.15	1.85	6.00	9.00
Football Facility Provision		1.24	1.25		2.49
Artificial Surface Replacement		0.35	0.25		0.60
Integrated Transport Schemes (Page 32)		3.72	0.18		3.90
Mayors Cycling and Walking Challenge Fund		6.31	22.29	6.14	34.74
Highways Structural Maintenance (Inc Pot Hole & Highways Incentive grants) (Page 33)		5.07	4.81	3.26	13.14
Electrical Street Furniture		0.05	0.05	0.05	0.15
Street Lighting (Page 34)		1.00	1.00	1.00	3.00
Carrington Relief Road		0.75	9.50	3.25	13.50
New Chapel and Installing resomation cremators		1.00	0.95	0	1.95
Countryside Access – Infrastructure & Biodiversity		0.18			0.18

	Council Priority (See key at end)	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Play Area Refurbishments		0.14	0.13	0.10	0.37
Parks Infrastructure		0.34	0.26	0.15	0.75
Parks & Open Space, Outdoor Sports & RRF - S.106 Funded		0.32	0.15		0.47
Parking – P&D Machines and EV Points		0.22			0.22
Parking – Permit Software Upgrade			0.05		0.05
Assistance to Owner Occupiers		0.06	0.03	0.03	0.12
Housing Standards / Empty Property Initiatives		0.04	0.04	0.04	0.12
Community Safety - CCTV		0.50			0.50
Sub-total		41.49	54.61	26.53	122.63
Governance & Community Strategy					
Waterside Arts Centre – Building Refurbishment			0.06		0.06
Sub-total		0.00	0.06	0.00	0.06
Finance & Systems					
Civica - New Web Front-end		0.03			0.03
ICT Systems and Data		0.61	0.09		0.70
Office 365 - Implementation, training etc.		0.20	0.15		0.35
Cyber Resilience (link to Office 365)			0.24		0.24
Development / Low Code Solution			0.20		0.20
Windows 10 Implementation		0.37			0.37
Meeting Room – Video Conferencing Facilities			0.13		0.13
Telephony Systems/Disaster Recovery			0.05		0.05
Digital Inclusion			0.10		0.10
Sub-total		1.21	0.96	0.00	2.17
GENERAL PROGRAMME TOTAL		61.80	74.63	34.41	170.84
Capital Investment Portfolio		122.57	69.50	52.49	244.56
TOTAL INVESTMENT		184.37	144.13	86.90	415.40



Building Quality, Affordable and Social Housing



Health and Wellbeing



Successful and Thriving Places



Children and Young People



Pride in Our Area



Green and Connected



Targeted support

Prudential and Local Indicators – Estimates 2021/24

This section sets out the prudential indicators and local indicators for the Capital Programme and Asset Investment Strategy in accordance with the CIPFA Prudential Code, which are designed to support the decision making on affordability, prudence, sustainability and professional good practice.

It is required by Part 1 of the Local Government Act 2003 and related CIPFA Prudential Code for Capital Finances in Local Authorities that the Council set borrowing limits, which will be done as part of the Treasury Management Strategy and the prudential indicators dealt with in this report before the forthcoming year.

The Prudential Code was revised in 2017 and the major change is the requirement for local authorities to look at capital expenditure and investment plans in light of the overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority.

The purpose of this report is to set the prudential and local indicators for Trafford for the three year period beginning 2021/22

All the indicators will be constantly monitored throughout the year. If there appears to be a danger that any of the prudential indicators will be breached for a sustained period of the time, this will be reported to Council at the earliest opportunity.

Capital Prudential Indicators

	2020/21 Revised £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Capital Expenditure:				
General Programme	40.33	61.80	74.63	34.41
Investment Strategy	16.86	122.57	69.50	52.49
Capital expenditure - the table above shows the estimated capital expenditure to be incurred for 2019/20 and the following three years. Any forecasts made will vary in line with Government allocation, if any, and as such any forecasts will be updated via the capital monitoring reported through the year.				
Capital Financing Requirement as at 31 March	479.04	549.93	660.42	655.59
Capital Financing Requirement (CFR) - this reflects the estimated need to borrow for capital investment (i.e. the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).				
Financing Cost to Net Revenue Stream	6.4%	6.7%	6.9%	6.8%

Financing costs to net revenue stream - this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council's net revenue stream. The movement from 2019/20 to 2020/21 reflects a change to the Minimum Revenue Provision calculation in respect of the completion of Investment Fund Reserve.

Incremental Impact on Band D Council Tax (£)	£0.00	£0.00	£0.00	£0.00
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Incremental impact on band D council tax – reflects the incremental impact on the Council Tax arising from new borrowing undertaken in order to finance the capital investment decisions taken by the Council during the budget cycle. The figures above reflect that any additional borrowing is supported by revenue savings or external support.

Local Indicators for the Asset Investment Strategy

The code requires that the investment strategy includes quantitative indicators that will allow members and the public to assess the authorities total risk exposure as a result of it investment decisions. The indicators are used at the Authorities discretion and will reflect local risk appetite and capital investment strategy.

The Council has set a target of additional net income being achieved of £3m from 2021/22 to replace the income streams from investments that will end in the year. Investments have yet to be identified to deliver this target, however, the indicators listed below have been adjusted to account for the anticipated increase in turnover.

Local Indicators for the Asset Investment Strategy	2020/21 Revised £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Gross Commercial Income	16.78	16.73	16.83	14.57
Gross Commercial Income – this is the total estimated level of income to be received from the acquisitions of commercial property and provision of senior debt finance and is required to support new debt costs associated the transactions, with any balance supporting the overall revenue budget.				
Net Commercial Income Stream	6.71	7.61	6.71	4.81
Net Commercial Income Stream – this is the estimated level of income net of any borrowing and other costs to be received from the acquisitions of commercial property and provision of senior debt finance.				
External Interest Cost	5.39	5.65	6.38	5.36
External Interest Cost – this is the interest cost of the new debt required to cover the capital cost of the new commercial activity.				

Minimum Revenue Provision (2.0% = 50 years)	2.25	2.25	2.25	2.25
Minimum Revenue Provision - this is the amount of income set aside as a provision for the repayment of the debt, required to cover the capital cost of the new commercial activity.				
Risk Reserve	1.54	0.96	1.23	1.87
Risk Reserve - this is the amount of income set aside to reserve as contingency in the event of a reduction in commercial income levels.				
Cumulative Investment Reserve	5.44	6.39	7.62	9.50
Cumulative Risk Reserve - this is the cumulative amount of reserve set aside, after annual contributions and deductions, as contingency in the event of a reduction in commercial income levels.				
Gross Commercial Income as proportion of Net Budget	9.56%	9.33%	8.60%	7.17%
Gross Commercial Income as proportion of Net Budget – this illustrates the proportion of the net budget which is supported by the new commercial income streams.				

All the indicators are monitored on a regular basis. If the situation arises that any of the prudential indicators appear that they will be breached for a sustained period, then this will be reported to the Council at the earliest opportunity.

Proportionality

There are two main aspects to proportionality that need to be considered for the whole investment portfolio:

- The extent to which the Council's revenue budget is reliant on income from investments
- The value of the Council's investment portfolio that is made up of investment property

Proportionality for the authority will depend on the risk that the authority is exposed to in relation to its investment portfolio and an indicator has been set, above, for the ratio of commercial income to net service expenditure.

Risk around the investment strategy is assessed when investment options are appraised and approved with appropriate provision being made to mitigate elements of risk, including through the use of the Council's Risk Reserve.

Block Budget Allocations

Appendix 4

Public Buildings Repairs and DDA Compliance Programme	
Description	Value £000
Electrical testing of all Corporate sites	90
Kingsway Park Children's Home, Urmston	30
Partington Children's Centre, Partington	36
18/20 Shaw's Road, Altrincham	10
Sale West Youth Centre (Integrated with Sale West Community Centre)	18
Altrincham Town Hall Altrincham	88
Trafford Town Hall, Stretford	116
Unforeseen Urgent Works	47
Public Building Repairs Programme Total	435
DDA - Compliance with the Equalities Act 2010	70
Public Buildings Repairs and DDA Compliance Programme	505

* In addition to the schemes above to be approved, there are a number of commitments from previous years included within the Indicative Capital Programme.

Integrated Transport Programme	
Description	Value £000
Collision Analysis	30
Traffic Regulation Orders	30
Minor/Medium Works	125
Dropped Crossing Programme	40
Disabled Persons Parking Places	20
Integrated Transport Programme Total	245

* In addition to the schemes above to be approved, there are a number of commitments from previous years included within the Indicative Capital Programme.

Highways Structural Maintenance Programme	
Description	Value
Asset Management	£000
Large Scale Patching	350
Public Rights of Way	70
Drainage	320
Markings, Signs and Street Furniture	100
Vehicular safety barriers and Pedestrian guardrail	120
Cycleways - Resurfacing Programme	60
Footway Resurfacing Programme	200
Joint Treatment and over banding	100
Surveys	70
Serviceability Repairs	75
Advanced Design	60
Asset Management Total	1,525
Surface Treatments	£000
Brooklands Road	25
Surface dressing programme -various locations	581
Bailey Road, Gorse Hill	45
Sherborne Road, Canterbury Road to Royston Road, Davyhulme East	61
Rochester Road, Urmston, Davyhulme East	76
Crofts Bank Road, Derby Road to Station Road collated /linked. Northern Section, Urmston	108
Old Meadow Lane, Bellmouths with Delaheys Road and Wellfield Lane (82 to Wellfield Lane), Hale,	138
Manor Avenue , Woodhouse Lane R/about to Cherry Lane, Sale, Broadheath	16
Broad Lane, Hale Road to Bankhall Lane, Hale,	66
Tewksbury Ave, Urmston, Davyhulme	31
Highways Resurfacing Total	1,147

Description	Value
Highways Road Resurfacing	£000
Pritchard Street, Stretford	54
Stokoe Avenue, From Taylor Road, Altrincham	32
Oakfield, Ashton Upon Mersey	47
Oldfield Road, St Marks Avenue to Seamons Road, Altrincham –Bowdon	115
Barton Road, (phase 1 of 4) between Lostock Circle and Lostock Court, Stretford, Gorse Hill	35
Chesham Avenue, Flixton, Davyhulme West	18
Kenmore Drive , Timperley, Hale Central	31
Highways Reconstruction Total	332
Highways Reconstruction	£000
Oxford Road / Peter Street "Triangle" , (Junc w Ashley Rd to Alty Theatre) / Peter Street, Bowdon	171
Whitecarr Lane, Junction from Roaring Gate Lane to Fairywell Brook, Hale Barns	102
Black Moss Road, Bowdon	109
Sinderland Lane, junction with Whitehouse Lane, Altrincham- Bowdon	114
The Downs, Delamer Road to Junction with Woodville, Altrincham- Bowdon	98
Beechwood Ave, Flixton	60
Irlam Road, From Wellacre SKC to Woodsend Crescent junc, Davyhulme West/ Flixton	130
East Union St / Chester Road - Junction Only, Clifford	232
Gaddum Road, Bow Green to Stanhope Road, Bowdon	161
Epsom Avenue, St Marys	53
Bow Lane, from junc with Oakwood Lane to Bow Green Farm, Bowdon	102
Glebelands Road, from Sandwell Drive to Park Road, Ashton on Mersey	40
Chapel Lane , Moss Lane to Cross Lane West, Bucklow St Martins	266
Moss Lane, Oakfield Road to Urban Road. Hale Central	132
Holmefield, Priory	82
Manchester Rd/Hall Lane Roundabout , Partington, Bucklow St Martins	43
Andrews Avenue, Flixton , Davyhulme West	104
Dairyhouse Lane, Altrincham	57
Highways Reconstruction Total	2,056

Description	Value
Structures	£000
Bridge Inspections (GI and PI)	80
Bridges Asset Management	30
Assessment/Studies/Advanced Design	40
Bridge Minor Works	80
Rail Road Incursion	30
Ashburton Road W Canal Br - Subway No 1	65
Barton Dock Road - phase 2	130
Euroterminal Access Bridge	100
Structures Total	555
Street Lighting	£000
Electrical Street Furniture Replacement Programme	450
Street Lighting – Asset Management	600
Street Lighting Total	1,050
Highways Structural Maintenance Programme	6,665

* In addition to the schemes above to be approved, there are a number of commitments from previous years included within the Indicative Capital Programme.

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee 3 February 2021
Executive and Council 17 February 2021
Report for: Decision
Report of: The Executive Member for Finance and Governance and the
Corporate Director of Finance and Systems

Report Title

TREASURY MANAGEMENT STRATEGY 2021/22 – 2023/24

Summary

This report outlines the:-

- strategy to be implemented during this period for investments and borrowing,
- outlook for interest rates,
- management of associated risks,
- policy to be adopted on Minimum Revenue Provision (MRP) and
- Prudential Indicators.

Recommendations

That Accounts & Audit Committee be requested to note and recommend the report to Executive.

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2021/22 – 2023/24 including the:
- policy on debt strategy as set out in section 3;
- investment strategy as set out in section 5;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3.

Contact person for access to background papers and further information:

Name: Graham Perkins
Extension: 4017

Background papers: None

Relationship to Corporate Priorities	Value for Money
Relationship to GM Policy or Strategy Framework	Not applicable
Financial	The treasury management strategy will aim to minimise risk to the Council whilst maximising investment interest. The Council's debt position will be administered effectively and any new loans taken will be in-line with that provided for within the Medium Term Financial Plan and Prudential Indicators.
Legal Implications:	Actions being taken are in accordance with legislation, Ministry of Housing, Communities & Local Government (MHCLG) guidance, Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code of Practice.
Equality/Diversity Implications	All treasury management transactions undertaken by the Council are carried out with institutions with no known direct links to any illegal regimes or which promote the use of forced labour.
Sustainability Implications	The Council, when undertaking any treasury management investment fully supports the ethos of socially responsible investments and will avoid direct investment in institutions with material links to environmentally harmful activities. Opportunities to invest monies in products which both supports sustainable assets and complies with the Council's investment strategy will continue to be explored as and when they become available.
Carbon Reduction	Not directly applicable – See above
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	The monitoring and control of risk underpins all treasury management activities and these factors have been incorporated into the systems and procedures for this function which are independently tested on a regular basis. Failure to properly manage and monitor the Council's loans and investments could lead to service failure and a loss of reputation. No Treasury activity is without risk and the Council's in-house treasury management team continually monitor risks to ensure that security of capital sums is maintained at all times and adverse fluctuations in interest rates are avoided.
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Executive Summary

This report has been prepared in accordance with the Council's Financial Procedure Rules number 8 and outlines the forecasted treasury management activities for the forthcoming three years. Additional reports are produced during the course of the year notifying Members of the preceding financial year actual activities together with a current mid-year update.

Economic position (Appendix 2)

The coronavirus pandemic dominated the headlines in 2020 and aside from the tragic loss of lives caused by this virus, it also had a negative impact on the world economy with a significant downturn in growth being incurred. An agreement on Brexit trade negotiations was reached in December 2020 and both of these events look certain to dominate the headlines again during 2021. A return to positive growth across the world economy in 2021 is expected however this is currently forecasted to be a slow and gradual recovery.

Debt (Section 3)

Borrowing interest rates are forecasted not to move significantly from their current levels. The outcome of the Public Works Loan Board (PWLB) consultation was announced in November 2020 with the main points from this being:

- the removal of the additional 1% applied to borrowing rates in October 2019 and
- no longer able to borrow for a scheme purely to generate a financial benefit.

Any new external borrowing the Council undertakes will be taken to assist in financing the capital borrowing requirement as outlined in the 2021/24 Capital Programme report with all associated costs being contained within the Medium Term Financial Plan.

Debt restructuring exercises will only be undertaken in order to produce revenue savings or reduce overall treasury risk.

Investments (See Section 5 and Appendix 3)

The Council's investment criteria remains unchanged from that previously adopted of SLY, **S**ecurity of capital first, then **L**iquidity of its cash flows and finally **Y**ields.

Council is required to agree the lending criteria and this is set out for Member approval at Appendix 3.

Prudential Indicators and limits (Section 7 and Appendix 3)

Council is required to approve a set of Prudential Indicators and limits ensuring its capital expenditure plans and borrowing remain robust, prudent, affordable and sustainable. These are detailed at Appendix 3 for Member approval.

Medium Term Financial Plan (See Appendix 7)

The current forecasted financial requirements of the Council's treasury management functions during this reporting period are shown for Members reference at Appendix 7.

Background

- 1.1 The Council is required to operate a balanced budget with cash raised during the year being used to pay for expenditure incurred. A primary part of the treasury management operation is to ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity with any temporary surplus monies being invested in low risk institutions.
- 1.2 Another function of this service is to ensure that the Council's capital borrowing requirement, the longer-term cash flow planning, is provided for which may involve arranging long or short-term loans or using longer-term cash flow surpluses. In addition to this and when it is financially prudent to do so, any debt previously obtained may be restructured.
- 1.3 Treasury management as defined by the Chartered Institute of Public Finance Accountancy (CIPFA) is:
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.4 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions as covered by this report), and more commercial type investments, such as regeneration properties. In order to assist with this activity the Council uses a specialist external advisor.
- 1.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are classed as non-treasury activities, (arising from capital expenditure) and are separate from the day to day treasury management activities. Details of these transactions are shown in Appendix 8 for reference.
- 1.6 The contribution the treasury management function makes to the Council's overall financial position is significant as for example failure to ensure sufficient funding is available when payments are due to be made would generate a negative impact on the Council's reputation. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of all monies invested is achieved in order to avoid any potential loss of principal which in turn would result in a loss to the General Fund Balance.
- 1.7 Members are required to receive and approve, as a minimum, 3 reports annually which incorporate a variety of policies, forecasts and actuals as follows;
 - **Annual treasury strategy** (issued February - is the most important report and includes);
 - A Minimum Revenue Provision (MRP) policy (this reflects capital expenditure previously financed by borrowing and how the principal element is charged to revenue over time),
 - The treasury management strategies (how the investments and borrowings are to be organised) including treasury prudential indicators and limits and
 - An investment strategy (the parameters on how investments are to be managed).
 - **Mid-year update** – (issued November / December – this provides an);
 - update for members with the progress of the treasury management activities undertaken for the period April to September and

- opportunity for amending prudential indicators and any policies if necessary.
 - **Annual outturn** – (issued June);
 - this provides details of actual treasury operations undertaken in the previous financial year.
- 1.8 Each of the above 3 reports are scrutinised by the Council's Accounts & Audit Committee before being forwarded onto either Executive or Council for final approval.
- 1.9 The In-house treasury management team will ensure that all treasury management transactions undertaken comply with the statutory requirements as stipulated within the Local Government Act 2003, the CIPFA Prudential Code, Ministry for Housing Communities and Local Government (MHCLG), MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance. A brief outline of these frameworks is provided at Appendix 1.
- 1.10 This report which has been prepared in accordance with the required statutory regulations and guidance, includes;
- Economic & Interest Rate forecast (section 2)
 - Debt Strategy (section 3)
 - Minimum Revenue Provision (section 4)
 - Investment Strategy (section 5)
 - Investment Risk Benchmarking (section 6)
 - Prudential Indicators (section 7)
 - Related Treasury Issues (section 8)
 - Medium Term Financial Plan (section 9)
 - Recommendations (section 10)
 - Appendices.
- 1.11 The Council uses Link Group (LG) as its external treasury management advisors who provide a range of services on treasury matters from the supply of credit ratings to technical support. The Council recognises that there is value in employing external providers for this service and this is subject to regular reviews.
- 1.12 Whilst the external advisors provide support to the in-house team, the Council will consider all available information when forming an opinion on matters concerning treasury management and acknowledges the final decision remains with it at all times.
- 1.13 The Council acknowledges the importance of ensuring that all Members and staff involved in the treasury management function receive adequate training and are also fully equipped to undertake the duties and responsibilities allocated to them. This is further highlighted in the CIPFA Code which requires the responsible officer, Director of Finance and Systems, ensures that Members with responsibility for treasury management, receive adequate training in treasury management.
- 1.14 For reference a Member training event was provided on 21st January 2021 by the Council's in-house team and its external advisors LG. Officers will continue to attend relevant courses / seminars / webinars as presented by CIPFA, LG and other suitable professional organisations with additional training for Members being provided when required.

2. Economic & Interest Rate forecast

- 2.1 During 2020 the coronavirus pandemic had a devastating impact on both the health and welfare of the world's population together with the global economy. As a result of this, swift and decisive action on a scale never seen before saw Central

Banks and Governments being forced into implementing national lockdowns, cutting central lending interest rates to historic low levels and pumping vast sums of monies into their respective national economies. In addition to this the ongoing trade war between China and USA and Brexit talks continued to take place in the background with a trade agreement being achieved between the European Union and the UK in December 2020.

- 2.2 Appendix 2 outlines further details of the major economic events which occurred during 2020 and also includes market forecasters' predictions for 2021 for reference.
- 2.3 LG produces interest rate projections periodically throughout the year and the latest forecasts (November 20) are shown below for reference;

Average rates	2020-21 Forecast %	2021-22 Forecast %	2022-23 Forecast %	2023-24 Forecast %
Bank Rate	0.10	0.10	0.10	0.10
Investment Rates				
3 month	0.10	0.10	0.10	0.10
1 Year	0.20	0.20	0.20	0.20
PWLB Loan Rates				
5 Year	1.60	0.80	0.90	1.00
25 Year	2.20	1.60	1.70	1.80
50 Year	2.00	1.40	1.50	1.60

- 2.4 Forecasters are currently suggesting that it is unlikely there will be any increase in Bank Rate and money market interest rates for some considerable time as demonstrated in the above table. This situation is in response to the damage the coronavirus pandemic has had on the economies around the world and whilst a recovery from the current position is expected this will now be gradual and prolonged. After the Monetary Policy Committee (MPC) took emergency action in March 2020 to cut the Bank Rate twice from 0.75% to 0.25% and then to 0.10%, it has at each subsequent meeting since then left this rate unchanged increasing the level of Quantitative Easing undertaken from £445bn in March 2020 to £895bn in November 2020. Whilst some forecasters still suggest that a cut into negative interest rate territory could happen, the Governor of the Bank of England has previously stated that this is not intended. Despite this, money markets are seeing a few large institutions, including the Government's Debt Management Account Deposit Facility willing to take money in the short periods (up to 6 months) at nil or negative interest rates.
- 2.5 The Council will continue to adopt a cautious approach to its treasury management activities whilst utilising the information available from both LG and other external sources which may become available during this time.

3. Debt Strategy

- 3.1 The Council's capital expenditure plans are set out in the Capital Programme report and this provides details of the service activity. The treasury management function ensures in accordance with the relevant professional codes, that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and where capital plans require, the organisation of appropriate borrowing facilities.
- 3.2 The underlying need to borrow comes from the Capital Financing Requirement (CFR) which essentially is a measure of the Council's indebtedness. Any capital

expenditure not immediately paid for through a revenue or capital resource, will increase the CFR.

- 3.3 The Council needs to ensure that its debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates going out to 2023/24. Whilst this allows some flexibility for limited early borrowing for future years, it also ensures that borrowing is not undertaken for revenue or speculative purposes. The Corporate Director of Finance and Systems can confirm that the Council has not exceeded the CFR in the current year and does not envisage difficulties for the future.
- 3.4 The CFR is not allowed to rise indefinitely and statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset with an annual revenue charge, the Minimum Revenue Provision (MRP) which reduces the CFR each year.
- 3.5 Included within the CFR are any other long-term liabilities such as Private Finance Initiative (PFI) schemes and finance leases. Whilst these increase the overall balance of the CFR, the Council's borrowing requirement is not increased as this type of liability includes a borrowing facility by the PFI or lease provider. The Council currently has £4.5m (31 March 2021) liability of such schemes within the CFR which is set to fall to £3.4m by 31 March 2024 as highlighted in the table below;

Other long-term liabilities	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Total at 1 April	4,759	4,453	4,126	3,776
Expected repayment	(306)	(327)	(350)	(374)
Total at 31 March	4,453	4,126	3,776	3,402

- 3.6 With effect from April 2021, the International Financial Reporting Standard 16 will require that all Council leases are also included with the CFR. Whilst the compliance of this new accounting requirement will impact on the Council's overall long term liabilities, it is deemed at this stage to be immaterial.
- 3.7 The total of the Council's loans outstanding as at 31 December 2020 totalled £395.8m and a breakdown of this debt is provided for reference at Appendix 6.
- 3.8 The Council holds, as mentioned above £67.5m of Market loans and of these £15.0m are held as variable rates of interest in the form of Lender's Option Borrower's Option (LOBO) loans. With regards to this type of loan, the lender has the option to propose an increase in the interest rate at set dates and should this situation occur then the Council can either accept the new rate or repay the loan at no additional cost. In accordance with the Director of Finance and Systems delegated authority, should an opportunity present itself to repay a LOBO loan then this option will be fully examined to determine whether any financial benefit could be obtained including taking a replacement loan from another lender.
- 3.9 In line with similar practices adopted by the majority of local authorities, this Council is currently maintaining an under-borrowed position (CFR balance being higher than the level of external debt). This position has arisen from previous and current years annual CFR (borrowing need), not being fully funded with new loans as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are set to remain at historically low levels for the foreseeable future, as highlighted at

paragraph 2.3, and counterparty risk still is an issue. For reference as at 31 March 2020 the Council's under borrowed position was £40m.

- 3.10 This policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years due to debt interest rates being consistently higher than investment returns, a situation which is forecasted to continue for the foreseeable future. This situation will continue to be carefully monitored to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 3.11 There is currently no budgetary provision included within the Council's MTFP to cover new associated borrowing costs therefore any new projects requiring borrowing will need to be self-financing.
- 3.12 The Director of Finance and Systems will continue to monitor interest rates and adopt a sensible approach to changing circumstances within the 2021/22 treasury operations before taking on any new debt to finance a proportion of the Council's capital projects or commercial regeneration programme.
- 3.13 Based on current commitments the table below reflects the level of external debt the Council is expected to have for the period 2020/21 to 2023/24 which is used to part fund its capital programme;

	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000
Commercial Regeneration programme				
Total at 1 April	217,900	254,816	377,253	446,612
Planned repayments	(103,833)	(137)	(141)	(145)
Potential New debt	140,749	122,574	69,500	53,333
Total at 31 March	254,816	377,253	446,612	500,000
General capital programme				
Total at 1 April	159,359	164,367	166,289	167,175
Planned repayments	(4,662)	(3,078)	(4,114)	(4,185)
Potential New debt	9,670	11,980	6,000	50
Total at 31 March	164,367	173,269	175,155	170,820

- 3.14 All interest incurred on the Council's external debt is charged directly to treasury management apart from where it has previously been agreed by Executive for interest incurred on major development schemes i.e. Brown Street Hale to be capitalised.
- 3.15 When however any form of borrowing, be this Long or Short term, is required, consideration is given to obtaining funds at the most advantageous rates possible at that time, from the following in order to finance the Council's capital expenditure:
- Other local authorities,
 - The Government via the PWLB,
 - Dedicated publicly funded companies e.g. Salix,
 - Municipal Bond Agency, or

- Financial institutions within the money market (insurance companies, pension funds and banks).
- 3.16 In March 2020, the Government issued a consultation document which outlined several potential reforms which it intended to introduce on how the PWLB operated. This included implementing measures intended to prevent the trend, in a minority of local authorities of taking on debt to buy assets primarily for generating an income stream. On 25th November 2020 the Government announced the outcome of the consultation and as a result lowered the interest rate of PWLB lending by 1% bringing it back to the levels they were at before October 2019. Also included within these reforms was a prohibition to deny access to borrowing from the PWLB for any local authority which had within its three year capital programme, a facility to purchase assets purely for generating an income stream.
- 3.17 The uptake of new long term debt will be processed in accordance with the Council's approved scheme of delegation and reported to Members at the earliest opportunity. Action of this sort will be undertaken in accordance with a number of factors such as affordability, proposed life of the asset, current interest rate projections and advice obtained from the Council's external advisors.
- 3.18 Rescheduling any of the Council's current PWLB loans is unlikely to occur as a result of the high early repayment penalty (premium) which will be incurred. This situation will be monitored during the course of the year and in the event any debt rescheduling is done, it will be reported to the Members at the earliest meeting following its action.
- 3.19 Whilst the Council retains the flexibility to borrow funds in advance of requirement as a result of potential changes to market conditions i.e. a sharp rise in interest rates, it will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will ensure that funds are taken within the forward approved CFR estimates and that value for money can be demonstrated.
- 3.20 Any borrowing taken by the Director of Finance and Systems in advance of need will be done in accordance with delegated powers and within the constraints stated below;
- no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period is to be obtained in this manner and
 - the Council would not look to borrow more than 12 months in advance of need.
- 3.21 The Council's debt maturity profile is provided at Appendix 4 for reference which also shows, in accordance with the Code of Practice, the potential first date the lending banks could amend the rate of interest for their respective market LOBO loans.
- 3.22 *The Council is required to approve;*
- *the above debt strategy and*
 - *as part of the Prudential Indicators and Limits requirement, the limits for external debt in accordance with the Local Government Act 2003, having regard to CIPFA's prudential code before the commencement of each financial year. These limits are detailed at Appendix 3.*

4. Minimum Revenue Provision Strategy

- 4.1 The Council is required in accordance with MHCLG regulations to approve an MRP Statement in advance of each financial year. This Statement details how the Council will set aside annual amounts for the repayment of debt (by reducing the

CFR), through a revenue MRP charge and any additional Voluntary Revenue Payments (VRP).

4.2 *The Council is requested to approve the MRP Statement as detailed at Appendix 3.*

5. Investment Strategy

5.1 In accordance with both MHCLG and CIPFA guidelines, the term ‘investments’ now reflects both financial and non-financial investments. This report deals solely with financial investments, (as managed by the in-house treasury management team). Non-financial investments, essentially the Council’s Asset Regeneration Investment Strategy, are covered in the Capital Strategy, (a separate report).

5.2 When the Council’s in-house treasury management team places an investment, not only does it do so with regard to current legislation and guidance as highlighted below but also with regards to the outlook for short-term interest rates.

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

5.3 On each occasion when investments are made the primary principle will continue to be the same as that adopted in previous years of **SLY**, **S**ecurity of funds first, **L**iquidity second followed by **Y**ield.

5.4 Whilst the active use of Ethical investments is a topic of increasing interest to both members and officers, investment guidance, both statutory and from CIPFA, clearly states that all investing must follow the SLY principles with all ethical issues taking a subordinate role. The Council’s in-house treasury management team will continue to both follow this principle and monitor the market in order to be able to take advantage of any new investment product which supports this aspect providing it complies with the current investment credit criteria.

5.5 The Council will aim to achieve the maximum return (yield) on its investments appropriate with proper levels of security and liquidity in line with the Council’s risk appetite. In the current economic climate of low investment interest rates the Council is restricted in generating a significant return from its investments without exposing it to additional risk factors. It is easy to forget recent history of counterparties defaulting and ignore market warnings when searching for that extra return to ease revenue budget pressures. The Council will not undertake any investment transaction without thoroughly understanding the product and associated risks in full or in any institution which is paying considerably over and above market levels.

5.6 Funds making up the Council’s investments derive from monies received in advance of spend requirement and from the balances and reserves which it holds. Whilst greater returns are usually obtainable by investing for longer periods, most cash balances are required to manage the ups and downs of the Council’s day to day cash flows. Cash not required for immediate use may be invested for longer periods of time, however before doing so careful assessment to the value to be obtained from this is undertaken.

5.7 Guidance issued by both the MHCLG and CIPFA as identified at paragraph 5.2 places a high priority on the management of risk and whilst this will never completely be eliminated, it can be minimised. The Director of Finance and Systems will maintain a counterparty list with the assistance of LG specifying which institutions it can place funds with. By only placing funds with those institutions which appear on this list it reduces the risk of an institution defaulting, enables

diversification and avoids concentration risk. The key credit ratings used to monitor institutions are the short term and long-term ratings.

- 5.8 The Council will use UK institutions, including banks, building societies and local authorities together with banks located in a country which has a minimum Sovereign Long term credit rating of AA-. As well as detailing the criteria institutions must meet to enable them to be included onto the Council's approved lending list, within their respective category, Appendix 3 also specifies both the maximum value and duration funds can be placed at any one time.
- 5.9 Credit rating information is supplied by LG, the Council's treasury advisors, on all active counterparties that comply with the criteria above. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to an institution at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 5.10 This approach uses real time credit rating information provided by LG and enables an institution, should they meet or no longer meet the minimum credit criteria required to be immediately included on to or removed off the approved list.
- 5.11 A full explanation of the credit ratings determining the institutions which the Council will use can be found at Appendix 5.
- 5.12 The Council's in-house treasury management team recognises ratings should not be the sole basis of determining the quality of an institution. It is important to continually assess and monitor institutions both on the economic and political environments in which they operate together with information that reflects the opinion of the markets. To achieve this, the Council will, with LG, monitor market pricing on additional factors such as "credit default swaps" (CDS) and overlay this information on top of the credit ratings. This additional market information is detailed for Members' reference at Appendix 5.
- 5.13 As a result of the current economic position, several of the banks the Council uses to place funds with, have either restricted the levels of funds permitted to be placed with them, are no longer in the market. To maintain security and diversity of funds and avoid a potential concentration of investments being placed in too few institutions, it is requested that the number of building societies permitted to be used within the Council's approved counterparty list be increased from 2 to 10. To facilitate this request it is proposed that building societies which have minimum net asset value of £2.5bln regardless of their credit ratings are added to the list of approved counterparties. The operation of building societies are greatly limited when compared to banks and therefore their inclusion onto the Council's approved list of counterparties will not have any adverse effect to the quality of institutions permitted to be used.

Investment instruments identified for use in the financial year together with institution limits are detailed in Appendix 3.

- 5.14 In the event the Monetary Policy Committee moved to negative interest rates, this would put pressure on the level of investment income generated with any shortfall met from the interest rate smoothing reserve. The overriding objectives for the strategy will continue to be security of funds, diversity and liquidity. To minimise the financial exposure, opportunities would be considered to undertake internal borrowing to support capital expenditure in the short term whilst maintaining appropriate levels of liquidity.

- 5.15 Members are asked to approve this base criteria, however the Director of Finance and Systems may temporarily restrict further investment activity to those institutions considered of higher credit quality than the minimum criteria set out for approval should any exceptional market conditions be encountered.
- 5.16 Investments will continue to be placed as follows;
- Short-term – cash required to meet known cash flow outgoings in the next month, plus a contingency to cover any unexpected transaction over the same period with bank call / notice accounts and money market funds being the main methods used for this purpose.
 - Medium-term – cash required to manage the annual seasonal cash flow cycle covering the next 12 months and will generally be in the form of fixed term deposits and ultra-short dated bond funds.
 - Long-term – cash not required to meet any immediate cash flow requirements and can be used primarily to generate investment income by using fixed or structured term deposits, certificates of deposits, government bonds or the Local Authority Property Investment fund.
- 5.17 Use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category and these will only be used where the Council's liquidity requirements are safeguarded and be limited to the Prudential Indicator detailed at Appendix 3.
- 5.18 The level of the Council's investments together with the average interest rate, as at 31 December 2020, is provided for reference at Appendix 6.
- 5.19 *The Council is requested to approve the;*
- *adoption of the above Investment strategy and*
 - *minimum criteria for providing a list of high quality investment institutions, instruments and limits to be applied as set out at Appendix 3.*

6. Investment Risk Benchmarking

- 6.1 The CIPFA Code of Practice and MHCLG Investment Guidance require that appropriate security and liquidity benchmarks are considered and reported to Members annually and details of these are provided in Appendix 5.
- 6.2 Benchmarks are simple guides (not limits) to maximum risk for use with cash deposits and so may be breached from time to time, depending on movements in interest rates and institution criteria. The purpose of the benchmark is to assist officers to monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported to Members, with supporting reasons in the Mid-Year or Annual Report. For reference the benchmarks proposed are;

- Security -Each individual year the security benchmark is:

1 year investments	2 year investments	3 year investments
0.05%	0.04%	0.09%

Note - This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment. At 31 December 2020 the Council's default rate of its investments placed was 0.008% which is 0.042% below the 1 year benchmark of 0.05%.

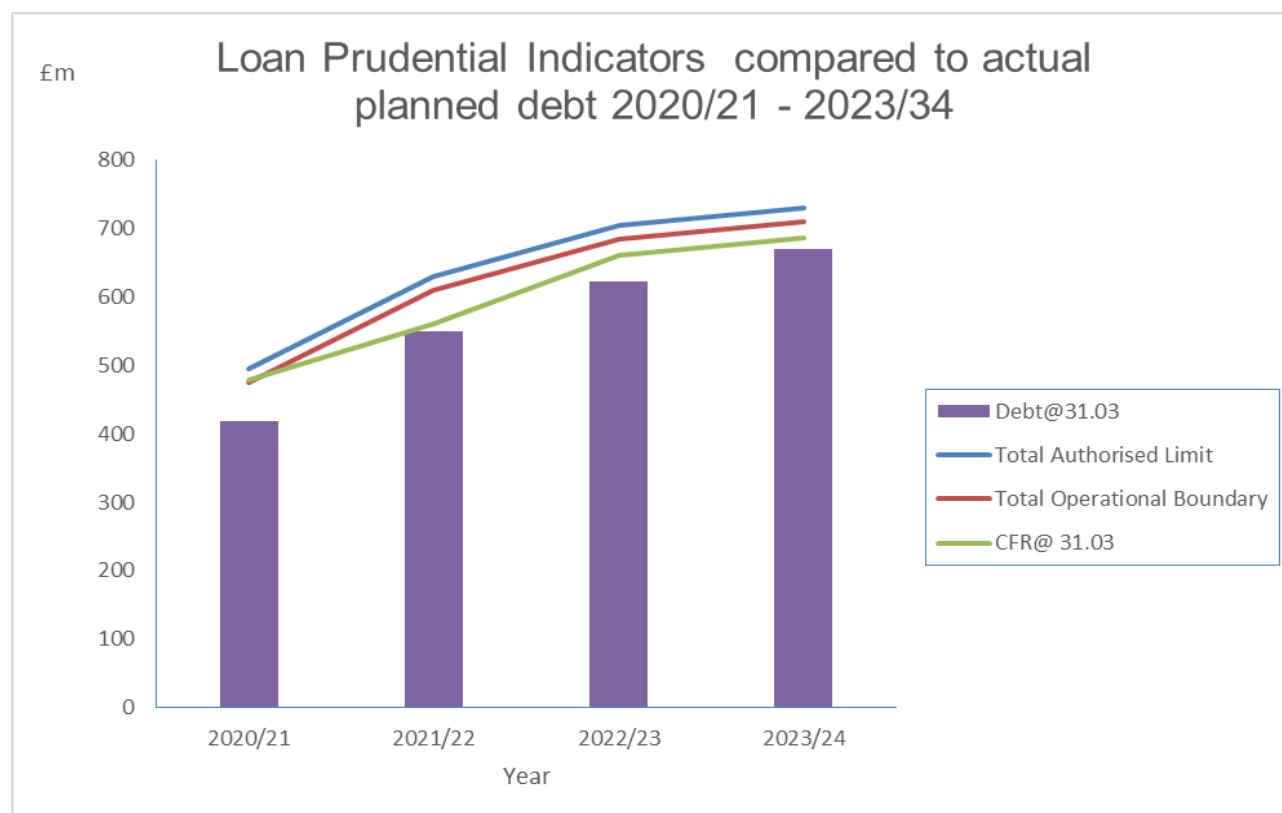
- Liquidity -Weighted Average Life (WAL) - benchmark for 2021/22 is set at 6 months, with a maximum of 3 years for cash time deposits;

-Liquid short term deposits - at least £5m is available within a week's notice;

- Yield -Previously the Council aimed to achieve a return on its internally placed investments of greater than the 7 day London Interbank Deposit (LIBID) rate without sacrificing any security aspects. The Financial Conduct Authority (FCA) announced in July 2017 that it was to look at replacing this rate together with several other rates as they had become unreliable. It is expected that new replacement rates will be in place by the end of 2021 and the Council will work with LG in determining a suitable replacement investment benchmark ahead of this and will inform members accordingly.

7. Prudential Indicators

- 7.1 A number of prudential indicators have been devised for the treasury management process and these have been prepared to assist managing risk and reduce the impact of an adverse movement in interest rate. These indicators have been set at levels which do not restrict day to day activities whilst at the same time ensure the Council's capital expenditure plans are prudent, affordable and sustainable.
- 7.2 The graph below shows how 2 of these prudential indicators (Authorised Limit and Operational Boundary) relate to potential levels of debt and *Members are requested to approve the full set of Prudential Indicators for the Council's treasury management activities as detailed at Appendix 3.*



8. Related Treasury Issues

- 8.1 Greater Manchester Pension Fund (GMPF). During April 2020, the Council along with several other Greater Manchester councils paid over to GMPF a discounted advance equivalent to 3 years' of employer pension contributions in order to take advantage of the pension fund's wider investment powers. This initial payment will have run its course by 31st March 2023.

- 8.2 Asset Investment Regeneration Strategy. During 2017/18 the Council introduced a programme to acquire suitable assets which will deliver significant regeneration benefits for the area and increase the Council's income generating capacity thereby enabling it to maintain the provision of services in future years.
- 8.3 Whilst investments under Asset Investment Regeneration strategy are made to support policy related activities and are therefore considered outside the treasury management of purely financial investments, their implementation will have an impact on the Council's cash flow and all such investments are therefore also considered on each occasion in accordance with the principles set out in paragraphs 5.2 and 5.3 above.
- 8.4 International Financial Reporting Standards 9 (IFRS9). This was introduced in response to the 2008 financial crisis and is designed to generate transparency in the Council's accounts enabling the reader to fully assess the worth and risk of its financial instruments with any potential losses or profits being taken to the account in full in the year they occur. To mitigate against this MHCLG have issued a 5 year override expiring on 31 March 2023 which will enable councils to either arrange for a planned exit or for potential surpluses to be placed into an unusable reserve and applied to overcome those years when a downward revaluation occurs. Whilst IFRS 9 is primarily a re-classification not a re-valuation exercise, its introduction is not envisaged to have any major impact for the Council. Currently there is 1 investment which is effected by this re-classification and that is the CCLA transaction. Whilst this investment generates a return of approximately 4.5% to 5.0% per annum the Council's in-house team will;
- continue to monitor both the monthly valuations received for this investment and the quarterly market forecasts produced to ensure that any potential losses in valuation are kept to a minimum and
 - consider setting aside a proportion of the annual interest received into a reserve for use to smooth out any potential losses.

9. Medium Term Financial Plan

- 9.1 Detailed for reference at Appendix 7 is a headline breakdown of the treasury management budgets for the period 2021/22 – 2023/24 split between Treasury and Non-Treasury activities. Whilst these budgets have been produced using the latest interest rate forecasts and predicted movements in the Council's income and expenditure plans, they will be subject to change due to factors beyond the Council's control i.e. interest rate movements.

10. Recommendations

That Accounts & Audit Committee be requested to note and recommend the report to Executive.

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2021/22 – 2023/24 including the:
- policy on debt strategy as set out in section 3;
- investment strategy as set out in section 5;

Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3.

Other Options

This report is a mandatory report which has been produced in order to comply with Financial Procedure Rules and relevant legislation. The MHCLG Guidance and CIPFA Code do not prescribe any particular treasury management strategy for Councils to adopt and there are an unlimited number of other options that the Council could consider as part of its treasury management activities. This report however outlines a clear and practical approach with an appropriate balance between risk management and cost effectiveness and is recommended by the Corporate Director of Finance and Systems.

Consultation

There are no applicable consultation requirements in respect of this report. Advice has been obtained from Link Group, the Council's external advisors.

Reasons for Recommendation

The Financial Procedure Rules, incorporating the requirements of the CIPFA Treasury Management Code of Practice requires that the annual strategy report is provided to the Council as an essential control over treasury management activities. In it the Council approves the parameters under which officers will operate. In addition The Local Government Act 2003 requires that the Council approves an annual borrowing limit (the Authorised Limit) and MHCLG Guidance an annual investment strategy (setting out the limits to investment activities) prior to the commencement of each financial year.

Key Decision

This will be a key decision likely to be taken in: February 2021

This is a key decision currently on the Forward Plan: Yes

Finance Officer Clearance **GB**

Legal Officer Clearance **JLF**

Corporate Director's Signature

A handwritten signature in blue ink, consisting of several fluid, connected strokes that are difficult to decipher as specific letters.

STATUTORY FRAMEWORK

Local Government Act 2003

In accordance with the Local Government Act 2003 (and supporting regulations and guidance) each Council must before the commencement of each financial year, produce a report fulfilling three key requirements as stipulated below;

- The debt strategy in accordance with the CIPFA Code of Practice on Treasury Management (section 3);
- The investment strategy in accordance with the MHCLG investment guidance (section 5);
- The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix 3).

CIPFA Code of Practice

The Council's treasury activities are strictly regulated by statutory requirements in conjunction with a professional code of practice (the CIPFA Treasury Management Code of Practice). This Council adopted the Code of Practice on Treasury Management on 24 April 2002 and followed recommended practices by considering an annual Treasury Management Strategy before the commencement of each financial year. These Codes are revised from time to time and the Council complies with any revisions.

Investment Guidance

MHCLG issued Investment Guidance in 2018 and this forms the structure of the Council's Investment policy as set out below:

- The strategic guidelines for decision making on investments, particularly non-specified investments;
- Specified investments that the Council will use. These are high security (no guidelines are given defining what this should consist of and each individual Council is required to state what this should be i.e. high credit ratings), high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time;
- The principles to be used to determine the maximum periods for which funds can be committed.

MAIN 2020 ECONOMIC HEADLINES

GLOBAL-

- A new worldwide pandemic caused by the spread of the coronavirus resulted not only in a large number of tragic deaths but also generated a downturn in the world economy as governments imposed lockdowns in order to try and reduce the spread of this new virus.
- Scientists have now developed successful vaccines to help combat the virus and these are now starting to be administered.
- The International Monetary Fund (IMF) predicts that the world economy will shrink by 4.4% in 2020 and expects the global growth to be slow and gradual.
- Extreme global poverty is set to rise for the first time in more than two decades.

UK-

- In order to restrict the spread of the coronavirus, an initial National lockdown in March 20 lasting to the beginning of July 20 was implemented by the Government. This was followed by local area lockdowns/restrictions and further national lockdowns were implemented in November 20 and January 21.
- News that safe and effective coronavirus vaccines had been developed were first announced in November and these started to be administered in December 20. Whilst a comprehensive roll-out of vaccines might take into late 2021 to fully complete, it is hoped that if these vaccines are successful current restrictions will begin to be relaxed enabling for an improved economic outlook. It should be noted that as effective vaccines will take time to administer, economic news could well get worse before it starts getting better.
- During the first half of 2020 the economy shrank by 21.8% and whilst a recovery was seen to be taking effect, the economy was down by 7.9% from the pre-pandemic level of February 2020. Overall, the pace of recovery is not expected to have a quick bounce back but a more elongated and prolonged one taking until the end of 2022 for it to fully recover to February 2020 levels.
- Public borrowing for 2020/21 is now forecast by the Office for Budget Responsibility (OBR) to reach £394bn by March 2021, the highest level ever in peace time and equivalent to 19% of GDP. In the current climate of low interest rates the Government is able to lock in at historic low levels enabling the interest paid by the Government to be manageable despite the huge increase in the total amount of debt which at the end of October 2020 was £2.08 trillion.
- Consumer Price Index (CPI) which started the year off at 0.8% in April reduced to 0.3% in November 2020 which is 1.7% below the Bank of England's target of 2%.
- The Monetary Policy Committee, (MPC) in response to the outbreak of the coronavirus reduced Bank Rate twice in March 2020 from 0.75% to 0.10% and increased Quantitative Easing from £445bn to £895bn in November 2020. It has decided against the use negative interest rates, relying on other instruments it has available such as QE.
- Unemployment rose from an opening position of 4.0% in April 2020 to 4.8% in September and is currently set to peak in the middle of 2021 at 8%. It is

hoped that following a successful roll out of vaccines that activity in restaurants, travel and hotels will return to their pre-pandemic levels, which would help to bring the unemployment rate down.

- Brexit trade negotiations produced a successful outcome ahead of the 31 December 2020 deadline although it is too early to be sure how this will impact on the economies of both the UK and Eurozone.

Eurozone –

- The economy was recovering well towards the end of Quarter 2 and into Quarter 3 2020 after a sharp drop in GDP caused by the virus. However, growth is likely to stagnate during Quarter 4, and Quarter 1 of 2021, as further waves of the virus affects many countries, with those countries more dependent on tourism being likely to be hit the hardest.
- The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide an appreciable difference in the worst affected countries.
- Inflation is not expected to get much above 1% over the next two years and this is well below the European Central Bank target of 2%. It is currently unlikely that the ECB will cut its central rate even further into negative territory from its current level of -0.5%.

US –

- The outcome of the November 2020 Presidential elections resulted in Joe Biden, Democrat, being returned as the 46th President.
- The economy had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%.

China-

- After an intensive effort by the Chinese Government to get on top of the coronavirus outbreak in Quarter 1, economic recovery was strong in both Quarter 2 and Quarter 3 thereby enabling China to recover all of the contraction it suffered in Quarter 1.
- Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets.

MAIN ECONOMIC FORECASTS FOR 2021

Producing accurate economic forecasts continues to be an extremely difficult task due to the many external factors which have an impact on them, particularly more so in the current pandemic climate. Forecasters are currently predicting the following levels of activity for the year ahead however these will be liable to change as the year progresses;

Indicator	UK	Eurozone	US	China
Gross Domestic Product	3.2%	4.0%	3.7%	5.6%
Consumer Price Index	1.9%	1.4%	1.5%	1.9%
Unemployment Rate	7.4%	8.8%	6.5%	5.4%
Bank Rate	0.10%	0.0%	0.25%	3.70%

Source - Trading Economics

ELEMENTS FOR COUNCIL APPROVAL

(including Prudential and Treasury Indicators, Minimum Revenue Provision & Investment Criteria)

In accordance with the current MHCLG Guidance, CIPFA Treasury Management Code of Practice, each council is required to set before the commencement of each financial year Treasury Management Prudential Indicators and limits, a Minimum Revenue Provision Statement and Investment criteria.

The Accounts and Audit Committee and Executive are requested to recommend that Council approve these for the period 2021/22 – 2023/24 as detailed below.

TREASURY PRUDENTIAL INDICATORS AND LIMITS –

In accordance with the current CIPFA Prudential code, the Council is required to produce prudential indicators and limits reflecting the projected capital activity regarding its capital investment programme. These have an impact on the Council's treasury management activities and Council is required to approve the prudential indicators and limits affecting treasury management performance as shown below;

Authorised Limit for External debt	2020/21 estimate £m	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m
General capital programme	190.0	225.0	225.0	225.0
Regeneration projects	300.0	400.0	475.0	500.0
Other long term Liabilities (PFI)	4.5	4.5	4.0	3.5
Total	494.5	629.5	704.0	728.5

Authorised external debt limit - This is a key prudential indicator and represents a control on the maximum level of external debt that the Council will require for all known potential requirements. It includes headroom to cover the risk of short-term cash flow variations that could lead to temporary borrowing and any potential effects arising from bringing "off balance sheet" leased assets onto the balance sheet in compliance with IFRS 16. This statutory limit as determined under section 3(1) of the Local Government Act 2003 needs to be approved by Council prior to the commencement of each financial year.

Operational Boundary for External debt	2020/21 estimate £m	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m
General capital	170.0	205.0	205.0	205.0
Regeneration projects	300.0	400.0	475.0	500.0
Other long term Liabilities (PFI)	4.5	4.5	4.0	3.5
Total	474.5	609.5	684.0	708.5

Operational boundary - calculated on a similar basis as the authorised limit but represents the likely level of external debt that may be reached during the course of the year and is not a limit.

Upper limit for Principal sums invested over 1 Year	2020/21 estimate £m	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m
	100.0	100.0	100.0	100.0

Upper Limit for sums invested for over 1 year – these limits are set with regard to the Council’s liquidity requirements. Included within this limit are the Manchester Airport Shares which at 31 March 2020 were independently valued at £30.2m, the Church Commissioners Local Authorities Property Investment Fund investment of £5m and Commercial asset loan £17.6m.

Upper limits	2020/21 estimate £m	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m
Fixed interest rate exposure based on net debt	9.5	9.5	9.5	9.5
Variable interest rate exposure based on net debt	1.0	1.0	1.0	1.0

Upper Interest Limits – identifies the maximum limit for both fixed and variable interest rates exposure based upon the Council’s debt position net of investments.

Maturity structure of all external loan debt – 2021/22 to 2023/24	Lower limit %	Upper limit %
Under 12 months	0	40
12 months to 2 years	0	40
2 years to 5 years	0	40
5 years to 10 years	0	40
10 years to 20 years	0	40
20 years to 30 years	0	40
30 years to 40 years	0	70
40 years and above	0	90

Maturity Structure of Borrowing – these gross limits are set to reduce the Council’s exposure to large sums falling due for refinancing and reflect the next date on which the lending bank can amend the interest rate for any Lender Option Borrower Option loans the Council currently has.

Gross Debt and the Capital Financing Requirement – this reflects that over the medium term, debt will only be for capital purposes. The Director of Finance and Systems will ensure that:

- all external debt does not exceed the capital financing requirement with any exceptions being reported to Council and
- this requirement has been complied with in the current year and does not envisage difficulties for future years taking into account current commitments.

All the treasury prudential indicators and limits are monitored on a regular basis with any breaches being reported to Council at the earliest opportunity.

MINIMUM REVENUE PROVISION - (no changes)

In accordance with the current MHCLG Guidance, the Council shall determine an amount of minimum revenue provision that it considers to be prudent and submit an MRP Statement setting out its policy for the annual MRP to Council for approval. The following MRP Statement has been prepared in accordance with the Council's accounting procedures and is recommended for approval:

- **Capital expenditure financed by Supported Borrowing:** MRP will be calculated on a straight line basis over the expected average useful life of the assets (50yrs);
- **Capital expenditure financed by Prudential Borrowing:** MRP will be based on the estimated life of the assets once operational and charged on a straight line or annuity basis in accordance with MHCLG guidance;
- **Asset Investment Strategy financed by Prudential Borrowing:** Voluntary Revenue Provision (VRP) using the periods stipulated within the MHCLG Guidance of up to 50 years will be applied. By adopting this approach it will enable the Council upon the sale of each asset, to either apply the capital receipt or use the VRP receipts to extinguish debt taken. If the capital receipt is applied then the VRP previously set-aside will have been undertaken for no purpose and therefore can be reclaimed. Annual reviews are undertaken to ensure that this policy remains prudent and as at 31 March 2020 the total VRP overpayments were £2.553m and are forecasted to total £4.670m by 31 March 2021.
- **PFI schemes and leases shown on the balance sheet:** MRP will be based on the amount of the principal element within the annual unitary service payment and financed from the provision set-up to cover the final bullet payment. Capital receipts are to be used to replenish this provision to ensure any final bullet payment can still be made in 2028/29;
- **Expenditure that does not create an asset:** this is where the Council through the Asset Investment Strategy has made equity investment with Joint Venture companies with VRP being provided and calculated on a straight line basis for periods up to 50 years. Whilst this is a departure from statutory guidance for equity it is equivalent to the period allowed for Investment Property;
- **Use of a Capitalisation Direction:** Expenditure incurred in response to the issuance of a Capitalisation Direction by Central Government, MRP will be made over a period not exceeding 20 years, in accordance with the 2018 Guidance;
- **Lending to a third party:** In instances where the Council lends funds to a third party and in accordance with the guidelines issued (February 2018) by the Secretary of State, MRP is required to be provided over the useful life of the asset created. The Council in this instance will not follow the guidance but rather treat any advance as "Serviced debt" and therefore no MRP will be set-aside providing there is an agreed repayment date. Annually the Council will undertake a financial assessment of the third parties ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

INVESTMENT CRITERIA – (minor changes to policy as highlighted)

Counterparty Selection

- The Council will only use institutions which are located in the UK or from a country with a minimum Sovereign Long term credit rating of AA-. The individual credit criteria, is highlighted below and where credit ratings have been issued, both the Long and Short term rating from 2 of the 3 main agencies will need to meet the minimum required. The requirements shown

below for categories 1 to 5 and 7 will be applied to both Specified and Non-specified investments. Category 6 applies only to The Church Commissioners Local Authorities Property Investment fund.

The limits shown in the table below are set at a contingency level and operationally monies will be placed with a number of institutions with a maximum 20% of the portfolio being placed with any one institution at the time each investment is made. This situation will be monitored during the course of the year with any corrective action being undertaken at the first opportunity without any financial penalty being incurred.

	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 1 – <ul style="list-style-type: none"> •UK & Non UK Banks (bank subsidiaries must have a parent guarantee in place), •UK Building Societies Institutions must also have an individual minimum short term credit rating of – Fitch F1 or equivalent.	AA to AAA	£75m	3yrs
	A+ to AA-	£25m	1yr
	A- to A	£10m	1yr
Category 2 – UK Building Societies which are unrated or do not meet the minimum ratings as per Category 1 with assets in excess of; <ul style="list-style-type: none"> ➢ £5bln+, ➢ £2.5bln - £4.99bln 	-	£5m	1yr
	-	£3m	1yr
Category 3 – UK Banks part nationalised - Royal Bank of Scotland. This bank or its subsidiaries can be included provided it continues to be part nationalised or meets the ratings in category1 above.	-	£20m	1yr
Category 4 – The Council's own banker for transactional purposes if the bank falls below the above criteria.	-	n/a	1day
Category 5 – <ul style="list-style-type: none"> • Pooled Investment Vehicles: <ul style="list-style-type: none"> ➢ Money Market Funds ➢ Ultra-Short Dated Bond Funds • Social & Ethical funds • UK Government (including treasury bills, gilts and the DMO) • Local Authorities • Supranational Institutions 	AAA	(£20m per fund)	3yrs
	AA	(£15m per fund)	3yrs
	-	(£5m per fund)	10yrs
	-	(£20m)	3yrs
	-	(£10m per LA)	3yrs
-	(£20m)	1yrs	
Category 6 – <ul style="list-style-type: none"> •Local Authority Property Investment fund 	-	£10m	10yrs

Cont.	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 7 – • Support the Asset Investment Regeneration Strategy	-	£50m	5yrs

Specified and Non Specified Investments – (minor changes to policy as highlighted)

In accordance with the current Code of Practice, the Council is required to set criteria which identify its investments between Specified and Non Specified investments and these are classified as follows;

- Specified investments are high security and liquid investments with a maturity of no more than a year or those which could be for a longer period but where the Council has the right to be repaid within one year if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small.
- Non specified investments are any other type of investment not defined as specified above. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity. A maximum of £100m is permitted to be held in this classification as detailed on page 21, Prudential Indicator Upper limit for sums invested over one year.

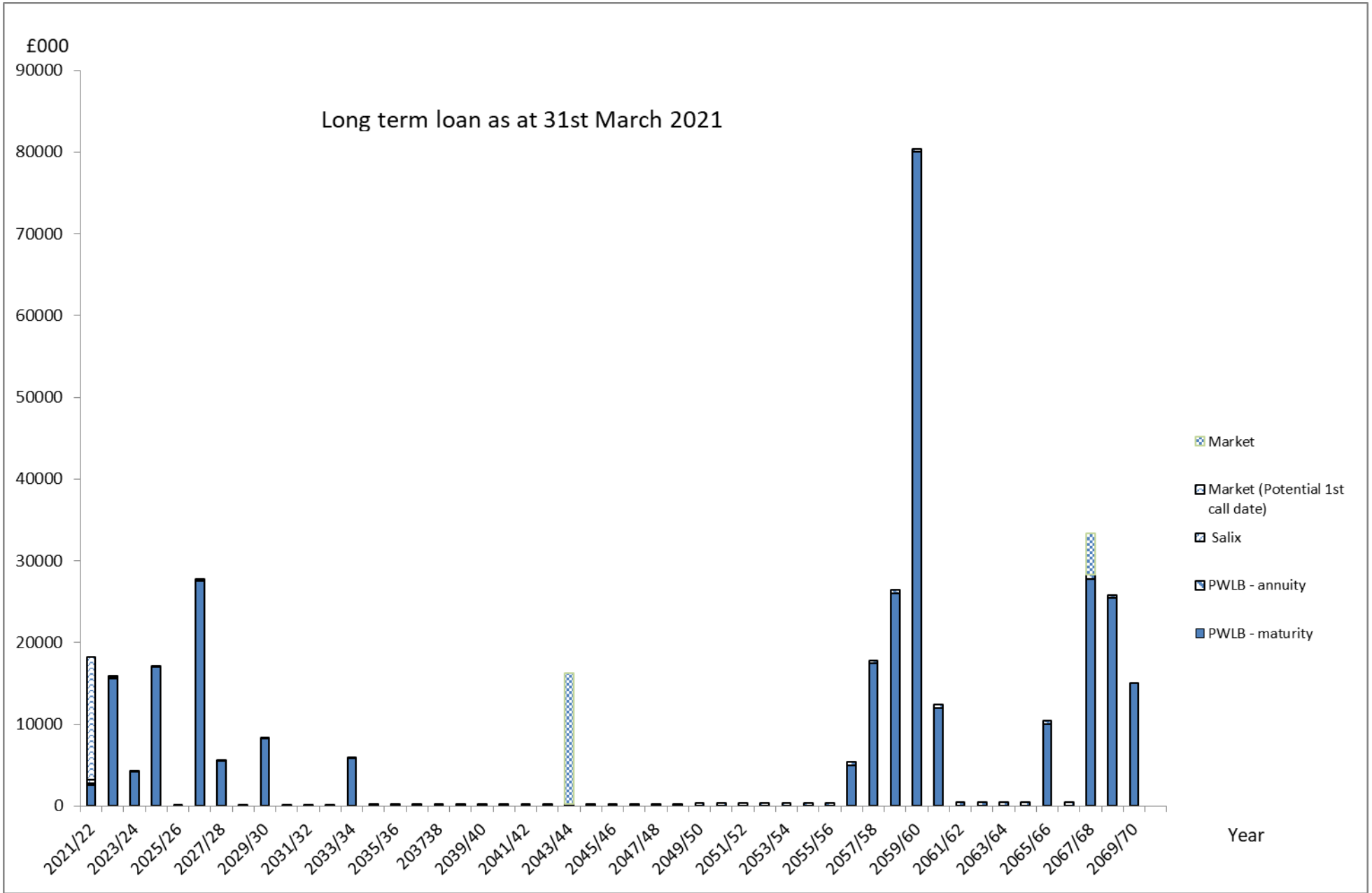
Instruments & Maximum period

All Investments will be undertaken in Sterling in the form of Term Deposits, Money Market Funds, Ultra Short Dated Bond Funds, Treasury Bills, Bonds, Gilts or Certificates of Deposits unless otherwise stated below;

Specified Investments	Maximum Maturity
The UK Government including Local Authorities and Debt Management Office.	1 Year
Supranational bonds of less than one year duration (e.g. International Monetary Fund)	1 Year
Pooled investment vehicles such as money market funds (including the revised categories of Low Volatility Net Asset value and variable Net Asset Value funds) Social & Ethical funds and low volatility bond funds.	1 Year
An institution that has been awarded a high short term credit rating (minimum F1 or equivalent) by a credit rating agency, such as a bank or building society.	1 Year

Non-Specified Investments	Maximum Maturity
<p>Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. World Bank).</p> <p>The security of principal and interest on maturity is on a par with the Government and these bonds usually provide returns above equivalent gilt edged securities. The value of the bond may rise or fall and losses may accrue if the bond is sold prematurely.</p>	3 Years
<p>Gilt edged securities. These are Government bonds and provide the highest security of interest and principal. The value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	3 Years
<p>The Council's own bank if it fails to meet the basic credit criteria with balances being kept to a minimum.</p>	1 Day
<p>UK Banks which have significant Government holdings</p>	1 Year
<p>Any bank or building society which meets the minimum long term credit criteria for Category 1 institutions detailed on page 23 with a maturity of greater than one year (including forward deals in excess of 1 year from inception to repayment).</p>	3 Years
<p>Building societies The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £2.5bln but will restrict these type of investments as shown for Category 2 institutions on page 23.</p>	1 Year
<p>The UK Government including Local Authorities and Debt Management Office.</p>	3 Years
<p>Pooled investment vehicles such as money market funds (including the revised categories of Low Volatility Net Asset value and variable Net Asset Value funds) Social & Ethical funds and low volatility bond funds.</p>	10 Years
<p>Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. It is envisaged this facility will apply to the Manchester Airport share-holding which the Council holds at a historical value of £30.2m as reported in the 2019/20 Statement of Accounts. It is not envisaged that this type of investment will be undertaken in the future.</p>	Unspecified
<p>Manchester Airport Group – This is in response to the restructuring of the airports existing debt and is included for clarity and transparency purposes only.</p>	Term of loans

Non-Specified Investments cont.	Maximum Maturity
Church Commissioners Local Authorities Property Investment Fund - This fund is aimed solely for use by public sector organisations wishing to invest in the property market whilst at the same time generating a favourable rate of return.	10 Years
Support the Asset Investment Regeneration Strategy - where external borrowing to support the investment would not be in accordance with the CIPFA Prudential Code.	5 Years



APPENDIX 5

INVESTMENT CREDIT AND INSTITUTION RISK MANAGEMENT

The Council receives credit rating advice from its treasury management advisers as and when ratings change and institutions are checked promptly to ensure they comply with the Council's criteria. The criteria used are such that any minor downgrading should not affect the full receipt of the principal and interest. Any institution failing to meet the criteria, or those on the minimum criteria placed on negative credit watch, will be removed from the list immediately and if required new institutions which meet the criteria will be added.

Classification	Description	Credit Rating Agency		
		Fitch (Minimum)	Moody's (Minimum)	Standard & Poors (Minimum)
Short Term	Ensures that an institution is able to meet its financial obligations within 1 Year	F1 (Range F1+ , F2 A to D)	P1 (Range P1 to P3)	A1 (Range A-1 , to C)
Long Term	Ensures that an institution is able to meet its financial obligations greater than 1 Year	A- (Range AAA to D)	A3 (Range AAA to C)	A- (Range AAA to CC)

The Council's list of Investment institutions is prepared primarily using credit rating information, full regard is also given to other available information on the credit quality of each institution in which it invests. The information below will continue to be considered when undertaking investments;

- Credit default swaps - CDS were first created in 1997 and are a financial instrument for swapping the risk of debt default. Essentially the owner of the debt would enter into an agreement with a third party who would receive a payment in return for protection against a particular credit event – such as default. Whilst absolute prices can be unreliable, trends in CDS spreads do give an indicator of relative confidence about credit risk.
- Equity prices – like CDS prices, equities are sensitive to a wide array of factors and a decline in share price may not necessarily signal that the institution in question is in difficulty.
- Interest rates being paid - If an institution is offering an interest rate which is out of line with the rest of the market this could indicate that the investment is likely to carry a high risk.
- Information provided by management advisors – this may include some information detailed above together with weekly investment market updates.
- Market & Financial Press information – information obtained from the money market brokers used by the Council in respect of interest rates & institutions will also be considered.

No investment will be made with an institution if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

Investment Limits

In order to further safeguard the Council’s investments and in addition to the information shown at Appendix 3, due care will be taken to consider country, group and sector exposure as follows;

- **Country** – this will be chosen by the credit rating of the Sovereign state as shown at Appendix 3 and no more than 40% of the Council’s total investments will be directly placed with non-UK counterparties at any time;
- **Group** – this will apply where a number of financial institutions are under one ownership (e.g. Royal Bank of Scotland / Nat West) and the Group limit will be the same as the individual limit for any one institution within that group;
- **Sector** limits will be monitored regularly for appropriateness.

Investment Risk benchmarking

Security and liquidity benchmarks are central to the approved treasury strategy through the institution selection criteria and proposed benchmarks for these are set out below.

Security - A method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment strategy. The table below shows average defaults for differing periods of investment grade products for each of Fitch, Moody’s and Standard and Poors long term rating category over the period 1981 to 2019. The Council can generally place investments up to a maximum period of 3 years and for this purpose will only use high rated institutions in order to ensure any potential risk in the form of defaults are kept to a minimum. Investments placed over 1 year but up to 3 years are placed with higher rated institutions in order to ensure that any potential risk of default as highlighted in the table below is kept to a minimum.

Long term rating	Average 1 yr default	Average 2 yr default	Average 3 yr default	Average 4 yr default	Average 5 yr default
AAA	0.04%	0.10%	0.17%	0.26%	0.35%
AA	0.02%	0.04%	0.09%	0.16%	0.24%
A	0.05%	0.15%	0.27%	0.40%	0.55%
BBB	0.15%	0.40%	0.70%	1.05%	1.41%
BB	0.65%	1.84%	3.22%	4.60%	5.84%
B	2.76%	6.66%	10.26%	13.35%	15.82%
CCC	18.96%	26.64%	31.60%	35.08%	37.88%

The Council’s minimum long term rating criteria is currently “A-”, meaning the average expectation of default for a one year investment in an institution with a “A-” long term rating would be 0.05% of the total investment (e.g. for a £1m investment the average loss would be £500). This is only an average as any specific institution loss is likely to be higher.

Liquidity – The current CIPFA Treasury Management Code of Practice defines this as *“having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable at all times to have the level of funds available which are necessary for the achievement of its business/service objectives”*.

The availability of liquidity and the period of risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio (shorter WAL would generally represent less risk).

INVESTMENT & EXTERNAL DEBT POSITION – December 2020

	Principal £m	Average Rate %
DEBT		
Commercial Regeneration Programme		
Fixed rate:		
- PWLB	200.6	2.23
- Market	30.0	0.14
Total	230.6	1.96
General Capital Programme		
Fixed rate:		
- PWLB	127.7	2.87
- Salix	1.5	0.00
- Market	21.0	4.79
Sub-total	150.2	3.11
Variable rate:		
- PWLB	0.0	0.0
- Market	15.0	4.24
Sub-total	15.0	4.24
Total	165.2	3.22
Grand Total debt	395.8	2.48
INVESTMENTS		
Internally managed		
Fixed rate	(25.5)	0.37
Variable rate	(46.7)	0.04
Sub-total	(72.2)	0.16
Externally managed		
Church Commissioners Local Authority	(5.0)	4.52
Asset Investment Programme	(17.6)	n/a
Sub-total	(22.6)	3.77
Total Investments	(94.8)	1.06
NET ACTUAL DEBT	301.0	

SUMMARY MEDIUM FINANCIAL PLAN 2021/22-2023/24

Non-Treasury items

	2021/22 £000	2022/23 £000	2023/24 £000
Loan Interest	4,654	4,156	3,432
Loss of Investment interest	51	51	51
VRP	2,124	2,128	2,132
TOTAL	6,829	6,335	5,615

Treasury items

	2021/22 £000	2022/23 £000	2023/24 £000
Net Interest payable	5,666	5,901	5,851
Net MRP payable	5,311	5,701	5,858
Net Interest receivable	(551)	(602)	(709)
Other Income - MAG	(3,528)	(3,528)	(6,625)
TOTAL	6,898	7,472	4,375

NON-TREASURY INVESTMENT ACTIVITIES

Details of the actual spend and commitments on the Council's non-treasury activities are outlined below:

Description	£m	Purpose
General		
Manchester Airport Group	35.2	Regeneration – 4 Shareholder loans
Homestep	0.7	Regeneration – Capital loan monies advanced to assist first time buyers to acquire property within Trafford
Town Centre	0.2	Regeneration – Capital loan monies advanced to assist businesses occupy empty high street units within Trafford.
Sub-total	36.1	
Asset Regeneration Schemes		
Sonova House - Warrington	12.2	
DSG - Preston	17.4	
The Grafton Centre - Altrincham	10.8	
Magistrates Courts - Sale	4.1	
The Fort - Wigan	13.9	
Sainsbury's Altrincham	25.6	
Former Sorting Office - Stretford	0.9	
The Crescent - Salford	0.0	Loan of £44.3m is currently being repaid and is set to be completed this financial year
CIS - Manchester	60.0	
Altrincham & Stretford Shopping Malls - Equity contribution	25.5	
Trafford / Bruntwood loan	25.6	
K Site Old Trafford - Equity contribution	12.3	
Trafford / Bruntwood loan	12.3	
Brown Street Hale	7.5	
The Hut Group - Manchester	67.5	
Castle Irwell - Salford	19.0	
Various Development sites	0.5	
Sub-total	315.1	
TOTAL	351.2	

TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 17 February 2021
Report for: Decision
Report of: The Executive Member for Finance and Governance and the Corporate Director of Finance and Systems

Report Title

FEES, CHARGES & ALLOWANCES 2021/22

Summary

This report summarises the salient features of the annual review and pricing of the Council's main fees and charges. The booklet that details individual fees and charges can be found on the Council's website in the area that supports the agenda.

The Fees and Charges booklet represents the main fees and charges to the public upon which the Executive's proposed budget for 2021/22 has been based. Fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget and service planning process. New charges for 2021/22 or revised wording to existing charges are highlighted in blue on the schedule and significant changes are referred to in paragraph 3.3 below.

In particular policy proposals reflected in this report:

- A number of Parking charges have increased as part of the Executive's 2021/22 draft Budget saving proposals;
- Environmental Enforcement – a number of Fixed Penalty Notice charges have increased in line with the maximum permitted by legislation;
- Planning fees - Pre Application advice fees have increased as part of the Executive's 2021/22 draft Budget saving proposals, and a suite of 3 new services have been introduced in response to customer demand;
- Marriages & Civil Partnerships at Sale Town Hall and the Council Chamber - These fees will now be subject to standard rated VAT at 20% from 1 April 2021 following a recent ruling from HMRC.

The fees and charges are inclusive of VAT, where indicated (V), and delegated authority to Corporate Directors and the Director of Finance and Systems, is sought to amend the level of the relevant fee or charge as appropriate if there are changes to the rate of VAT during 2021/22, which is the Council's traditional practice.

As in previous years, the majority of fees and charges have been coded as to the extent of discretion the Council has to establish the fee or charge, and then the level of discretion to determine the level of fee or charge.

Recommendation(s)

That the Executive:

1. Recommends to Council that it approves the following;

- The Fees and Charges for 2021/22 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2022/23, as set out in the booklet available on the Council's web site;
- That approval is delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2021/22 in the event of any change in the rate of VAT, as appropriate;
- That approval be delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges during 2021/22 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.

Contact person for access to background papers and further information:

Name: Councillor Tom Ross, Executive Member for Finance and Governance
Graeme Bentley, Director of Finance and Systems
Extension: 4884

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed draft budget for 2021/22 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed Fees and Charges for 2021/22 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2022/23.
Legal Implications	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. Where appropriate and necessary some of the fees and charges have been the subject of consultation.
Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.

	Measures have been subject to equality impact assessments where necessary. Where appropriate and necessary some of the fees and charges have been the subject of consultation.
Sustainability Implications	None arising out of this report.
Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications where they apply.
Risk Management Implications	The risks associated with the budget proposal have been considered.
Health and Wellbeing Implications	Equality Impact Assessments have been carried out where appropriate. The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.
Health and Safety Implications	The health and safety implications of the budget proposals have been considered.

Other Options

All options at an individual fee or charge basis would have been considered, where appropriate, during the budget process.

Consultation

Where appropriate and necessary some of the fees and charges have been the subject of consultation.

Reasons for Recommendation

To fulfill the obligations outlined in the Council Constitution for the budget process.

Key Decision

This is a key decision currently on the Forward Plan: Yes

Finance Officer Clearance ...GB.....

Legal Officer Clearance ...JLF.....



CORPORATE DIRECTOR'S SIGNATURE

INTRODUCTION

- 1.1 The detailed fees and charges booklet is available on the Council's web site alongside other agenda items. It represents a schedule of the main fees and charges which the Executive is proposing to charge for services in 2021/22 and included in the revenue budget proposals for 2021/22 to be presented to Council on 17 February 2021.
- 1.2 It should be noted that the booklet relates to fees and charges levied on the general public, businesses or service users. Trading income, such as that with Schools, is not covered within the fees and charges booklet as it is subject to individual contracts and negotiations. The Council also charges for certain services on a commercial basis, in competition with other providers, and these are excluded from the booklet for this reason (e.g. trade waste).

2. COUNCIL DISCRETION IN SETTING FEES & CHARGES

- 2.1 All fees and charges are subject to relevant legal constraints. Some fees and charges are required by law to be established and administered by the Council, others can be established at the Council's discretion. Once established, regulations then influence the extent or level of the fee or charge. Some fee or charge levels are set by regulation, others are limited by regulation, and some can be determined freely by the Council, though subject to other influencing factors such as competition.
- 2.2 The schedule of fees and charges indicates which fees are Mandatory (M) and which are Discretionary (D) for both the establishment of the charge (the first indicator) and then setting the level of the charge (the second indicator). For example, a fee that must be established and administered by the Council, but the level of fee or charge can be freely determined by the Council would be marked 'M / D'.

How is it determined that a fee or charge can be levied?	Who or how is the rate of the fee or charge determined?	Example of Fee or Charge	KEY
Regulation	Regulation – the rate of charge is fixed by regulation.	Registrar Certificates Gaming Permits	M / M
Regulation	Regulation –the Council can choose between lower and/or upper limits.	Casino applications Entertainment Licences	M / D*
The Council	Regulation – the Council can only recover costs & reasonable overheads and/or between upper and lower limits or other limit.	Fixed Penalty Notices	D / D*
Regulation	The Council	Environmental searches Marriage & Civil Partnerships	M / D
The Council	The Council	Library charges Land charges & search fees	D / D

2.3 The above table has been RAG shaded in terms of extent of Council discretion from red (top 1) where fees and charges are mostly determined by regulation, to green (bottom 2) where the Council has greater control on establishing and setting fee or charge levels. In the middle, or amber zone, Council's discretion is limited by regulatory rules, and for the fees or charges that are subject to such rules a code of 'D*' is used in the booklet, usually with a statement that describes the relevant rule at the bottom of the page or table.

3. Summary of Fees and Charges movements

3.1 The booklet states the percentage increase for each fee or charge. The following table provides key statistics by the type of charge using the coding system outlined in section 2. It should be noted that an increase in the level of fee or charge may not generate the same increase in actual revenue as purchases or uses of the service may vary. Further, any average increase does not suggest the increase in total revenue as some charges may increase substantially in percentage terms but not in monetary, and that some charges are levied more often than others.

Discretion Code	No. of Charges (No.)	As a % of the Total (%)	Charges yet TBA (No.)	% of Charges that have changed (%)	Average increase # (%)
M / M	65	8%	0	25%	1%
M / D*	80	9%	0	0%	0%
D / D*	12	1%	0	33%	71%
M / D	139	16%	0	78%	6%
D / D	562	66%	0	59%	8%
Total	858	100%	0	53%	7%

Note: This does not represent a 7% increase in income as the averages are calculated as a simple average increase on the unit charges and are not weighted by the level of income generated by each charge.

3.2 Approximately 25% of mandatory fees have changed by an average of 1%. Where the Council has discretion to increase the charge level, all such charges have been reviewed as part of the budget process and consequentially there is much greater movement in those fees and charges. Where the Council has discretion to charge up to a maximum amount set by legislation, many of the current fees are already close to the statutory limit.

3.3 The key highlights with regard to specific charges are:

Place: has the majority of the Council's fees and charges. The main changes within this service are:

- A number of Parking charges have increased as part of the Executive's 2021/22 draft Budget saving proposals;
- Environmental Enforcement – a number of Fixed Penalty Notice charges have increased in line with the maximum permitted by legislation;

- Planning fees – Pre Application advice fees have increased as part of the Executive’s 2021/22 draft Budget saving proposals and a suite of 3 new services have been introduced in response to customer demand.

Central: The main changes within this service are:

- Marriages & Civil Partnerships at Sale Town Hall and the Council Chamber - These fees will now be subject to standard rated VAT at 20% from 1 April 2021 following a recent ruling from HMRC.

3.4 The schedule of fees and charges has been reviewed by management, and amendments made to include those fees and charges which should be brought to the attention of Council at the time of setting the budget, or exclude those that are superfluous or negotiated on a commercial basis.

4. Recommendations

4.1 That the Executive recommends to Council that it approves the following;

- The Fees and Charges for 2021/22 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2022/23, as set out in the booklet available on the Council’s web site, be approved;
- That approval is delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2021/22 in the event of any change in the rate of VAT, as appropriate;
- That approval be delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges during 2021/22 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.

Trafford Council

Fees, Charges and Allowances

2021/22

Fees, Charges and Allowances Guide

<u>Contents</u>	<u>Page</u>
Key	6
ADULT SERVICES	
Telephones provided under the Chronically Sick and Disabled Persons Act 1970	7
Review of Residential and Nursing Home Placements	7
Community Care Charging Policy	7
Daily Rate for Day Care Attendance and Day Care Transport	7
Home Care Charge - Framework Prices	7
Residential and Nursing Home Charge - Framework Prices	8
Pendant Alarm Services	8
Supported Living - Shaw Road and Shaw View	8
Administration Charges relating to Funerals and Estates	8
Appointee & Deputyship Charges	9
Kennel Fees	9
Admin fee for Deferred Payers	9
Scale of Income Support Allowances used in Trafford's	10
Disabled Facilities Grants	10
Charges for Deferred Payment Agreements and Proposed Rates for Alternative Funding Arrangements	10
PLACE	
Highways	
Stopping Up and Diversion of Highway (Temporary)	11
Road Opening Permit	11
New Roads and Street Works Act 1991 – Section 50 Street-works Licence	11
Street Furniture Records and Specification Information	11

Vehicular Crossings	11
Hire of Barriers, Lamps etc.	12
Provision of Highway Inspection Details to Statutory Undertakers and Other Bodies	13
Local Authorities (Transport Charges) Regulations 1998- Skips	13
Local Authorities (Transport charges) Regulations 1998 – Scaffolding	13
Local Authorities (Transport Charges) Regulations – Hoardings	14
Removal of “A” Boards and other obstructions placed within the Public Highway	14
Placing of Tables and Chairs on the Highway	14
Children's Fairground Rides on the adopted highway under S115E of the Highways Act 1980	14
Copies of Technical Reports	14
Street Lighting Design Services for Private Developments	14
Highways Act 1980 Section 38 Agreements - Administration	14
Stopping Up and Diversion of Highway (Permanent)	15
Provision of Direction Signing to Tourist Attractions	15
Street Numbering and Naming	15
Adopted Highway Information	15
Signs to Housing Developments	15
Dangerous Buildings & Demolitions Notices	15
Parking Services	
Parking Permits	15
Town Centre Display Area	15
Trafford Park Matchday parking	16
Pay and Display	16
Parking Dispensations and Suspensions	18
Greenspace	
Allotments	18
Fishing (King George V Pool)	18
Special Events	18

Use of Parks & Green Spaces for Commercial Activities 18

Environment

Waste Management 19

Environmental Health

Licences 19

Environmental Protection 21

Housing Standards 21

Pest Control 22

Works in Default 22

Stray Dogs 22

Licensing

Licence Application Fees 23

Trading Standards

Weights & Measures Fees 27

Community Safety

Abandoned Trolleys 28

Environmental Enforcement 28

ECONOMIC GROWTH & PLANNING

Asset Management

Trafford Town Hall Football Parking 28

Planning and Building Control

Strategic Planning and Developments 28

Building Control fees 28

New Building Regulation Charges 29

Planning Fees 29

Housing Services 31

GOVERNANCE & COMMUNITY STRATEGY

Freedom of Information Act 2002	32
Data Protection Act 1998	32
Registration of Births, Deaths and Marriages	33
Commitment and Citizenship Ceremonies	33
European Settlement Service & Verification of Overseas Pension	33
Libraries	34
Blue Badges	35

PEOPLE & TRADED SERVICES

Cemeteries & Crematorium	36
Special Events	37

FINANCE & SYSTEMS

Revenues and Benefits	38
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KEY

All fees and charges are subject to relevant legal constraints. Some fees and charges are required by law to be established and administered by the Council, others can be established at the Council's discretion. Once established, regulations then influence the extent or level of the fee or charge. Some fee or charge levels are set by regulation, others are limited by regulation, and some can be determined freely by the Council, though subject to other influencing factors such as competition.

The attached list of fees and charges also indicates which fees are Mandatory (M) and which are Discretionary (D) for both the establishment of the charge (the first indicator) and then setting the level of the charge (the second indicator). For example, a fee that must be established and administered by the Council, but the level of fee or charge can be freely determined by the Council would be marked 'M / D'.

The table below has been RAG shaded in terms of extent of Council discretion from red (top 1) where fees and charges are mostly determined by regulation, to green (bottom 2) where the Council has greater control on establishing and setting fee or charge levels. In the middle or amber zone, Council's discretion is limited by regulatory rules, and for the fees or charges that are subject to such rules a code of 'D*' is used in the booklet, usually with a statement that describes the relevant rule at the bottom of the page or table.

How is it determined that a fee or charge can be levied?	Who or how is the rate of the fee or charge determined?	Example of Fee or Charge	KEY
Regulation	Regulation – the rate of charge is fixed by regulation	Registrar Certificates Gaming Permits	M/M
Regulation	Regulation – the Council can choose between lower and/or upper limits	Casino applications Entertainment Licences	M/D*
The Council	Regulation – the Council can only recover costs & reasonable overheads and/or between upper and lower limits or other limit	Fixed Penalty Notices	D/D*
Regulation	The Council	Environmental searches Marriage & Civil Partnerships	M/D
The Council	The Council	Library charges Land charges & search fees	D/D

ADULT SOCIAL CARE

Telephones Provided Under the Chronically Sick and Disabled Persons Act 1970

Following the calculation of the net chargeable income, the following scale is used to determine the service user's entitlement to assistance.

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Free installation and rental	M/D	Net chargeable income of up to £15.50 per week	Net chargeable income of up to £16.10 per week	3.9%
Free installation only	M/D	Net chargeable income of up to £15.50 per week	Net chargeable income of up to £16.10 per week but below £32.00 per week	3.9%
No assistance	M/D	Net chargeable income of up to £31.00 per week	Net chargeable income of up to £32.00 per week	3.2%
Estimated Financial Implication - Negligible				

Review of Residential and Nursing Home Placements

The Council, in making residential care and nursing home placements outside the Trafford area, may ask the other Local Authority involved to carry out the placement review where it would be more cost effective to do so e.g. where a placement is made in a distant local authority area.

In cases where another local authority arranges a residential placement within the Trafford area and requests that a Trafford Social Worker undertakes the placement review then a charge may be made which is a flat rate charge calculated to cover the cost of social work and administrative time in completing the review.

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Charge for Review	D/D	344.00	358.00	4.1%
Estimated Financial Implication - Negligible				

Community Care Charging Policy - Disregard of Income and Expenditure

The Department of Health Guidance "Fairer Charging for Non-Residential Services" lays down statutory allowances for charging. These are Income Support allowances plus 25%.

The guidance allows the council to charge against Disability Benefits, (Attendance Allowance and Disability Living Allowance) and the Severe Disability Premium of Income Support.

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Percentage disregard of Net Disposable Income	M/D	0%	0%	0.0%
Standard Disregard for Disability Related Expenditure	M/D	10.00	10.00	0.0%

Daily Rate for Day Care Attendance and Day Care Transport

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Daily rate for Day Care Attendance	M/D	40.00	41.60	4.2%
Sessional rate (1/2 day attendance)	M/D	20.00	20.80	4.0%
Day Care Transport	M/D	2.60	2.70	3.8%

Home Care Charge - Framework Prices

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Charge per Hour	M/D	15.99	*	N/A
Charge per half hour	M/D	8.00	*	N/A

* These charges are subject to the calculation of their costs and will be confirmed by Commissioners in early March.

Residential and Nursing Home Charge - Framework Prices	VAT (V) /Code	2020/21 £	2021/22 £	% change
Residential	M/D	483.72	*	N/A
Residential (Elderly Mentally Infirm)	M/D	521.61	*	N/A
Nursing	M/D	535.61	*	N/A
Nursing (Elderly Mentally Infirm)	M/D	602.09	*	N/A

* These charges are subject to the calculation of their costs and will be confirmed by Commissioners in early March.

Pendant Alarm Services	VAT (V) /Code	2020/21 £	2021/22 £	% change
Service level 1 - 24 hr monitoring service	M/D	5.35	5.55	3.7%
Service level 2 - responds to emergency calls received by sending a mobile warden.	M/D	6.40	6.65	3.9%
Service level 3 - as per Service level 2 with an additional planned visiting service.	M/D	9.20	9.55	3.8%
Estimated Financial Implication - Negligible				

Supported Living - Shawe Road & Shawe View				
Most permanent tenants receive housing benefit which meets the major part of their rent. An additional charge in the rent, which is not eligible for Housing Benefit, is made for heating and lighting.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Shawe Road				
1 Bedroom flat	M/D	106.83	*	N/A
2 Bedroom flat	M/D	125.68	*	N/A
Charges – Shawe Road	M/D	50.00	50.00	0.0%
<u>Charges for Part 3 Homes (Shawe Rd Respite)</u>				
Cost per resident week	M/D	751.49	*	N/A

* These charges are subject to the calculation of their costs and will be confirmed by Commissioners in early March.

Administration Charges Relating to Funerals and Estates				
Section 46 of the Public Health (Control of Disease) Act 1984 charges Local Authorities with the duty to bury or cremate the body "of any person who has died or been found dead in their area, in any case where it appears to the Authority that no suitable arrangements for the disposal of the body have been made or are being made otherwise than the Authority". The Authority is empowered to reimburse itself for any costs involved from the estate provided there are sufficient means to do so.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Where a funeral is arranged but inventory is not required.	V M/D	270.40	284.00	5.0%
Where a funeral is arranged and inventory taken.	V M/D	546.00	573.00	4.9%
Estates which have involved four days work (30 hours) involving searching, inventory and funeral arrangements.	V M/D	800.00	840.00	5.0%
Estates where an inventory is taken but no funeral arranged.	V M/D	270.00	284.00	5.2%
Estimated Financial Implication - Negligible				

Appointee & Deputyship Charges

The Care Act 2014 guidance states that, while an appointee service is a none statutory service, the council may charge for the service to provide it on a cost neutral basis. The charge of the service is dependant on the amount of capital a client has on the 1st March each year as below. The annual fee for the council to act as Deputy for a person is controlled by the Office of Public Guardian and currently set at the rate below.

Appointee Charge	VAT (V) /Code	2020/21 £	2021/22 £	% change
Appointee Charge - weekly				
Client Capital Balance				
£0.00 - £999	V D/D	0.00	0.00	0.0%
£1K - £15,999	V D/D	7.73	8.12	5.0%
>£16k	V D/D	11.19	11.75	5.0%
Deputyship Charge - annual				
Client Capital Balance				
<£16,000	V D/D	3.5% of total capital	3.5% of total capital	0.0%
>16,000	V D/D	650.00	650.00	0.0%

Kennel Fees

The Care Act 2014 guidance states that the council has a duty under its Protection of Property policy to provide temporary accommodation for animals which may be left in properties while a user is in hospital. The council will also recharge for the kennel fees.

Kennelling Fee	VAT (V) /Code	2020/21 £	2021/22 £	% change
All dogs	D/D	15.00	15.00	0.0%
Cats	D/D	8.50	8.50	0.0%
Parrots	D/D	4.00	4.00	0.0%
Budgies/Canaries	D/D	3.00	3.00	0.0%
Guinea pigs	D/D	3.50	3.50	0.0%
Rabbits	D/D	4.00	4.00	0.0%
Snakes	D/D	3.00	3.00	0.0%
Hamsters/Gerbils	D/D	3.00	3.00	0.0%
Transport is per collection		15.00	15.00	0.0%

Administration fee for Deferred Payers

Care Act 2014 guidance states that councils are expected to offer deferred payment arrangements for residents where there is not sufficient disposable income to pay the charge as the capital is tied up in the property. The Authority is empowered to reimburse itself for any costs involved from the estate provided there are sufficient means to do so.

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Charge per deferred case	V D/D	575.00	600.00	4.3%

Scale of Income Support Allowances used in Trafford's Assessments	VAT (V) /Code	2020/21 £	2021/22 £	% change
Personal Allowances				
<u>Single claimant</u>				
18-24	M/M	58.90	59.20	0.5%
25 - 60	M/M	74.35	74.70	0.5%
60 and over	M/M	173.75	177.10	1.9%
<u>Couple</u>				
At least one aged 18 or over	M/M	116.80	117.40	0.5%
Couple aged 60 and over	M/M	265.20	270.30	1.9%
<u>Disability Premium</u>				
Single	M/M	34.95	35.10	0.4%
Couple	M/M	49.80	50.05	0.5%
<u>Pensioner Premium</u>				
Single	M/M	99.40	102.40	3.0%
Couple	M/M	148.40	152.90	3.0%
<u>Severe Disability Premium</u>				
Single claimant	M/M	66.95	67.30	0.5%
Couple (both qualify)	M/M	133.90	134.60	0.5%
<u>Enhanced Disability Premium</u>				
Single claimant	M/M	17.10	17.20	0.6%
Couple	M/M	24.50	24.60	0.4%
<u>Other Premiums</u>				
Carer Premium	M/M	37.50	37.70	0.5%
<u>CAPITAL LIMITS</u>				
Lower Limit	M/M	14,250.00	14,250.00	0.0%
Upper Limit	M/M	23,250.00	23,250.00	0.0%

Disabled Facilities Grants	VAT (V) /Code	2020/21 £	2021/22 £	% change
* Technical and Professional Services fee - minimum charge (£275.00) or 15% of eligible expense, (whichever is the greater). All plus professional negligence insurance based on 10% of fee plus VAT.	V M/D	*	*	0.0%
** Limited Land Charge on a property if it is disposed of within 10 years. The charge will apply where the value of the DFG exceeds £5,000 and will be limited to a maximum charge of £10,000	D/D	**	**	0.0%

Charges for Deferred Payment Agreements and Proposed Rates for Alternative Funding Arrangements	VAT (V) /Code	2020/21 £	2021/22 £	% change
Interim Funding Agreement (Council loan) secured by a legally binding agreement	D/D	295.00	310.00	5.1%
Solicitor's Undertaking a legal document that is signed by the clients conveyancing solicitor confirming funds owed in outstanding care fees will be paid out of the proceeds of sale before funds transferred	D/D	175.00	185.00	5.7%
# Annual interest rates for DPAs & Interim Funding Arrangements - we charge the maximum interest rate as defined in the Care and Support Regulations on a daily basis (compounded). Interest charges are added to the debt, payable at the end of the agreement.	D/D	1.65% #	0.45%#	(72.7%)

PLACE

Highways Business Group

Stopping Up and Diversion Of Highway (Temporary)	VAT (V) /Code	2020/21 £	2021/22 £	% change
Temporary Traffic Orders				
Section 14(1) Orders (long term) Costs for Posting of Notices & Invoicing included.	D/D	1,900.00	1,995.00	5.0%
Section 14(2) Notices (5 Day/Emergencies) Costs for Posting of Notices & Invoicing included.	D/D	575.00	600.00	4.3%
Provision of Access Highlight Markings:				
Single Property	D/D	67.00	70.00	4.5%
Two Properties	D/D	115.00	120.00	4.3%

Road Opening Permit				
To allow for the excavation in the highway for the purpose footway crossings, sewer connections and sewer maintenance works.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Administration Fee	V D/D	215.00	225.00	4.7%
Inspection fee – New Roads and Streetworks Act Section 75	M/M	Fee set nationally due March	Fee set nationally due March	N/A
Reinstatement Charges	D/D	Actual Cost	Actual Cost	N/A

New Roads and Streetworks Act 1991 - Section 50 Street Works Licence				
Fees to allow for the administration of the licence, maintaining the record of the apparatus and permitted inspection fees under the Act.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Administration Fee – Installation of apparatus (non-returnable)	V D/D	330.00	345.00	4.5%
Administration Fee – Maintenance of apparatus	V D/D	215.00	225.00	4.7%
Capitalised Fee in lieu of annual charge	M/D	235.00	245.00	4.3%
Inspection fee per 200m length	M/M	Fee set nationally due March	Fee set nationally due March	N/A
Traffic Management Act - The above may be subject to changes in legislation.				

Street Furniture Records and Specification Information	VAT (V) /Code	2020/21 £	2021/22 £	% change
To cover small development involving no more than 6 items of street furniture.	D/D	92.00	96.00	4.3%
To cover major development involving more than 6 items of street furniture.	D/D	118.00	123.00	4.2%
Provision of Street Lighting Specification.	D/D	77.00	80.00	3.9%

Vehicular Crossings	VAT (V) /Code	2020/21 £	2021/22 £	% change
Site inspection, preparation of estimate, processing application, supervision of work, payment of account, including all administration costs.	D/D	Actual Cost	Actual Cost	N/A
Specialist input if required, i.e. Trees, Street Lighting.	D/D	Actual Cost	Actual Cost	N/A
Where a crossing is provided as part of programmed highway works, an all inclusive minimum charge (based on standard width of 2.7m).	D/D	500.00	525.00	5.0%
To provide estimate for a vehicle crossing.	D/D	46.00	48.00	4.3%

Hire Of Barriers, Lamps etc.	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Daily Charges</u>				
Danger Lamp	V D/D	2.50	2.60	4.0%
Danger Lamp including batteries	V D/D	4.90	5.00	2.0%
Traffic Cone to 450 mm high	V D/D	0.62	0.65	5.0%
Traffic Cone and Traffic Cylinder with base over 450 mm	V D/D	1.35	1.40	3.7%
<u>Portable Signs in stands – Minimum charge of 3 days</u>				
600mm triangle/circle	V D/D	2.80	2.95	5.4%
750mm triangle/circle	V D/D	2.80	2.95	5.4%
900mm triangle/circle	V D/D	4.40	4.60	4.5%
1200mm triangle/circle	V D/D	5.50	5.75	4.5%
1050 x 750 rectangle (maximum)	V D/D	5.50	5.75	4.5%

<u>Temporary Signs for pole mounting, excluding mounting - Minimum charge of 3 days</u>	VAT (V) /Code	2020/21 £	2021/22 £	% change
450mm	V D/D	2.80	2.95	5.4%
600mm	V D/D	2.80	2.95	5.4%
750mm	V D/D	3.40	3.50	2.9%
900mm	V D/D	4.60	4.80	4.3%
1200mm	V D/D	4.60	4.80	4.3%
1050 x 750 rectangle	V D/D	4.60	4.80	4.3%
Lane closed, Guard Barrier or Crowd Barrier - Minimum charge 3 days	V D/D	5.10	5.35	4.9%
<u>Temporary Column excluding erection - Minimum charge 3 days</u>				
Temporary Column excluding erection– 8 metre	V D/D	9.20	9.65	4.9%
Temporary Column excluding erection– 6 metre	V D/D	7.20	7.55	4.9%
Wide Base	V D/D	10.30	10.80	4.9%
Twinex Light Unit	V D/D	6.20	6.50	4.8%

Delivery/Collection charges not included. All losses charges at replacement cost.

Hire Of Barriers, Lamps etc. cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
WEEKLY (charge for 5 days)				
Danger Lamp	V D/D	14.00	14.70	5.0%
Danger Lamp including batteries	V D/D	24.00	25.00	4.2%
Traffic Cone to 450 mm high	V D/D	3.60	3.75	4.2%
Traffic Cone and Traffic Cylinder with base over 450 mm	V D/D	4.60	4.85	5.4%
Portable Signs in stands				
600mm triangle/circle	V D/D	14.00	14.70	5.0%
750mm triangle/circle	V D/D	14.00	14.70	5.0%
900mm triangle/circle	V D/D	22.00	23.00	4.5%
1200mm triangle/circle	V D/D	26.00	27.00	3.8%
1050 x 750 rectangle (maximum)	V D/D	26.00	27.00	3.8%
Temporary Signs for pole mounting, excluding mounting.				
450mm	V D/D	14.00	14.70	5.0%
600mm	V D/D	14.00	14.70	5.0%
750mm	V D/D	138.00	145.00	5.1%
900mm	V D/D	24.00	25.00	4.2%
1200mm	V D/D	24.00	25.00	4.2%
1050 x 750 rectangle	V D/D	24.00	25.00	4.2%
Lane closed, Guard Barrier or Crowd Barrier per section	V D/D	24.00	25.00	4.2%
Temporary Column excluding erection - Minimum charge 3 days				
Temporary Column excluding erection – 8 metre	V D/D	46.00	48.00	4.3%
Temporary Column excluding erection – 6 metre	V D/D	38.00	40.00	5.3%
Wide Base	V D/D	47.00	49.00	4.3%
Twinex Light Unit	V D/D	29.00	30.00	3.4%

Delivery/Collection charges not included. All losses charges at replacement cost.

Miscellaneous charges	VAT (V) /Code	2020/21 £	2021/22 £	% change
Grit, salt etc				
20 Kilo bag - collected from depot	V D/D	13.50	14.00	3.7%
5 x 20 Kilo bags delivered (minimum 5 bags)	V D/D	215.00	225.00	4.7%
Loose grit salt - 1/2 tonne (if collected)	V D/D	72.00	75.00	4.2%
Loose grit salt - 1 tonne	V D/D	115.00	120.00	4.3%
Delivery charge for 1 tonne loose salt	V D/D	235.00	245.00	4.3%
Grit Bin Delivered	V D/D	470.00	490.00	4.3%
Grit Bin - Collected	V D/D	290.00	305.00	5.2%
Grit Bin - to fill	V D/D	225.00	235.00	4.4%
Hire of sandbags 1 week (each)	V D/D	4.80	5.00	4.2%
Second hand flags - dependent on availability	V M/D	On application	On application	N/A

Provision of Highway Inspection Details To Statutory Undertakers and Other Bodies	VAT (V) /Code	2020/21 £	2021/22 £	% change
Supply of collected Highway Inspection Data – per year requested	V D/D	132.00	138.60	5.0%
Administrative charge per question	V D/D	17.50	18.38	5.0%
Photocopying of existing information per sheet	V D/D	0.50	0.53	5.0%

Local Authorities (Transport Charges) Regulations 1998 – Skips	VAT (V) /Code	2020/21 £	2021/22 £	% change
Consideration to an application by any person for permission to deposit, or cause to be deposited, a skip on any highway pursuant to section 129 (1) and (2) of the Highways Act 1980.	D/D	38.00	39.00	2.6%

Local Authorities (Transport Charges) Regulations 1998 – Scaffolding	VAT (V) /Code	2020/21 £	2021/22 £	% change
Consideration of an application for licence in writing to erect or retain on or over a highway any scaffolding or other structure in connection with any building or demolition work or the alteration, repair, maintenance or cleaning of any building which obstructs the highway pursuant to section 169 (1) and (2) of the Highways Act 1980.	D/D	135.00	140.00	3.7%
For each 28 day period thereafter.	D/D	130.00	135.00	3.8%

Local Authorities (Transport Charges) Regulations – Hoardings	VAT (V) /Code	2020/21 £	2021/22 £	% change
Consideration of an application for consent for the obligation to erect a hoarding or fence in accordance with section 172 (1) of the highways Act 1980 to be dispensed pursuant to subsection (2) of that section.	D/D	135.00	140.00	3.7%
Anything done by the local highway authority in connection with site specifications to monitor compliance with duties imposed by section 172(3) and by section 173 (1) of the highways Act 1980 on a person who has erected a hoarding or fence (for pre and post erection inspections per month for duration for safety inspections.	D/D	70.00	73.50	5.0%

Removal of “A” Boards and Other Obstructions placed within the Public Highway	VAT (V) /Code	2020/21 £	2021/22 £	% change
Small	V D/D	62.00	65.00	4.8%
Medium	V D/D	125.00	130.00	4.0%
Large	V D/D	175.00	185.00	5.7%

Placing of Tables and Chairs on the Highway	VAT (V) /Code	2020/21 £	2021/22 £	% change
Band 1 renewal 12 month - Licenced Premises.	D/D	460.00	470.00	2.2%
Band 2 renewal 12 month - Street Café open until 20.30 hrs or in excess of 12 seats.	D/D	280.00	290.00	3.6%
Band 3 renewal 12 month - Street Café open until 17.30 hrs under 12 seats.	D/D	250.00	260.00	4.0%

Children’s Fairground Rides on the adopted highway under Section 115E of the Highways Act 1980	VAT (V) /Code	2020/21 £	2021/22 £	% change
per annum	D/D	2,200.00	2,310.00	5.0%
per month (4 week period)	D/D	190.00	200.00	5.3%
per week (one off special event)	D/D	57.00	60.00	5.3%

Copies of Technical Reports	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Copies of Technical Reports</u> (Ground Investigation and Tests Available to Developers/Consultants) per page inclusive of VAT - minimum charge of £50.	V D/D	3.40	3.55	4.4%
<u>Provision of Policy Documents</u> (for any policy document including the "Highway Design Standards for Adoption" document).	D/D	93.00	97.00	4.3%

Adopted Highway Information, Signs to Housing Developments

Street Lighting Design Services for Private Developments	VAT (V) /Code	2020/21 £	2021/22 £	% change
Fixed design/checking fee	D/D	740.00	777.00	5.0%
Plus charge per column	D/D	51.00	53.55	5.0%

Highways Act 1980 Section 38 Agreement – Administration Charge	VAT (V) /Code	2020/21 £	2021/22 £	% change
Charge to be made of 8.5% of the Bond figure subject to a minimum charge as stated and no maximum charge.	M/D	6,600.00	6,800.00	3.0%
Charge in respect of any agreed extension of time to that in the agreement.	M/D	1,130.00	1,160.00	2.7%

Trafford Park Match Day Parking	VAT (V) /Code	2020/21 £	2021/22 £	% change
The Village, Trafford Park Match Day parking charge (per event)	D/D	7.00	7.00	0.0%

Pay and Display	VAT (V) /Code	2020/21 £	2021/22 £	% change
Off Street * (SEE BELOW)				
Regent Road up to ½ hour	V D/D	0.50	N/A	N/A
Regent Road up to 2 hours	V D/D	1.00	1.20	20.0%
Regent Road up to 3 hours	V D/D	N/A	2.50	N/A
Regent Road up to 4 hours	V D/D	2.00	3.50	75.0%
Regent Road up to 5 hours	V D/D	4.00	4.50	12.5%
Regent Road over 5 hours	V D/D	5.00	5.50	10.0%
Oakfield Road up to ½ hour	V D/D	0.50	N/A	N/A
Oakfield Road up to 2 hours	V D/D	1.00	1.20	20.0%
Oakfield Road up to 3 hours	V D/D	N/A	2.50	N/A
Oakfield Road up to 4 hours	V D/D	2.00	3.50	75.0%
Oakfield Road up to 5 hours	V D/D	4.00	4.50	12.5%
Oakfield Road over 5 hours	V D/D	5.00	5.50	10.0%
Victoria Road up to ½ hour	V D/D	0.50	N/A	N/A
Victoria Road up to 2 hours	V D/D	1.00	1.20	20.0%
Victoria Road up to 3 hours	V D/D	N/A	2.50	N/A
Victoria Road up to 4 hours	V D/D	2.00	3.50	75.0%
Victoria Road up to 5 hours	V D/D	4.00	4.50	12.5%
Victoria Road over 5 hours	V D/D	5.00	5.50	10.0%
Cecil Road up to ½ hour	V D/D	0.50	N/A	N/A
Cecil Road up to 2 hours	V D/D	1.00	1.20	20.0%
Cecil Road up to 3 hours	V D/D	N/A	2.50	N/A
Cecil Road up to 4 hours	V D/D	2.00	3.50	75.0%
Cecil Road up to 5 hours	V D/D	4.00	4.50	12.5%
Cecil Road over 5 hours	V D/D	5.00	5.50	10.0%
Oaklands Drive up to ½ hour	V D/D	0.50	N/A	N/A
Oaklands Drive up to 2 hour	V D/D	1.00	1.20	20.0%
Oaklands Drive up to 3 hour	V D/D	N/A	2.50	N/A
Oaklands Drive up to 4 hour	V D/D	2.00	3.50	75.0%
Oaklands Drive up to 5 hour	V D/D	4.00	4.50	12.5%
Oaklands Drive over 5 hour	V D/D	5.00	5.50	10.0%
Brown Street up to ½ hour	V D/D	0.50	N/A	N/A
Brown St up to 2 hour	V D/D	1.00	1.20	20.0%
Brown St up to 3 hour	V D/D	N/A	2.50	N/A
Brown St up to 4 hour	V D/D	2.00	3.50	75.0%
Brown St up to 5 hour	V D/D	4.00	4.50	12.5%
Brown St over 5 hour	V D/D	5.00	5.50	10.0%
Golden Hill, Urmston up to 2 hours	V D/D	N/A	0.50	N/A
Golden Hill, Urmston over 2 hours	V D/D	1.00	1.20	20.0%
Warrener Street, Sale Moor up to 2 hours			0.50	N/A
Warrener Street, Sale Moor over 2 hours	V D/D	1.00	1.20	20.0%
Lacy Street, Stretford up to 2 hours			0.50	N/A
Lacy Street, Stretford over 2 hours	V D/D	1.00	1.20	20.0%
Flixton Road, Flixton up to 2 hours			0.50	N/A
Flixton Road, Flixton over 2 hours	V D/D	1.00	1.20	20.0%
Manor Avenue, Urmston up to 2 hours			0.50	N/A
Manor Avenue, Urmston over 2 hours	V D/D	1.00	1.20	20.0%
Hampson Street, Sale Moor up to 2 hours			0.50	N/A
Hampson Street, Sale Moor over 2 hours	V D/D	1.00	1.20	20.0%
Balmoral Road, Altrincham (small) up to 2 hours			0.50	N/A
Balmoral Road, Altrincham (small) over 2 hours	V D/D	1.00	1.20	20.0%
Atkinson Road, Urmston up to 2 hours			0.50	N/A
Atkinson Road, Urmston over 2 hours	V D/D	1.00	1.20	20.0%
James Street, Sale Moor up to 2 hours			0.50	N/A
James Street, Sale Moor over 2 hours	V D/D	1.00	1.20	20.0%
Greenbank Road, Ashton on Mersey, Sale up to 2 hours			0.50	N/A
Greenbank Road, Ashton on Mersey, Sale over 2 hours	V D/D	1.00	1.20	20.0%
Timperley Library up to 2 hours	V D/D	N/A	0.50	N/A
Timperley Library over 2 hours	V D/D	N/A	1.20	N/A
Thorley Lane up to 2 hours	V D/D	N/A	0.50	N/A
Thorley Lane over 2 hours	V D/D	N/A	1.20	N/A

* Cashless parking option available for these locations for which a convenience charge of up to £0.20p applies to all tariffs for users choosing this method of payment. The charge may change when a new contract is awarded later in the year.

On Street * (SEE BELOW) On-street parking is non-vatable.

2020/21

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours	
ALTRINCHAM									
Stamford street (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Springfield road (ss)	N/A			£1.20					
Victoria street (ss)	N/A			£1.20					
Market street (ss)	N/A			£1.20					
Regent road (ss)	N/A			£1.20					
New street (ss)	N/A			£1.20					
The Downs (ss)	N/A			£1.20					
Lloyd street (ss)	N/A			£1.20					
Railway street (ss)	N/A			£1.20					
Kingsway (ss)	N/A			£1.20					
Oakfield street (ss)	N/A			£1.20					
Oxford road (ss)	N/A			£1.20					
Barrington road (ss)	N/A			£1.20					
Burlington road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Gaskell road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours	
Grosvenor road (nr 2+11) (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Grosvenor road (Bridge) (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Hazel road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Mill street (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Sandiway road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Sandiway place (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
SALE									
Broad road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Northenden road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Hope road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Ashton lane (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Harley road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Symons road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Linley road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Sefton road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Ashfield road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Leicester road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Claremont road (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Claremont rd (nr School) (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	
Brighton grove (ss)	N/A			£1.20	(max stay 2hrs- no return 1 hour)	N/A	N/A	N/A	

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours	
STRETFORD									
Chorley street (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Warwick road (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	
Brian Statham Way (ls)	N/A			£1.20	£2.50	£3.50	£4.50	£5.50	

* Cashless parking option available for these locations for which a convenience charge of up to £0.20p applies to all tariffs for users choosing this method of payment. The charge may change when a new contract is awarded later in the year.

Parking Dispensations and Suspensions				
Operation of decriminalised parking enforcement gives provision for the Council to allow a named vehicle to park for a defined time in a parking place where the operation of the parking place has been suspended or where the parking place is in a restricted area.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Dispensation – per vehicle, per day, e.g. House Removal, Builders (for long term work, price to be agreed upon application).	D/D	14.60	15.30	4.8%
Dispensation – per vehicle for one month (builders etc).	D/D	139.80	146.60	4.9%
Dispensation – per vehicle for two months (builders etc)	D/D	212.75	223.10	4.9%
Dispensation – per vehicle for three months (builders etc).	D/D	273.50	286.80	4.9%
Suspensions	D/D	29.15	30.50	4.6%
Multi-bay suspensions to be agreed upon application. Dependent on location.	negotiated on application with reference to daily parking charges			
Cones charge – refundable charge for each cone - charge to be negotiated on application.	D/D	14.60	15.30	4.8%
Greenspace Business Group				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Allotments				
Standard Plots – 250 metres square – per annum	D/D	104.00	104.00	0.0%
Concessionary charge – first plot	D/D	52.00	52.00	0.0%
Concessionary – additional plots	D/D	104.00	104.00	0.0%
		2022/23 £		
N.B. Allotment fees set a year ahead in line with legislation.				
Standard Plots – 250 metres square – per annum	D/D	104.00		0.0%
Concessionary charge – first plot	D/D	52.00		0.0%
Concessionary – additional plots	D/D	104.00		0.0%
Fishing (King George V Pool)				
This facility is managed by Friends of King George V Pool who will collect and retain income for development projects.				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Day ticket to 5.00 p.m. – Adult	D/D	2.00	2.00	0.0%
Day Ticket to 5.00 p.m. - Junior/Leisure Pass	D/D	1.00	1.00	0.0%
Night fishing permit – Adult	D/D	30.00	30.00	0.0%
Special Events				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Filming in Parks - price dependent on size of company and length of stay.	V D/D	poa	poa	N/A
Filming in Parks (parking) - price dependent on size of company and length of stay.	V D/D	poa	poa	N/A
Use of Parks and green spaces for commercial activities (sessional) e.g. fitness classes, forest schools				
	VAT (V) /Code	2020/21 £	2021/22 £	% change
Operator registration fee	V D/D	13.00	13.70	5.4%
Annual Licence administration fee one venue	V D/D	33.00	34.70	5.2%
Annual Licence administration fee for each additional venue	V D/D	26.25	27.60	5.1%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Annual)	D/D	110.00	115.50	5.0%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Quarterly /13 weeks)	D/D	33.00	34.70	5.2%

Environment Business Group

Waste Management Waste Charges shown are NOW exclusive of VAT unless stated otherwise	VAT (V) /Code	2020/21 £	2021/22 £	% change
Bulky Item Collection				
Removal of Commercial Bulky items (hourly charge)	D/D	97.00	100.00	3.1%
Removal of Commercial Fridges/Freezers/WEEE per unit	D/D	145.00	150.00	3.4%
Removal of Domestic Bulky Household Items (per 5 items)	D/D	34.00	35.00	2.9%
Domestic Container Purchase (Individual Properties)				
Purchase of Domestic Recycling and Waste Container New Builds.	D/D	105.00	110.00	4.8%
Domestic Containers Purchase for Developers - per Container. (INCLUSIVE of VAT)				
Purchase of Domestic Waste & recycling Euro Containers (flats) - 1 bin	V D/D	350.00	370.00	5.7%
Purchase of Domestic Waste & recycling Euro Containers (flats) - set of 3	V D/D	980.00	1,030.00	5.1%
Purchase of Domestic Waste & recycling Wheeled Bins 360 (flats).	V D/D	77.00	81.00	5.2%
Delivery and Administration for Replacement Domestic Bins				
Delivery and administration charge for replacement domestic wheeled bins.	V D/D	31.00	32.50	4.8%
Delivery and administration charge for replacement domestic wheeled bins for householders receiving Council Tax Benefit, (excluding Single Persons Reductions) or Housing Benefit.	V D/D	12.50	13.10	4.8%
Household garden waste collection service (1 x 240l bin) additional bin	D/D	26.00	27.00	3.8%

Environmental Health

A) Licences	VAT (V) /Code	2020/21 £	2021/22 £	% change
Health & Safety				
Tattooing, Cosmetic Piercing, Ear Piercing, Semi-permanent skin-colouring, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Premises.	D/D	233.00	245.00	5.2%
Tattooing, Ear Piercing, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Person.	D/D	80.00	84.00	5.0%
Statement of Facts	D/D	£81.00 per hour	£81.00 per hour	0.0%
Animal Welfare *				
Home Boarding of Dogs				
Application Fee	M/D	186.00	195.00	4.8%
Grant Fee (1 Year)	M/D	106.00	111.00	4.7%
Grant Fee (2 Years)	M/D	126.00	132.00	4.8%
Grant Fee (3 Years)	M/D	146.00	153.00	4.8%
Dog Breeding Licence				
Application Fee - Residential	M/D	236.00	248.00	5.1%
Application Fee - Commercial	M/D	286.00	300.00	4.9%
Grant Fee - Residential (1 Year)	M/D	131.00	138.00	5.3%
Grant Fee - Residential (2 Years)	M/D	152.00	160.00	5.3%
Grant Fee - Residential (3 Years)	M/D	172.00	181.00	5.2%
Grant Fee - Commercial (1 Year)	M/D	157.00	165.00	5.1%
Grant Fee - Commercial (2 Years)	M/D	177.00	186.00	5.1%
Grant Fee - Commercial (3 Years)	M/D	197.00	207.00	5.1%

<u>Boarding of Cats or Dogs</u>				
Application Fee - Business <10 animals	M/D	236.00	248.00	5.1%
Application Fee - Business 10-29 animals	M/D	261.00	274.00	5.0%
Application Fee - Business 30-60 animals	M/D	286.00	300.00	4.9%
Application Fee - Business > 60 animals	M/D	311.00	327.00	5.1%
Grant Fee - Business <10 animals (1 Year)	M/D	131.00	138.00	5.3%
Grant Fee - Business 10-29 animals (1 Year)	M/D	145.00	152.00	4.8%
Grant Fee - Business 30-60 animals (1 Year)	M/D	157.00	165.00	5.1%
Grant Fee - Business > 60 animals (1 Year)	M/D	170.00	179.00	5.3%
Grant Fee - Business <10 animals (2 Years)	M/D	152.00	160.00	5.3%
Grant Fee - Business 10-29 animals (2 Years)	M/D	165.00	173.00	4.8%
Grant Fee - Business 30-60 animals (2 Years)	M/D	177.00	186.00	5.1%
Grant Fee - Business > 60 animals (2 Years)	M/D	190.00	200.00	5.3%
Grant Fee - Business <10 animals (3 Years)	M/D	172.00	181.00	5.2%
Grant Fee - Business 10-29 animals (3 Years)	M/D	185.00	194.00	4.9%
Grant Fee - Business 30-60 animals (3 Years)	M/D	197.00	207.00	5.1%
Grant Fee - Business > 60 animals (3 Years)	M/D	210.00	221.00	5.2%
<u>Boarding of Cats and Dogs</u>				
Application Fee - Business <10 animals	M/D	286.00	300.00	4.9%
Application Fee - Business 10-29 animals	M/D	311.00	327.00	5.1%
Application Fee - Business 30-60 animals	M/D	336.00	353.00	5.1%
Application Fee - Business > 60 animals	M/D	361.00	379.00	5.0%
Grant Fee - Business <10 animals (1 Year)	M/D	157.00	165.00	5.1%
Grant Fee - Business 10-29 animals (1 Year)	M/D	170.00	179.00	5.3%
Grant Fee - Business 30-60 animals (1 Year)	M/D	182.00	191.00	4.9%
Grant Fee - Business > 60 animals (1 Year)	M/D	195.00	205.00	5.1%
Grant Fee - Business <10 animals (2 Years)	M/D	177.00	186.00	5.1%
Grant Fee - Business 10-29 animals (2 Years)	M/D	190.00	200.00	5.3%
Grant Fee - Business 30-60 animals (2 Years)	M/D	202.00	212.00	5.0%
Grant Fee - Business > 60 animals (2 Years)	M/D	215.00	226.00	5.1%
Grant Fee - Business <10 animals (3 Years)	M/D	197.00	207.00	5.1%
Grant Fee - Business 10-29 animals (3 Years)	M/D	210.00	221.00	5.2%
Grant Fee - Business 30-60 animals (3 Years)	M/D	222.00	233.00	5.0%
Grant Fee - Business > 60 animals (3 Years)	M/D	225.00	236.00	4.9%
<u>Providing Day Care for Dogs (Crèche)</u>				
Application Fee	M/D	236.00	248.00	5.1%
Grant Fee (1 Year)	M/D	131.00	138.00	5.3%
Grant Fee (2 Years)	M/D	152.00	160.00	5.3%
Grant Fee (3 Years)	M/D	172.00	181.00	5.2%
<u>Keeping of Animals for Exhibition</u>				
Application Fee	M/D	236.00	248.00	5.1%
Grant Fee	M/D	71.00	75.00	5.6%
<u>Hiring out Horses</u>				
Application Fee <10 Horses	M/D	236.00	248.00	5.1%
Application Fee 10-50 Horses	M/D	336.00	353.00	5.1%
Application Fee >50 Horses	M/D	436.00	458.00	5.0%
Grant Fee (1 Year)	M/D	30.00	32.00	6.7%
Grant Fee <10 Horses (2 Years)	M/D	131.00	138.00	5.3%
Grant Fee 10-50 Horses (2 Years)	M/D	182.00	191.00	4.9%
Grant Fee >50 Horses (2 Years)	M/D	232.00	244.00	5.2%
Grant Fee <10 Horses (3 Years)	M/D	253.00	266.00	5.1%
Grant Fee 10-50 Horses (3 Years)	M/D	354.00	372.00	5.1%
Grant Fee >50 Horses (3 Years)	M/D	455.00	478.00	5.1%
<u>Selling Animals as Pets</u>				
Application Fee	M/D	261.00	274.00	5.0%
Grant Fee (1 Year)	M/D	144.00	151.00	4.9%
Grant Fee (2 Years)	M/D	164.00	172.00	4.9%
Grant Fee (3 Years)	M/D	184.00	193.00	4.9%
<u>Dangerous Wild Animals</u>				
Application Fee for Dwarf Caiman or Serval	M/D	211.00	222.00	5.2%
Application Fee for any other Animal	M/D	311.00	327.00	5.1%
Grant Fee (2 Year Licence)	M/D	107.00	112.00	4.7%
<u>Zoo Licence</u>				
New Application Fee	M/D	361.00	379.00	5.0%
Grant Fee (4 Year Licence)	M/D	899.00	944.00	5.0%
Renewal Fee (6 Year Licence)	M/D	1,394.00	1,464.00	5.0%
Transfer Fee	M/D	£50 per hour of officer time	£52 per hour of officer time	4.0%
Variation Fee for any of the above categories	M/D	£50 per hour of officer time	£52 per hour of officer time	4.0%
Vet's fees at cost plus 15% administration plus VAT	V D/D	N/A	N/A	N/A

New application fees reflect additional work, time and visits required for licensing a new premises. The new application fee will also apply to any relocation of premises or change of licensee.

* Please note, if you undertake more than one activity at the same premises, you will pay whichever is the higher of the fees, plus a £52 variation fee

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Food Surrender Certificate	D/D	87.00	£81.00 per hour	N/A
The following standardised fees have been agreed across Greater Manchester:				
Food Export Certificate	D/D	163.00	163.00	0.0%
Export Health Certificates (fishery products)	D/D	£81.00 per hour	£81.00 per hour	0.0%
Request for a re-inspection under the Food Hygiene Rating Scheme	D/D	175.00	180.00	2.9%
Request for a pre-inspection	D/D	125.00	130.00	4.0%
Request for advice - hourly rate	D/D	81.00	85.00	4.9%

B) Environmental Protection	VAT (V) /Code	2020/21 £	2021/22 £	% change
Environmental Protection fees are set nationally by DEFRA and are announced annually in March.				
Authorised Processes - Application Fees				
Standard part B	M/M	1,650.00	1,650.00	0.0%
Part B - Reduced Activities	M/M	155.00	155.00	0.0%
Annual Subsistence Fees				
Standard Part B				
- Low Risk	M/M	772.00	772.00	0.0%
- Medium Risk	M/M	1,161.00	1,161.00	0.0%
- High Risk	M/M	1,747.00	1,747.00	0.0%
Part B - Reduced Activities				
- Medium Risk	M/M	158.00	158.00	0.0%
Vehicle Refinishers				
- Low Risk	M/M	228.00	228.00	0.0%
- Medium Risk	M/M	365.00	365.00	0.0%
- High Risk	M/M	548.00	548.00	0.0%
Mobile Screening and Crushing Plant				
- Low Risk	M/M	646.00	646.00	0.0%

Environmental Protection cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
Environmental Searches				
Basic environmental search (250m radius)	V M/D	96.00	£81.00 per hour	N/A
Extended basic environmental search (250-500m radius)	M/D	145.00	£81.00 per hour	N/A
Detailed environmental search	M/D	177.00	£81.00 per hour	N/A

C) Housing Standards	VAT (V) /Code	2020/21 £	2021/22 £	% change
Housing Inspection				
Immigration Inspections	V D/D	165.00	173.00	4.8%
Other Inspections	V D/D	150.00	158.00	5.3%
Notices & Works in Default				
Service of Statutory Notice under Housing Act	D/D	414.00	435.00	5.1%
Administration charge for works in default	M/D	£81 per hour	£81.00 per hour	0.0%
* A new standard rate across AGMA has been calculated and agreed for this				
HMO Licensing (Housing Act 2004 part 2)				
Per habitable room fee.	M/D	73.00	77.00	5.5%
Initial application (plus fee per habitable room).	M/D	805.00	845.00	5.0%
Subsequent application (plus fee per habitable room).	M/D	748.00	785.00	4.9%
Additional application fee after wrongly claimed exemption under Building Regulations.	M/D	102.00	107.00	4.9%
Notification of inadequate application.	M/D	71.00	75.00	5.6%
Resubmission of application following refusal of licence.	M/D	734.00	845.00	15.1%
Verification of satisfactory management arrangements.	M/D	98.00	103.00	5.1%
Application to vary licence or licence conditions.	M/D	105.00	110.00	4.8%
Penalty Charges Under Smoke and Carbon Monoxide Alarm (England) Regulations 2015				
First breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	2,000.00	2,000.00	0.0%
For each subsequent breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	5,000.00	5,000.00	0.0%

D) Pest Control	VAT (V) /Code	2020/21 £	2021/22 £	% change
Dwelling Houses				
- Wasps & Bees (Single or first nest below gutter level)	V D/D	68.00	68.00	0.0%
- Wasps & Bees (Single or first nest above gutter level)	V D/D	89.00	89.00	0.0%
- Wasps & Bees (Second or subsequent nests treated at same time)	V D/D	33.00	35.00	6.1%
- Ants	V D/D	83.00	87.00	4.8%
- Rats or Mice (3 visits)	V D/D	87.00	89.00	2.3%
- Grey Squirrels (3 visits)	V D/D	165.00	174.00	5.5%
- Rodent investigatory visit	V D/D	75.00	79.00	5.3%
- Fleas	V D/D	117.00	123.00	5.1%
- Fleas (respray within 14 days)	V D/D	58.00	61.00	5.2%
- Cockroaches	V D/D	174.00	183.00	5.2%
- Bedbugs (2 visits)	V D/D	209.00	220.00	5.3%
- Call out charge and missed appointments (all customers, all pests)	V D/D	36.00	38.00	5.6%
Amateur pack (rats & mice)	V D/D	20.00	21.00	5.0%
Amateur pack (ants)	V D/D	20.00	21.00	5.0%
Amateur pack (fleas)	V D/D	From 35.00	From 35.00	0.0%
All other pests and insects in dwelling houses will be charged at an hourly rate of £123.00. The time charged would be a minimum of one hour for each visit and time in excess of one hour will be charged in rounded up thirty-minute periods.	V D/D	117.00	123.00	5.1%

E) Works In Default	VAT (V) /Code	2020/21 £	2021/22 £	% change
Administration charge for works in default	D/D	£81 per hour	£81 per hour	0.0%

F) Stray Dogs	VAT (V) /Code	2020/21 £	2021/22 £	% change
Stray Dogs Charge [Note: This charge applies when a stray dog has been seized by the Dog Warden and is then collected by the owner from Manchester Dogs Home. Where a dog is returned directly to the owner by the Council's dog warden contractor, a lower fee is payable which will be in accordance with the contract. The current contract is with Animal Wardens, and the fee is £78.00 which is collected by them directly. Additional kennelling charges may also be applied by Manchester Dogs Home and the Council's dog warden contractor.	M/D	145.00	145.00	0.0%

Licensing

Licence Application Fees

These fees are subject to a 'reasonableness' test and the authority must advertise certain fees for Hackney Carriage and Private Hire Vehicle Licensing with an objection period in operation for any challenge to an increase.

1. Taxis – Private Hire & Hackney	VAT (V) /Code	2020/21 £	2021/22 £	% change
Taxi Licences – Vehicles & Drivers				
Grant Hackney Vehicle Licence (includes the cost of two vehicle tests)	D/D	248.00	248.00	0.0%
Renewal Hackney Vehicle Licence (includes the cost of two vehicle tests)*	D/D	342.00	342.00	0.0%
Grant or Renewal Private Hire Vehicle Licence				
Initial Grant of Hackney Carriage/Private Hire Driver (1 Year)	D/D	134.50	134.50	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (2 Years)	D/D	199.00	199.00	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (3 Years)	D/D	264.00	264.00	0.0%
Renewal (Hackney Carriage Driver) (1 Year)*	D/D	101.00	101.00	0.0%
Renewal (Hackney Carriage Driver) (2 Years)*	D/D	166.00	166.00	0.0%
Renewal (Hackney Carriage Driver) (3 Years)*	D/D	231.00	231.00	0.0%
Renewal (Private Hire Driver) (1 Year)	D/D	85.00	85.00	0.0%
Renewal (Private Hire Driver) (2 Years)	D/D	149.00	149.00	0.0%
Renewal (Private Hire Driver) (3 Years)	D/D	214.00	214.00	0.0%
Vehicle Tests				
Test Fee S.68	D/D	75.00	75.00	0.0%
Retest Fee	D/D	50.00	50.00	0.0%
Partial Retest Fee	D/D	25.00	25.00	0.0%
Penalty – arriving late for vehicle test	D/D	28.00	28.00	0.0%
Accident damage check	D/D	25.00	25.00	0.0%
Meter Test	D/D	14.00	14.00	0.0%
Tint test (to check compliance with tinted glass policy)	D/D	13.20	13.20	0.0%
Exceptional Vehicle Condition Test	D/D	25.00	25.00	0.0%
* A procurement exercise is currently underway to appoint a new supplier. Therefore these fees may be reviewed once the contract has been awarded.				
Drivers Tests				
Taxi Driver Training & Test	D/D	124.00	124.00	0.0%
Taxi Driver Knowledge Test	D/D	85.00	85.00	0.0%
Taxi Driver Knowledge Test Re-sit	D/D	75.00	75.00	0.0%

Taxis cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
Taxi Operators Licence				
1 vehicle (1 Year)	D/D	190.00	190.00	0.0%
1 vehicle (5 Years)	D/D	800.00	800.00	0.0%
Additional vehicle 2-5	D/D	190.00	190.00	0.0%
Plus per extra vehicle	D/D	31.00	31.00	0.0%
6-10 vehicles (1 Year)	D/D	368.50	368.50	0.0%
6 - 10 vehicles (5 Years)	D/D	1,552.00	1,552.00	0.0%
11 -29 vehicles (1 Year)	D/D	498.00	498.00	0.0%
11 - 29 vehicles (5 Years)	D/D	2,098.00	2,098.00	0.0%
30+ vehicles (1 Year)	D/D	654.00	654.00	0.0%
30+ vehicles (5 Years)	D/D	2,755.00	2,755.00	0.0%
Other Charges				
Duplicate Licence	D/D	15.00	15.00	0.0%
Duplicate Plate	D/D	26.00	26.00	0.0%
Duplicate Badge	D/D	4.30	4.30	0.0%
Disclosure and Barring Service checks (was CRB)	M/M	40.00	40.00	0.0%
DVLA Mandate	D/D	13.00	13.00	0.0%
Roof Signs	D/D	65.00	65.00	0.0%
Change of Vehicle	D/D	41.00	41.00	0.0%
Owner Transfer of Vehicle	D/D	15.00	15.00	0.0%

2. Liquor & Entertainment Licensing	VAT (V) /Code	2020/21 £	2021/22 £	% change
Personal Licences	M/M	37.00	37.00	0.0%
<u>Premises Licences</u>				
Band A	M/D *	70.00	70.00	0.0%
Band B	M/D *	180.00	180.00	0.0%
Band C	M/D *	295.00	295.00	0.0%
Band D	M/D *	320.00	320.00	0.0%
Band E	M/D *	350.00	350.00	0.0%
Temporary Event Notices (Approx)	M/D *	21.00	21.00	0.0%
Change of Designated Premises Supervisor (Approx)	M/D *	23.00	23.00	0.0%
<u>Consultation fee for completion of application form (grant/variation of premises licence):</u>				
Pre- application advice - small application**	V D/D	157.50	165.40	5.0%
Pre-application advice - medium application**	V D/D	394.50	414.20	5.0%
Pre-application advice - large application**	V D/D	1,342.50	1,409.65	5.0%
<u>Premises Licences for Concerts</u>				
30,000 to 39,999	M/D *	16,000.00	16,000.00	0.0%
40,000 to 49,999	M/D *	24,000.00	24,000.00	0.0%
50,000 to 59,999	M/D *	32,000.00	32,000.00	0.0%
<u>Variation of Premises Licence</u>				
Band A	M/D *	100.00	100.00	0.0%
Band B	M/D *	190.00	190.00	0.0%
Band C	M/D *	315.00	315.00	0.0%
Band D	M/D *	450.00	450.00	0.0%
Band E	M/D *	635.00	635.00	0.0%
<u>Other Charges</u>				
Theft, loss, etc. of premises licence or summary	M/M	10.50	10.50	0.0%
Application for a provisional statement where premises being built etc.	M/M	315.00	315.00	0.0%
Notification of change of name or address	M/M	10.50	10.50	0.0%
Application for transfer of premises licence	M/M	23.00	23.00	0.0%
Interim authority notice following death etc. of licence holder	M/M	23.00	23.00	0.0%
Theft, loss etc. of certificate or summary	M/M	10.50	10.50	0.0%
Notification of change of name or alteration of rules of club	M/M	10.50	10.50	0.0%
Change of relevant registered address of club	M/M	10.50	10.50	0.0%
Theft, loss etc. of temporary event notice	M/M	10.50	10.50	0.0%
Theft, loss etc. of personal licence	M/M	10.50	10.50	0.0%
Duty to notify change of name or address	M/M	10.50	10.50	0.0%
Right of freeholder etc. to be notified of licensing matters	M/M	21.00	21.00	0.0%
* Discretionary up to a maximum limit. The current fees are at the statutory limit.				
3. Renewal of Annual Safety at Sports Ground Certificate	VAT (V) /Code	2020/21 £	2021/22 £	% change
Manchester United	D/D	21,588.30	22,668.00	5.0%
Altrincham Football Club	D/D	293.50	308.10	5.0%
Lancashire Cricket Club	D/D	1,568.00	1,646.40	5.0%
Sale Rugby Club	D/D	140.40	147.40	5.0%
4. Grant of a new Safety at Sports Ground Certificate	VAT (V) /Code	2020/21 £	2021/22 £	% change
Number of proposed Spectators:				
5,000 to 9,999	D/D	1,403.85	1,474.00	5.0%
10,000 to 14,999	D/D	2,813.90	2,955.00	5.0%
15,000 to 19,999	D/D	5,628.40	5,910.00	5.0%
20,000 to 29,999	D/D	11,256.60	11,820.00	5.0%
30,000 to 39,999	D/D	22,513.60	23,640.00	5.0%
40,000 to 49,999	D/D	33,770.40	35,460.00	5.0%
50,000 to 59,999	D/D	45,027.15	47,280.00	5.0%
60,000 to 69,999	D/D	56,284.00	59,100.00	5.0%
70,000 to 79,999	D/D	67,540.85	70,920.00	5.0%
80,000 to 89,999	D/D	78,797.60	82,740.00	5.0%
90,000 and over	D/D	90,054.40	94,560.00	5.0%
5. Safety Certificate for a new Stand at a Sports Ground	VAT (V) /Code	2020/21 £	2021/22 £	% change
Number of proposed spectators:				
up to 999	D/D	140.40	147.40	5.0%
1000 to 1999	D/D	357.35	375.20	5.0%
2000 to 2999	D/D	561.55	589.90	5.0%
3000 to 3999	D/D	778.50	817.50	5.0%
4000 to 4999	D/D	982.75	1,032.00	5.0%

6. Street Trading Provisions of Local Government (Miscellaneous Provisions) Act	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Street Trading Licences (Non MUFC)</u>				
Consent Certificate – purchased April to June.	D/D	1,061.55	1,061.55	0.0%
Consent Certificate – purchased July to September.	D/D	906.35	906.35	0.0%
Consent Certificate – purchased October to December.	D/D	757.05	757.05	0.0%
Consent Certificate – purchased January to March.	D/D	488.25	488.25	0.0%
One day event licence (Including Special Events) - dedicated locations to be identified for each event (Max no's to be applied). Price on Application Arrangements to be introduced for one day event licences to reflect the varying nature and scale of events and associated costs.	D/D	poa	poa	N/A
<u>Licensed Pitch MUFC</u>				
Food - Premium zone	D/D	3,315.20	3,315.20	0.0%
Food - Non-premium zone	D/D	2,395.70	2,395.70	0.0%
Merchandise - Premium zone	D/D	1,725.40	1,725.40	0.0%
Merchandise - Non-premium zone	D/D	1,465.20	1,465.20	0.0%
VAT (V) /Code				
2020/21				
2021/22				
% change				
<u>Sale Town Centre</u>				
Licensed Pitch	D/D	1,805.90	1,805.90	0.0%
Licensed Pitch (Non-Food)	D/D	1,294.30	1,294.30	0.0%
Duplicate Licence	D/D	65.05	65.05	0.0%
Cancellation Fee	D/D	206.15	206.15	0.0%

7. Other Licences	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Scrap Metal Dealers - Site Licence</u>				
Grant - One Site	D/D	842.30	884.40	5.0%
Grant - Per additional site	D/D	657.10	689.95	5.0%
Renewal - One Site	D/D	574.40	603.10	5.0%
Renewal - Per Additional Site	D/D	427.80	449.20	5.0%
Minor Variation	D/D	159.55	167.50	5.0%
Major Variation	D/D	363.70	381.90	5.0%
<u>Scrap Metal Dealers - Collector's Licence</u>				
Grant	D/D	363.70	381.90	5.0%
Renewal	D/D	204.15	214.35	5.0%
Minor Variation	D/D	95.70	100.50	5.0%
Major Variation	D/D	842.30	884.40	5.0%
Marriage Act Approval	D/D	1,588.70	1,668.15	5.0%
Sex Establishment Licence	M/D	1,981.20	2,080.25	5.0%

Gaming Act Fees	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Application Type (New Application)</u>				
New Small Casino	M/D *	8,000.00	8,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	3,500.00	3,500.00	0.0%
Betting Premises (excluding Tracks)	M/D *	3,000.00	3,000.00	0.0%
Tracks	M/D *	2,500.00	2,500.00	0.0%
Family Entertainment Centres	M/D *	2,000.00	2,000.00	0.0%
Adult Gaming Centre	M/D *	2,000.00	2,000.00	0.0%
Lottery Registration	M/M	40.00	40.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	200.00	200.00	0.0%
Club Gaming Permit or Club Gaming machine Permit "Excluding club premises certificate holders"	M/M	100.00	100.00	0.0%
<u>Application Type (Annual Fee)</u>				
New Small Casino	M/D *	5,000.00	5,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	1,000.00	1,000.00	0.0%
Betting Premises (excluding Tracks)	M/D *	600.00	600.00	0.0%
Tracks	M/D *	1,000.00	1,000.00	0.0%
Family Entertainment Centres	M/D *	750.00	750.00	0.0%
Adult Gaming Centre	M/D *	1,000.00	1,000.00	0.0%
Lottery Registration	M/M	20.00	20.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	50.00	50.00	0.0%
Club Gaming Permit or Club Gaming machine Permit "Excluding club premises certificate holders"	M/M	50.00	50.00	0.0%

*Discretionary up to a maximum limit. The current fees are close to the statutory limit.

Gaming Act Fees cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>New Small Casino</u>				
Application to Vary	M/D *	4,000.00	4,000.00	0.0%
Application to Transfer	M/D *	1,800.00	1,800.00	0.0%
Application for Re-Instatement	M/D *	1,800.00	1,800.00	0.0%
Application for Provisional Statement	M/D *	8,000.00	8,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	3,000.00	3,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>New Large Casino</u>				
Application to Vary	M/D *	5,000.00	5,000.00	0.0%
Application to Transfer	M/D *	2,150.00	2,150.00	0.0%
Application for Re-Instatement	M/D *	2,150.00	2,150.00	0.0%
Application for Provisional Statement	M/D *	10,000.00	10,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	5,000.00	5,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Regional Casino</u>				
Application to Vary	M/D *	7,500.00	7,500.00	0.0%
Application to Transfer	M/D *	6,500.00	6,500.00	0.0%
Application for Re-Instatement	M/D *	6,500.00	6,500.00	0.0%
Application for Provisional Statement	M/D *	15,000.00	15,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	8,000.00	8,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Bingo Club</u>				
Application to Vary	M/D *	1,750.00	1,750.00	0.0%
Application to Transfer	M/D *	1,200.00	1,200.00	0.0%
Application for Re-Instatement	M/D *	1,200.00	1,200.00	0.0%
Application for Provisional Statement	M/D *	3,500.00	3,500.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,200.00	1,200.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%

<u>Betting Premises (excluding tracks)</u>				
Application to Vary	M/D *	1,500.00	1,500.00	0.0%
Application to Transfer	M/D *	1,200.00	1,200.00	0.0%
Application for Re-Instatement	M/D *	1,200.00	1,200.00	0.0%
Application for Provisional Statement	M/D *	3,000.00	3,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,200.00	1,200.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%

* Discretionary up to a maximum limit. The current fees are close to the statutory limit.

Gaming Act Fees cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Tracks</u>				
Application to Vary	M/D *	1,220.00	1,220.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	2,434.00	2,434.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Temporary Use Notice	M/D *	500.00	500.00	0.0%
<u>Family Entertainment Centres</u>				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	1,947.00	1,947.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Adult Gaming Centres</u>				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	1,172.00	1,172.00	0.0%
Application for Re-Instatement	M/D *	1,172.00	1,172.00	0.0%
Application for Provisional Statement	M/D *	1,172.00	1,172.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,172.00	1,172.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Club Gaming Permit or Club Gaming Machine Permit</u>				
Application to Vary	M/M	100.00	100.00	0.0%
Copy Licence	M/M	15.00	15.00	0.0%

Discretionary up to a maximum limit. The current fees are close to the statutory limit.

Trading Standards

Weights & Measures Fees	VAT (V) /Code	2020/21 £	2021/22 £	% change
General				
The charges for examining, testing, certifying, stamping, authorising or reporting on any weighing or measuring equipment will be individually calculated by the local authority based upon a figure of per officer/hour. The time charged will include travel.	V M/D	£81 per hour	£81 per hour	0.0%
The charges for the provision of specialist advice in support of Primary Authority Partnership. Please note: Additional fees to be levied for the provision of tailored training events - price on application	M/D	£81 per hour	£81 per hour	0.0%
Charges for tailored business advice provided other than under an existing Primary Authority Partnership. This is a new fee that will apply not just to Trading Standards but across other teams in Regulatory Services, e.g. Environmental Health/Licensing.	M/D	£81 per hour	£81 per hour	0.0%
If a particular piece of work requires the presence of support staff then this will be charged in addition.	V M/D	45.10	47.35	5.0%
Additional charges will be levied if the council is required for example to hire in specialist equipment.	V M/D	£81 per hour	£81 per hour	0.0%

Community Safety

Abandoned Trolleys	VAT (V) /Code	2020/21 £	2021/22 £	% change
Collection per trolley	D/D	36.07	37.88	5.0%
Storage per trolley, per week	V D/D	5.04	5.29	5.1%
Return to owners' premises per trolley	V D/D	36.07	37.87	5.0%
Disposal per trolley if unclaimed	D/D	18.43	19.35	5.0%

Environmental Enforcement	VAT (V) /Code	2020/21 £	2021/22 £	% change
Fixed penalty for the offence of failing to remove dog faeces	D/D*	100.00	100.00	0.0%
Fixed penalty for the offence of leaving litter	D/D*	100.00	150.00	50.0%
Fixed penalty for the offence of abandoning a vehicle	D/D*	200.00	200.00	0.0%
Fixed penalty for nuisance parking offences	D/D*	100.00	100.00	0.0%
Fixed penalty for Waste receptacle offences	D/D*	80.00	80.00	0.0%
Fixed penalty for the offence of failure to produce authority	D/D*	300.00	300.00	0.0%
Fixed penalty for the offence of failure to furnish documentation	D/D*	300.00	400.00	33.3%
Fixed penalty for the offence of unauthorised distribution of literature	D/D*	75.00	150.00	100.0%
Fixed penalty for fly-tipping offences	D/D*	200.00	400.00	100.0%
Fixed penalty for failing to adhere to a Community Protection Notice	D/D*	100.00	100.00	0.0%
Fixed penalty for failing to adhere to a Public Space Protection Order	D/D*	100.00	100.00	0.0%
Fixed penalty for household waste duty of care offences	D/D*	N/A	200.00	N/A
* Fixed penalty fees are Discretionary but are contained within limits set by DEFRA				

ECONOMIC GROWTH & PLANNING
Asset Management

Trafford Town Hall - Football Parking	VAT (V) /Code	2020/21 £	2021/22 £	% change
Season ticket	V D/D	200.00	200.00	0.0%
Single match	V D/D	10.00	10.00	0.0%
All Day Event	V D/D	15.00	15.00	0.0%

Planning and Building Control

Strategic Planning and Developments	VAT (V) /Code	2020/21 £	2021/22 £	% change
Trafford Revised Unitary Development Plan June 2006	D/D	69.50	73.00	5.0%
Written Statement only	D/D	42.00	44.00	4.8%
Proposals Maps - North/South sheet	D/D	34.50	36.00	4.3%
CD only	D/D	21.00	22.00	4.8%
Statement of Community Involvement (Adopted)	D/D	21.00	22.00	4.8%
Trafford Borough Retail and Leisure Study November 2007				
Written Study, including CD	D/D	352.00	370.00	5.1%
CD	D/D	281.00	295.00	5.0%
Main Report	D/D	70.00	73.50	5.0%
Appendix 1	D/D	140.00	147.00	5.0%
Appendix 2	D/D	140.00	147.00	5.0%
Planning and Research Studies *	D/D	* price on request	* price on request	N/A
Housing Land Availability Schedule	D/D	28.00	29.00	3.6%
Planning Policy and Development Guidance Briefs	D/D	21.00	22.00	4.8%
Photocopying per side	V D/D	0.50	0.52	4.0%
Core Strategy Adopted Version	D/D	49.00	51.50	5.1%
Supplementary Planning Documents	D/D	14.00	14.70	5.0%

Building Control Fees	VAT (V) /Code	2020/21 £	2021/22 £	% change
	V M/M	See Note below	See Note below	N/A

These fees are agreed within the AGMA group. It is a statutory requirement that the level of the charge must cover the cost of the statutory service. All fees are subject to VAT except for Regularisation and Reversion applications.

New Building Regulation	VAT (V) /Code	2020/21 £	2021/22 £	% change
Decision Notices and Completion Certificates - Duplicate Copies of Building Regulations Decision and completion certificates.	D/D	52.00	54.60	5.0%
Copies of correspondence (excluding 1 above Notices) relating to B Regs applications (includes up to 10 A4 sides – if above 10 sides add 30p per A4 side)	V D/D	17.00	17.85	5.0%
Researching site histories or providing “search type” information from the Building Control records (Cost per hour or part hour) - Domestic properties	D/D	52.00	54.60	5.0%
Researching site histories or providing “search type” information from the Building Control records (Cost per hour or part hour) - Commercial properties	V D/D	87.00	91.35	5.0%
Administrative fee for processing refund or part refund of fees for cancelled B Regs applications (excludes electronic transactions – currently no charge)	D/D	52.00	54.60	5.0%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are less than 10 years old and have been inspected within 10 years from when the works were completed).	D/D	126.00	140.00	11.1%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are more than 10 years old and have not been inspected within 10 years from when the works were completed).	D/D	N/A	120.00	N/A
Where more than one site inspection is required, additional inspections will be charged at a rate of £57.75 per inspection.	D/D	55.00	57.75	5.0%
Additional site inspection in connection with above, per inspection	D/D	58.30	61.20	5.0%
Provision of written confirmation of exemption from the provisions of the Building Regulations	D/D	52.00	54.60	5.0%
Administrative processing cost for refunding of part of Building Regulation fees where fees have been paid but part of the work has not been carried out or cancelled	V D/D	34.00	35.70	5.0%
Provision of pre-submission consultancy advice after initial one hour for large schemes. (Fee refunded if application is deposited)	V D/D	80.00	84.00	5.0%
Pre-submission site visits where requested by owner or agent to maintain planning permission	V D/D	105.00	110.25	5.0%
The full withdrawal or cancellation of a submitted application that has been processed onto the database system.	D/D	52.00	54.60	5.0%

Planning Fees	VAT (V) /Code	2020/21 £	2021/22 £	% change
Business - pre-application advice				
Proposals comprising a single dwelling / floorspace of less than 100sqm / site area of less than 0.1ha.	V D/D	462.00	554.40	20.0%
Proposals comprising 2-5 dwellings / floorspace of between 100sqm and 499sqm / site area of between 0.1ha and 0.49ha.	V D/D	1,500.00	1,800.00	20.0%
Proposals comprising 6-10 dwellings / floorspace of between 500sqm and 999sqm / site area of between 0.5ha and 0.99ha.	V D/D	2,800.00	3,360.00	20.0%
Proposals comprising 11-20 dwellings / floorspace of between 1000sqm and 1999sqm / site area of between 1ha and 1.19ha.	V D/D	4,500.00	5,400.00	20.0%
Proposals comprising 21-50 dwellings / floorspace of between 2000sqm and 4999sqm / site area of between 1.2ha and 1.49ha.	V D/D	6,200.00	7,440.00	20.0%
Proposals comprising 51 and 99 dwellings / floorspace of between 5000sqm and 9,999sqm / site area between 1.5ha and 1.99ha.	V D/D	8,000.00	9,600.00	20.0%
Proposals comprising 100 or more dwellings / floorspace of more than 10,000sqm / site area of more than 2ha	V D/D	9,500.00	11,400.00	20.0%
1 hr Meeting with agreed minutes written by the applicant	V D/D	N/A	3,000.00	N/A
2 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	N/A	4,800.00	N/A
3 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	N/A	6,000.00	N/A

Householder Extensions - pre-application advice	VAT (V) /Code	<u>2020/21</u> £	<u>2021/22</u> £	<u>% change</u>
Householder extensions Please note: On subsequently submitting a planning application, a fee of £250 will also be payable and therefore you should first consider whether you wish to move straight to the submission of a formal planning application.	V D/D	250.00	250.00	0.0%

Invalid planning applications	VAT (V) /Code	<u>2020/21</u> £	<u>2021/22</u> £	<u>% change</u>
Where an application remains invalid due to non-progression by the applicants any planning fee paid will be refunded minus a £37.00 administrative fee	V D/D	35.25	37.00	5.0%

Information and Documents	VAT (V) /Code	<u>2020/21</u> £	<u>2021/22</u> £	<u>% change</u>
Researching site histories or providing search type information from the planning records.	D/D	57.75	60.64	5.0%
Copies of decision notices and or information/ documentation within the 3 month window from Committee decision.	V D/D	24.50	25.73	5.0%
Copies of decision notices/TPOs and or information/ documentation outside the 3 month window from decision/confirmation.	V D/D	50.60	53.13	5.0%
Copies of information/documentation excluding exempt information within the 3 days prior to Committee.	V D/D	0.46	0.48	4.3%
Additional information/documentation requested, generated by a land charge search (inc. copies of decision notice where application number is quoted).	V D/D	51.00	53.55	5.0%
Copy of a T.P.O. not generated by a land charge search but within the 3 month window from confirmation.	V D/D	14.00	14.70	5.0%
(The above charges all include first 4 sides of photocopying, any additional sides are charged at 53p per side).		0.50	0.53	6.0%

Planning Fees - cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
Additional information/documentation requested where no application number is quoted. (SEARCH)	D/D	57.75	60.64	5.0%
Weekly list of Planning Applications received / monthly decision list.	V D/D	425.25	446.50	5.0%
Planning guidelines & related documents - (Free to download) or copies from:	V D/D	copies from £2.20 to £10.30	copies from £2.31 to £10.82	5.0%
High Hedge fee	D/D	525.00	525.00	0.0%
Faxing of Planning Information	V D/D	£1.83 per sheet	£1.92 per sheet	5.0%
Information research/retrieval from Building Control Files.	D/D	£51.00 per hour + 29p per copy	53.55 per hour + 30p per copy	5.0%

Housing Services	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Housing Improvement Grants:</u>				
Technical and Professional Services fee - minimum charge (£201.00) or 15% of eligible expense (whichever is the greater).	M/D	191.00	201.00	5.2%
	M/D	or 15%	or 15%	0.0%

GOVERNANCE & COMMUNITY STRATEGY

	VAT (V) /Code	2020/21 £	2021/22 £	% change
Freedom of Information Act 2002 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.50	0.53	5.0%
Data Protection Act 1998 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.50	0.53	5.0%

Registration of Births, Deaths & Marriages

	VAT (V) /Code	2020/21 £	2021/22 £	% change	2022/23 £	% change
Marriage & Civil Partnership fees at outside venues including cost of certificate:						
Monday to Thursday	M/D	370.00	380.00	2.7%	385.00	1.3%
Friday	M/D	420.00	430.00	2.4%	440.00	2.3%
Saturday	M/D	420.00	430.00	2.4%	440.00	2.3%
Sunday / Bank Hol.	M/D	470.00	480.00	2.1%	490.00	2.1%
Outdoor ceremony where venue has a marriage licence						
Monday to Thursday	V M/D	460.00	460.00	0.0%	460.00	0.0%
Friday & Saturday	V M/D	500.00	500.00	0.0%	500.00	0.0%
Sunday / Bank Hol.	V M/D	550.00	550.00	0.0%	550.00	0.0%
Baby naming, Renewal of vows & Commitment Ceremonies Ceremonies at Register Office:						
Monday to Thursday	V D/D	220.00	230.00	4.5%	230.00	0.0%
Friday & Saturday	V D/D	245.00	255.00	4.1%	255.00	0.0%
Ceremonies at Approved Premises:						
Monday to Thursday	V D/D	235.00	245.00	4.3%	245.00	0.0%
Friday	V D/D	270.00	280.00	3.7%	280.00	0.0%
Saturday	V D/D	270.00	280.00	3.7%	280.00	0.0%
Sunday / Bank Hol.	V D/D	310.00	320.00	3.2%	320.00	0.0%
Ceremonies at Commercial Premises and Private Houses:						
Monday to Thursday	V D/D	285.00	295.00	3.5%	295.00	0.0%
Friday	V D/D	320.00	330.00	3.1%	330.00	0.0%
Friday & Saturday	V D/D	320.00	330.00	3.1%	330.00	0.0%
Sunday / Bank Hol.	V D/D	350.00	360.00	2.9%	360.00	0.0%
Non Refundable Provisional Marriage & Civil Partnership Booking Fee	V D/D	30.00	30.00	0.0%	32.00	6.7%
Priority Service for certificate application	M/M	35.00	35.00	0.0%	35.00	0.0%

The fees for commercial premises and private houses include a non-returnable pre-ceremony inspection fee of £45

	VAT (V) /Code	2020/21 £	2021/22 £	% change	2022/23 £	% change
Citizenship Ceremonies (non standard ceremonies)						
Ceremonies at Register Office :						
Per adult citizen Monday to Friday	D/D	80.00	84.00	5.0%	85.00	1.2%
Per adult citizen Saturday	D/D	80.00	84.00	5.0%	85.00	1.2%
Ceremonies at Approved Premises :						
Monday to Friday	D/D	305.00	320.00	4.9%	320.00	0.0%
Saturday	D/D	335.00	350.00	4.5%	350.00	0.0%
Sunday / Bank Hol.	D/D	390.00	410.00	5.1%	410.00	0.0%

	VAT (V) /Code	2020/21 £	2021/22 £	% change	2022/23 £	% change
Marriages & Civil Partnerships *						
Attending a marriage or civil partnership at Sale Town Hall						
Town Hall (inc. cert fee)						
Monday to Thursday	V M/D	135.00	168.00	24.4%	174.00	3.6%
Friday	V M/D	195.00	246.00	26.2%	252.00	2.4%
Saturday AM	V M/D	195.00	246.00	26.2%	252.00	2.4%
Saturday PM	V M/D	260.00	324.00	24.6%	330.00	1.9%
Council Chamber						
Sun/Bank Holidays	V M/D	460.00	576.00	25.2%	582.00	1.0%

* These fees will now be subject to standard rated VAT at 20% from 1 April 2021 following a recent ruling from HMRC.

Tailor made Weddings	Monday to Thursday	V D/D	600.00	600.00	0.0%	600.00	0.0%
	Friday & Saturday	V D/D	660.00	660.00	0.0%	660.00	0.0%
	Sunday / Bank Holiday	V D/D	710.00	710.00	0.0%	710.00	0.0%
ESS European Settlement Service		V D/D	14.00	14.00	0.0%	14.00	0.0%
Verification of Overseas Pension		V D/D	13.00	13.50	3.8%	14.00	3.7%

LIBRARIES

	VAT (V) /Code	2020/21 £	2021/22 £	% change
A) Fines				
Adults (over 16) - per book, per day	D/D	Free	Free	N/A
Children (under 16) - per book per day	D/D	Free	Free	N/A
Customers who are disabled	D/D	Exempt	Exempt	N/A
B) Reservation Fee				
In stock in Trafford	D/D	Free	Free	N/A
Not in stock in Trafford	D/D	5.50	6.00	9.1%
All Items requested from British Library, including photocopies, (in addition to standard not in stock charge).	D/D	10.00	10.50	5.0%
Lost British Library book (price set by the British Library)	M/M	179.20	182.80	2.0%
British Library renewal fee	D/D	5.25	5.35	1.9%
C) Photocopying, printing and scanning				
Black and white per side (A4)	V D/D	0.10	0.10	0.0%
Black and white per side (A3)	V D/D	0.15	0.15	0.0%
Colour (A4)	V D/D	0.50	0.50	0.0%
Colour (A3)	V D/D	1.00	1.00	0.0%
Scanning	V D/D	0.20	0.20	0.0%
D) Postage				
Recharge for overdue and reservation letters	D/D	0.80	0.90	12.5%
E) Local Studies				
Most Local Studies fees and charges are agreed by an AGMA group, lines agreed by AGMA marked with **				

Libraries cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
Research				
Right to Buy Research Fee (payable in advance)	V D/D	10.00	10.00	0.0%
Genealogical Research Fee - half hour (payable in advance)	V D/D	17.5 **	17.50**	0.0%
Genealogical Research Fee - full hour (payable in advance)	V D/D	35.00 **	35.00**	0.0%
Reprographics/ Research				
Minimum charge including 2 free A4 printouts	V D/D	5.00	5.00	0.0%
Additional sheets	V D/D	1.30	1.30	0.0%
Microfilm				
Microfiche/ film - A4 Copy	V D/D	0.80 **	0.80**	0.0%
Microfiche/ film - A3 Copy	V D/D	1.60 **	1.60**	0.0%
Photocopies - A4	V D/D	0.10	0.10	0.0%
Photocopies - A3	V D/D	0.15	0.15	0.0%
Photocopies - Maps	V D/D	0.50	0.50	0.0%
Photographs - superior quality	V D/D	10.00	10.00	0.0%
Digital Camera				
Supply of digital image	V D/D	10.00	10.00	0.0%
Self service photography permit - half day	V D/D	6.00 **	6.00**	0.0%
Self service photography permit per day	V D/D	12.00**	12.00**	0.0%
Reproduction - Books periodicals, e-books, CD-Roms				
Publications - large print run - per image	V D/D	N/A	120.00**	N/A
Publications - small	V D/D	N/A	40.00	N/A
Presentation and Internal Reports				
Internal organisation report	V D/D	N/A	10.00	N/A
External organisation	V D/D	N/A	20.00	N/A
Advertising in newspapers and periodicals				
All publications - per image	V D/D	120.00 **	120.00**	0.0%
TV				
Broadcasting - per image for 10 years unlimited use	V D/D	600.00 **	600.00**	0.0%
Exhibitions				
All publications - per image	V D/D	120.00 **	120.00**	0.0%
Interior decoration of Commercial Premises				
Internal commercial decoration - per image	V D/D	300.00 **	300.00**	0.0%
Web use				
Online, commercial publication - per image	V D/D	N/A	120.00**	N/A
Social media use (non commercial)	V D/D	N/A	0.00	N/A
F) People's Network Charging				
ICT sessions	V D/D	FREE for the first hour, 50p per half hour (or part) thereafter.	FREE for the first hour, 50p per half hour (or part) thereafter)	0.0%
	VAT (V) /Code	2020/21 £	2021/22 £	% change
G) Musical Scores and Playsets				
Hire by local societies (per set)				
- 1 to 40 copies	D/D	60.00	65.00	8.3%
- 41 to 80 copies	D/D	65.00	70.00	7.7%
- 81 to 120 copies	D/D	70.00	75.00	7.1%
- Over 120 copies	D/D	80.00	85.00	6.3%

Orchestral sets

D/D

see musical
scores &
playsets

see musical
scores and
playsets

N/A

H) Laminating				
A4	V D/D	1.00	1.20	20.0%
A3	V D/D	2.00	2.20	10.0%
I) Blue Badge Permits	M/D	10.00	10.00	0.0%
J) Room Hire Altrincham Library				
Per room per hour				
- Large meeting room (capacity over 20)	D/D	50.00	55.00	10.0%
- Medium meeting room (capacity up to 20)	D/D	25.00	30.00	20.0%
- Small meeting/interview room (capacity under 5)	D/D	10.00	15.00	50.0%
Per room per hour (community groups and charities)				
- Large meeting room (capacity over 20)	D/D	30.00	35.00	16.7%
- Medium meeting room (capacity up to 20)	D/D	15.00	20.00	33.3%
- Small meeting/interview room (capacity under 5)	D/D	5.00	10.00	100.0%

PEOPLE AND TRADED SERVICES

Cemeteries & Crematorium	VAT (V) /Code	2020/21 £	2021/22 £	% change
A) Cemeteries				
<u>Exclusive right of burial in an earthen grave</u> <i>Subject to availability at individual Cemeteries</i>				
Exclusive Right Fee	D/D	1,615.00	1,620.00	0.3%
Resident Fee	D/D	920.00	935.00	1.6%
<u>Dunham Lawn Cemetery</u>				
Exclusive Right Fee Lawn Section	D/D	1,615.00	1,620.00	0.3%
Resident Fee Lawn Section	D/D	920.00	935.00	1.6%
<u>Exclusive right of burial of cremated remains</u>				
Exclusive right of burial of cremated remains	D/D	865.00	875.00	1.2%
Resident Fee	D/D	495.00	505.00	2.0%
<u>Interment Fees</u>				
At all cemeteries including Dunham Lawn				
To depth of up to 3 metres - 18 years or over	D/D	1,395.00	1,420.00	1.8%
Child/Junior (Up to 5 years of Age)	D/D	Free to Family	Free to Family	0.0%
Child/Junior (5 to 17 years of Age)	D/D	Free to Family	Free to Family	0.0%
Interment of cremated remains in grave	D/D	280.00	285.00	1.8%
Loose interment of cremated remains	D/D	110.00	110.00	0.0%
Interment of Body Parts	D/D	100.00	100.00	0.0%
Extra width on grave				
Widening grave	D/D	170.00	175.00	2.9%
Widening grave				
	D/D	135.00	140.00	3.7%
<u>Resident Fee</u>				
To depth of up to 3 metres - 18 years or over	D/D	925.00	940.00	1.6%
Child/Junior up to 17yrs of age	D/D	Free to Family	Free to Family	0.0%
Interment of cremated remains in grave in casket	D/D	260.00	265.00	1.9%
Loose interment of cremated remains	D/D	95.00	100.00	5.3%
Interment of Body Parts	D/D	100.00	100.00	0.0%

N.B. For multiple interments at the same time, in the same grave, the first interment shall be at the full rate.

Each other interment (including cremated remains) 50% fee reduction of full rate.

	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Interment of Public Grave</u>				
Child/Junior up to 17 years of age	D/D	Free to Family	Free to Family	0.00
Persons 18 years or over	D/D	925.00	940.00	1.6%
<u>Exclusive right of Burial in Cremated Remains Vault 30 yrs</u>				
Exclusive right of Burial in Cremated Remains Vault 30 yrs	D/D	1,095.00	1,095.00	0.0%
Resident Fee	D/D	675.00	675.00	0.0%
Memorial for Cremated Remains Vault including 1st inscription.	D/D	550.00	560.00	1.8%

Cemeteries & Crematorium cont.	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>Headstones and Inscriptions</u>				
To erect a Headstone	D/D	150.00	150.00	0.0%
Subsequent Inscription Fee	V D/D	75.00	75.00	0.0%
Concrete Foundations	V D/D	135.00	135.00	0.0%
<u>Miscellaneous (All Cemeteries)</u>				
Transfer of Burial Rights	D/D	85.00	90.00	5.9%
Transfer of Burial Rights – to non resident (incs. transfer & out of district extra charge).	D/D	785.00	775.00	(1.3%)

B) Crematorium	VAT (V) /Code	2020/21 £	2021/22 £	% change
Dunham Massey, Altrincham				
Crematorium of persons 18 years or over - Early time slot	D/D	535.00	547.00	2.2%
Crematorium of persons 18 years or over - Direct Cremation	D/D	375.00	387.00	3.2%
Crematorium of persons 18 years or over - 30 Minute time slot	D/D	660.00	677.00	2.6%
Crematorium of persons 18 years or over - 45 Minute time slot	D/D	765.00	782.00	2.2%
Child/Junior (Up to 17 years of Age)	D/D	Free to Family	Free to Family	0.0%
Medical Referee's Services	M/M	30.00	31.00	3.3%
Cremation of Body Parts	D/D	100.00	100.00	0.0%
Interment of cremated remains (to Witness or from other Crematoria).	D/D	105.00	110.00	4.8%
Crematoria Chapel 30 Minutes	V D/D	260.00	265.00	1.9%
Crematoria Chapel 45 Minutes	V D/D	320.00	330.00	3.1%
Environmental Surcharge	D/D	60.00	62.00	3.3%

Special Events	VAT (V) /Code	2020/21 £	2021/22 £	% change
<u>One-Off Commercial use of Greenspaces</u>				
Commercial hire of greenspace for one-off events	V D/D	POA	POA	N/A
Fairground Hire of greenspace	D/D	POA	POA	N/A
Circus Hire of greenspace	D/D	POA	POA	N/A
<u>Damage Waiver Deposit (Refundable)*</u>				
Small	D/D	POA	POA	N/A
Medium	V D/D	POA	POA	N/A
Large	D/D	POA	POA	N/A
* fees depend on type of activity not all events will require a deposit				
<u>Filming on the public highway</u>				
Filming on council property which is not part of the councils existing "Venue/Room hire" portfolio (non greenspace)	V D/D	POA	POA	N/A
<u>Special event non-operational days (i.e. set up and shut down)</u>				
Large Events	D/D	POA	POA	N/A
Medium Events	D/D	POA	POA	N/A
Small Events	D/D	POA	POA	N/A
Fairs	D/D	POA	POA	N/A
Circuses	D/D	POA	POA	N/A
Temporary Market Licences	M/D	POA	POA	N/A

FINANCE & SYSTEMS

Revenues and Benefits

	VAT (V) /Code	<u>2020/21</u> £	<u>2021/22</u> £	% change
Summons Costs				
Council Tax Liability Orders	M/D	92.50	92.50	0.0%
NNDR Liability Orders	M/D	132.50	132.50	0.0%
Committal to prison proceedings				
- Committal application (maximum)	M/M	305.00	305.00	0.0%
- Arrest warrant with bail (maximum)	M/M	145.00	145.00	0.0%
- Arrest warrant without bail (maximum)	M/M	145.00	145.00	0.0%
Prosecution Fines, Court Costs, Charging Orders, Insolvency proceedings and Enforcement costs are decided at the court hearing on an individual basis.				

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