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AGENDA PAPERS – EDITED VERSION, EXCLUDING APPENDICES FOR ITEMS 7 & 8) - FOR

EXECUTIVE MEETING

Date: Monday, 26 July 2021

Time: 6.30 p.m.

Place: The Point, Lancashire County Cricket Club, Talbot Road, Stretford M16 0PX. (attendance via registration only)

PLEASE NOTE: A link to the meeting broadcast can be found below:
https://www.youtube.com/channel/UCjwbIOW5x0NSe38sgFU8bKg

A G E N D A	**PART I**	**Pages**

1. **ATTENDANCES**

To note attendances, including officers, and any apologies for absence.

2. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

A maximum of 15 minutes will be allocated to public questions submitted in writing to Democratic Services (democratic.services@trafford.gov.uk) by 4 p.m. on the working day prior to the meeting. Questions must be relevant to items appearing on the agenda and will be submitted in the order in which they were received.

3. **DECLARATIONS OF INTEREST**

Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.

4. **MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)**

To consider any matters referred by the Council or by the Overview and Scrutiny Committees.

Any other item or items which by reason of:-

(a) Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chairman of the meeting, with the agreement of the relevant Overview and Scrutiny Committee Chairman, is of the opinion should be considered at this meeting as a matter of urgency as it relates to a key decision; or

(b) special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

13. **EXCLUSION RESOLUTION (IF REQUIRED)**

Motion (Which may be amended as Members think fit):

> That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

SARA TODD
Chief Executive

COUNCILLOR ANDREW WESTERN
Leader of the Council

Membership of the Committee

Councillors A. Western (Chair), C. Hynes (Deputy Leader), S. Adshead, M. Freeman, J. Harding, E. Patel, T. Ross, J. Slater, G. Whitham and J.A. Wright.

Further Information
For help, advice and information about this meeting please contact:

Jo Maloney, Governance Officer
Email: joseph.maloney@trafford.gov.uk

This agenda was issued on Monday 26/7/21 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**26 July 2021**
Report for:	**Decision**
Report of:	**Executive Member for Adult Social Care**

Report Title

Section 75 Framework Partnership Agreement relating to commissioning of health and social care using the Better Care, Hospital discharge and Learning disabilities funds between Trafford Clinical Commissioning Group and Trafford Council

Summary

The Better Care Fund was introduced by the Government from 1st April 2015 consolidating a number of previous funding streams into one pooled fund which is hosted by the CCG. This fund includes monies for the protection of adult social care. The expectations of the Government of having a Better Care Fund are to promote better integration of health and social services for individuals and deliver cost benefits across the whole system.

The Better Care Fund requires collaborating bodies to enter into a Section 75 agreement. The purpose of the S75 agreement is to set out the terms on which Trafford CCG and Council have agreed to collaborate and to establish a framework for the provision of health and social care services through a joint commissioning arrangement.

This paper provides information regarding the scope of the proposed s75 agreement; the collaborative partnership arrangements between Trafford CCG and the Council and it seeks the approval of the proposal to delegate the requisite authority to agree the final terms of Section 75 agreement on behalf of the Council.

Recommendation(s)

It is recommended that the Executive:

1. Notes the proposed scope of the s75 partnership agreement, including funding arrangements, as detailed in the report;

2. Approves the proposal to enter into a s75 partnership agreement with Trafford CCG and to formalise Better Care funding for 2021-22;

3. Approves the proposal to delegate authority to the Corporate Director for

Adults Services, in consultation with the Corporate Director of Governance and Community Strategy, to finalise and complete the s75 Agreement on behalf of the Council.

Contact person for access to background papers and further information:

Name: Andrea Gallant and Karen Ahmed
Extension: 1890

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	The activity is integral to the delivery of our sustainable Transformation Plan. The Better Care Fund supports the integration of Health and Social Care Commissioning functions.
Relationship to GM Policy or Strategy Framework	The activity supports the development of an integrated system wide approach to supporting people who have healthcare needs.
Financial	The Better Care Fund financial allocations are determined at a national level and have been agreed by Trafford Council and Trafford CCG on how they will be spent. The Learning Disabilities funding has been agreed by the CCG and the Council and is based upon, as previously, estimates of LD care and support costs and the contract costs for services provide to the CCG by CWP. The hospital discharge fund and criteria is determined at a national level.
Legal Implications:	The section 75 agreement is based on a nationally recognised model agreement. Legal advice regarding the terms and conditions of the s75 agreement has been sought from the Council's legal team accordingly.
Equality/Diversity Implications	None.
Sustainability Implications	The activity contributes to the overall delivery of a sustainable health and social care system.
Resource Implications e.g. Staffing / ICT / Assets	n/a
Risk Management Implications	Whilst the s75 agreement offers the opportunity to develop a risk share, this option has only been exercised for the Hospital discharge programme with each organisation owning the risks against all other schemes.
Carbon Reduction	Not applicable.
Health & Wellbeing Implications	The funds aim to improve the overall Health and Wellbeing of residents of Trafford.
Health and Safety Implications	n/a.

1.0 Background

1.1 The Better Care Fund was introduced by the Government from 1st April 2015 consolidating a number of previous funding streams into one single funding stream which is hosted by the CCG. This stream includes monies for the protection of adult social care, including the extra funding announced in the spring budget of 2017 and referred to as the improved Better Care Fund (iBCF). The expectations of the Government of having a Better Care Fund are to promote better integration of health and social services for individuals and deliver cost benefits across the whole system.

1.2 The NHS published guidelines on how the BCF should be spent and managed for 2017 – 2019. Trafford Council and Trafford CCG produced a joint plan on how the money would be spent for 2017 to 2019. Trafford Health and Wellbeing board agreed this plan, as this was a national condition of receiving the money. There were a total of 4 national conditions that the plan had to meet before NHS England granted approval. NHS England granted approval to Trafford's BCF plan in June 2017. NHS England also specified that the money should be pooled and managed using a Section 75 agreement.

2.0 Section 75 Agreement (S75A)

2.1 Section 75 of the 2006 Act gives powers to local authorities and clinical commissioning groups to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions.

2.2 The purpose of the S75A is to set out the terms on which Trafford CCG and Council have agreed to collaborate and to establish a framework for the provision of health and social care services through a joint commissioning arrangement.

2.3 The intended benefits of the Section 75 agreement are to improve the quality and efficiency of the services and to make more effective use of resources. This will:

- Re-balance the local Health and Social Care Economy.
- Improve Health and Wellbeing.
- Develop Communication / Relationships.
- Develop Integration.

2.4 The pooled Better Care Fund allocations are made up of the Disabled Facilities Grant (DFG), the improved Better Care Fund (iBCF) and a minimum CCG contribution.

Funding	2020/21 £'000	2021/22 £'000
Total DFG - Local Authority contribution	£2,470	£2,470
Total iBCF - Local Authority contribution	£7,983	£7,983
Total Minimum CCG Contribution	£16,512	£17,387
Total BCF pooled budget	**£26,965**	**£27,840**

2.5 The Hospital Discharge Programme was in included in 2020/21 in response to the Covid pandemic:

Funding	2020/21 £'000	2021/22 £'000
Total Hospital Discharge Programme	£12,027	TBC

2.6 The S75A for 2021/22 incorporates Learning Disabilities for the first time. This positive move builds on the existing S75A between the CCG and the Council and enables us to be in a better place to meet the requirements of the spatial framework as we move towards an Integrated Care System in Greater Manchester. It will enable Trafford CCG and the Council to maintain consistency and oversight of delivery to an extremely complex group of vulnerable people as part of our transitional arrangements.

2.7 The pooled LD Fund allocations are set out below:-

Funding	2021/22 £'000
Total Local authority contribution	£23,893
Total CCG Contribution	£2,340
Total LD pooled budget	**£26,233**

2.8 The s75 Agreement will include a breakdown of the schemes to be included in 21/22 and information on the governance for the fund. Two particular aspects to highlight are:

- The S75 will be hosted by Trafford CCG
- The risk share agreement is that each organisation will meet its own risks with regards to performance and any overspends for the schemes it has responsibility for, with the exception of the HDP in which the risk share agreement is a 50/50 split. The pooled fund will be spent on a whole range of services, a breakdown of which can be found in the S75A in Appendix 1.

These schemes will be overseen by the Trafford Together one system board and the Health and Well Being Board.

3.0 Other Options

3.1 Entering into a Section 75 agreement is the only way in which the Council and Trafford CCG can establish a Better Care Fund and maintain pooled funds out of which payments may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions.

3.2 **Future section 75 Partnership Agreements**

With the forthcoming development of the Greater Manchester Integrated Care Services, we will be looking to maintain and continue expanding the close working between the CCG and the Council as this achieves the best outcomes possible for residents. We are therefore in the process of developing a section 75 to underpin a joint approach to the strategic planning, commissioning, market oversight and service development functions related to the Trafford as described in the spatial framework.

4.0 Consultation

4.1 There are no consultation requirements in respect of this s75 Agreement.

5.0 Reasons for Recommendation

5.1 The Better Care Fund requires collaborating bodies to enter into a Section 75 Agreement to: establish a framework for the provision of health and social care services through a joint commissioning arrangement; to establish a Better Care Fund; and to maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions..

6.0 Recommendations

6.1 It is recommended that the Executive:-

1. Notes the proposed scope of the s75 partnership agreement, including funding arrangements, as detailed in the report;

2. Approves the proposal to enter into a s75 partnership agreement with Trafford CCG and to formalise Better Care funding for 2021-22;

3. Approves the proposal to delegate authority to the Corporate Director for Adults Services, in consultation with the Corporate Director of Governance and Community Strategy, to finalise and complete the s75 Agreement on behalf of the Council.

Finance Officer Clearance *(type in initials)… GB……………*
Legal Officer Clearance *(type in initials)…DS……………….*

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*……………… Clare Eaton …………………………………
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

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TRAFFORD COUNCIL

Report to: **Executive**
Date: **26 July 2021**
Report for: **Decision**
Report of: **Deputy Leader of the Council and Corporate Director Children's Services**

Report Title

High Needs Capital Report

Summary

The Council has a statutory duty to secure sufficient school places that meet the needs of children and young people with special educational needs and disabilities (SEND). To support the achievement of this duty the Council has received an allocation of £1.677m High Needs Capital Provision for 2021/22.

This report provides an update on progress of existing projects to meet demand for SEND places as well as setting out the Council's approach to consultation and the proposals for the High Needs Capital Provision Grant. All proposals are at the budget estimate stage and will be met from within the grant allocation available.

Recommendations

That the Executive notes the approach to consultation and feedback received and agrees the proposals contained within this report as the detailed capital programme for 2021/22, specifically -

1. Agree to the allocation of High Needs Capital Provision to carry out work to improve the facilities and expand provision for pupils with special education needs and disabilities (SEND) detailed in Appendix 1: Proposed Capital Projects, High Needs (SEND) Capital Provision Programme, Table 1.

2. Note the completion of previous SEND Capital schemes in Appendix 2.

Contact person for access to background papers and further information:

Name: Sarah Butters - Head of Early Years, School Places and Access
Extension: 912 3233
Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Ensuring a fair start for all children and young people Supporting our residents when they need it most
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The estimated capital cost of the schemes, now recommended for approval in Appendix 1, is £1.555m which can be financed by the High Needs Provision capital grant from the DfE.
Legal Implications:	Education Act 1996 sets out the statutory duty on local authorities to secure sufficient school places, which they must do with regard to securing special educational provision for pupils with SEND. Children and Families Act 2014 places a duty on local authorities to support children and young people with SEND, including keeping the sufficiency of educational provision under review.
Equality/Diversity Implications	Schools are subject to current legislation regarding Equality and Diversity
Sustainability Implications	School buildings are procured requiring successful contractors to meet required sustainability criteria
Carbon Reduction	Improving the quality of our School buildings helps to reduce energy and carbon consumption.
Resource Implications e.g. Staffing / ICT / Assets	School buildings are assets that need to be maintained
Risk Management Implications	Operational risk of buildings closing if capital maintenance works not undertaken and insufficient SEN school places
Health & Wellbeing Implications	The condition of School buildings affects the Health and Wellbeing of all staff and pupils.
Health and Safety Implications	All building work is subject to appropriate current Health and Safety/CDM regulations. Failure to respond to condition issues, which have health and safety implications, will find the Council in breach of the Health and Safety at Work Act.

1.0 Background

1.1 The Department for Education (DfE) has announced local authority funding to support the provision of new places for children and young people with special educational needs and disabilities (SEND) and those requiring alternative provision. This is collectively referred to as high needs provision.

1.2 Funding will be provided for financial year 2021-22 through a new grant called the High Needs Provision Capital Allocation (HNPCA). This follows on from the special provision funding that was received for the financial years 2018-19 to 2020-21. An update on how we spent previous funding can be found in Appendix 2.

1.3 There is £280 million in total which is being allocated to local authorities proportionally, based on their estimated share of future growth in the high needs pupil population.

1.4 Trafford Council's allocation of this funding is £1,676,744.

1.5 This funding is mainly intended to create new places and improve existing provision for children and young people with complex needs or who have an Education, Health and Care Plan (EHCP). However, it can also be used to support SEND pupils without an EHCP and pupils who require alternative provision without an EHCP, where a local authority considers this appropriate.

2.0 Strategic priorities

2.1 In Trafford, children with additional needs benefit from excellent mainstream and special school provision. We are aware however that we have very limited capacity to meet increasing demand for places in both primary and secondary settings in the future. We are committed to supporting our schools and settings within the borough to meet this increasing demand as we believe that local provision offers the best outcomes for the children and young people of Trafford.

2.2 Our understanding of the strategic priorities is informed by our SEND Joint Strategic Needs Assessment (JSNA), the SEND Action Plan 2019-22 and the knowledge that all places in Trafford special schools and small specialist classes are full for September 2021.

2.3 Our priorities are:

Priority	Type	Need	Key Stage
1	Primary mainstream Small specialist classes	Complex learning	KS1 and KS2
2	Primary special Social emotional mental health provision	Social emotional mental health / autism spectrum / social communication	KS1 and KS2
3	Secondary mainstream Small specialist class	Autism spectrum / social communication	KS3 and KS4

2.4 Trafford has a long standing model of small specialist classes (SSC) in primary schools to create opportunities for pupils with complex SEND to have their needs met within a mainstream school. There are currently 9 SSCs in our primary schools, each one has a specialism and caters for between 8 and 10 pupils with an EHC Plan. Staff are experienced and trained in the particular specialism of the class as well as in general special and additional needs. Pupils from the SSC often spend time in the bigger classes in the school when they show themselves able to cope with the social and educational demands of the mainstream class in particular areas of the curriculum. Pupils from the SSCs are fully integrated into the general life of the school.

2.5 Following a review in 2018, we understand how vital these classes are in supporting children with additional needs. All SSC places at primary schools in our area are currently at full capacity.

2.6 In 2018, the SSC model was rolled out to the secondary phase and a class was opened at Lostock High School. The design was influenced by parent and young people's comments and their voice continues to be key to making this provision work. The specialist team supporting this provision includes Educational Psychologist, Children and Adolescent Mental Health Service (CAMHS), Speech and Language Therapy, Sensory Occupational Therapy, Autism/Social Communication Consultant.

2.7 In 2021, we completed a review of the secondary SSC provision. This provision has been extremely successful in meeting the needs of students with autism spectrum / social communication needs and has expanded from initially having 10 students placed on site in 2018 to 22 students by September 2021. This SSC offers young people with autism spectrum / social communication needs the flexibility of accessing a mainstream curriculum whilst providing them with additional support to overcome the environmental challenges a secondary school context can present.

2.8 The review detailed high quality teaching and learning experiences and was pleased to find that children are well supported and outcomes are good.

2.9 We do however recognise this provision can only meet the needs of a small number of children, it is situated in the north of the borough and is now full. To make sure we have sufficient places moving forward we have invited expressions of interest from another secondary school in the borough to replicate this model.

3.0 Proposals

3.1 We identified a number of proposed schemes linked to our strategic priorities. Some are at specific schools and some invited expressions of interest from Trafford schools:

Ref No	Type	School	Scheme
2021.1	Additional small specialist class	Firs Primary School Primary mainstream	Additional small specialist class required for 10 pupils across key stages 1 and 2 for pupils with a range of complex needs. Planned opening in September 2022.
2021.2	Additional class	Longford Park School Primary social	Additional capacity for 6 to 8 places to meet needs of primary age children who present with SEMH/autism

Ref No	Type	School	Scheme
		emotional mental health (SEMH) special school	spectrum/social communication needs and behaviour that challenges.
2021.3	Additional class	Pictor Academy Primary special school	Individualised learning space for children who require low stimulating environment and high adult support throughout the school day.
2021.4	Class Re-configuration	Delamere School Primary special school	Reconfiguration of nursery/early years classrooms to ensure a fit for purpose learning environment for additional numbers.
2021.5	Additional small specialist class	Expressions of interest invited from Trafford mainstream secondary schools	New small specialist class to meet autism spectrum / social communication needs in a mainstream secondary school for between 10 to 15 pupils per class. With additional support from Educational Psychology, Speech and Language Therapy, Occupational Therapy, Children and Adolescent Mental Health Service (CAMHS). Planned opening in September 2022
2021.6	Additional small specialist class	Expressions of interest invited from Trafford mainstream primary schools	New small specialist class required for 10 pupils across key stages 1 and 2 for pupils with a range of complex needs. Planned opening in September 2022

3.2 Discussions with leaders in special and mainstream schools have also highlighted a small number of condition issues and improvements needed to support the needs of an ever increasing school population.

3.3 With that in mind we also invited smaller bids from Trafford schools to improve outdoor areas and internal learning spaces so that children and young people's needs can be best met in an environment that is conducive to supporting positive personal, social, emotional, physical and academic outcomes.

4.0 Consultation

4.1 A public consultation was announced on 27 May 2021 inviting comments on these proposals and any additional ideas for how we should spend the High Needs Provision Capital Allocation (HNPCA) funding 2021-22. The consultation period ran until 18 June 2021.

4.2 The online survey on Citizen Space was circulated to early years providers, schools and colleges and they shared this with parents and carers within their communities. There were coordinated campaigns to promote the consultation across social media platforms via Trafford Communications, Trafford Family Information Service and Trafford SEND Information, Advice and Support Service (SENDIASS). Information was promoted on the Trafford Council website and on the Trafford Directory within the SEND Local Offer. Paper forms were available on request for anyone without internet access.

4.3 A total of 28 responses were received, 18 from parents and carers and 10 from schools or settings. All 18 of the parents and carers agreed with our proposals. Of the schools and settings, 8 agreed with the proposals and 2 did not agree, outlining that they were supportive of school buildings being expanded as long as class sizes did not increase. All feedback received can be found in Appendix 3.

4.4 As our partner for strategic engagement of SEND parents and carers, Trafford Parent Forum hosted an online question and answer session on 16 June 2021 providing an opportunity for parents and carers to ask questions of Council Officers and share their ideas.

4.5 Some of the comments provided by parents and carers were about the support on offer generally in our area, rather than specifically about ideas for spending this capital funding. These comments will be responded to as part of the existing mechanism for providing feedback on our SEND Local Offer which is overseen by the SEND Communication and Engagement group.

4.6 Consultation feedback linked to capital projects was heavily focused on the need for further secondary SSC provision and we have identified Wellington School as a partner school for this.

4.7 No expression of interest was received from a primary school in the south locality, the only locality in Trafford without a primary SSC. However, the expansion of the small specialist class at Firs Primary School will provide some additional capacity.

4.8 Further, more detailed, consultation will be carried out with Headteachers and Governing Bodies of individual schools if the schemes contained within the report are agreed.

4.9 All proposals will subject to other statutory processes as required, including school organisation processes for making significant changes to provision and planning processes.

5.0 Financial Implications

5.1 The allocation of High Needs Provision Capital Allocation (HNPCA) is £1.677m. Grant allocations are based on projections of pupil numbers across both the primary and secondary sectors. Although this is not a ring-fenced grant it is a Council priority to ensure sufficient primary and secondary school places exist.

5.2 The projects proposed in this report are at the budget estimate stage and are yet to be fully costed, the estimated capital expenditure of £1.555m can be financed from the following funding streams;

- High Needs Provision Capital Allocation (HNPCA) 2021-22

As detailed in Appendix 1: Proposed Capital Projects, Table 1

6.0 Legal Position

6.1 Section 42 of the Children and Families Act 2014 places a duty on the Council to secure special educational provision in accordance with a child's or young person's Education, Health and Care Plan.

6.2 The Council has a general duty under Section 2 of the Health and Safety at Work Act 1974 to provide a safe working environment and hence respond to condition issues, which have health and safety implications.

7.0 Recommendations

7.1 To approve and progress the schemes as detailed in Appendix 1: Proposed Capital Projects, Table 1.

7.2 To not progress with an additional Primary SSC (Section 3, Proposals, 2021.6) at this time.

8.0 Other Options

8.1 To progress with another Primary SSC which is not located in the south locality and reduce the funding available for the bidding round. This is not the preferred option as the bidding round schemes will have a further reach to improve facilities for more children and young people with SEND.

8.2 Do nothing.

9.0 Reasons for recommendation

9.1 To ensure compliance with the Council's statutory duties as highlighted in Section 6 - Legal Position.

9.2 To enhance facilities and expand the local offer of special educational provision in Trafford schools for children and young people with Education, Health and Care Plans.

9.3 To support Trafford's vision of Excellence in Education and ensure that pupils are able to thrive and achieve their educational outcomes through fit for purpose and high quality learning environments.

<u>Key Decision</u> Yes
<u>If Key Decision, has 28-day notice been given?</u> Yes

Finance Officer Clearance *…PC………*
Legal Officer Clearance *……TR……*

CORPORATE DIRECTOR'S SIGNATURE *(electronic)*…… Jill McGinley ………………..
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Appendix 1 – Proposed Capital Projects

HIGH NEEDS (SEND) CAPITAL PROVISION PROGRAMME – TABLE 1		£m
Total Allocation		**1.677**
School	**Work**	**Estimated Cost £m**
Firs Primary School	Additional Small Specialist Class	0.400
Longford Park School	Additional classroom space for 6-8 pupils	0.350
Pictor Academy	Individualised learning space for children who require low stimulating environment and high adult support throughout the school day	0.015
Delamere School	Reconfiguration of nursery/early years classrooms	0.040
Wellington School	EOI - Additional Small Specialist Class	0.350
Various	Bidding round - to develop outdoor learning areas, sensory areas, communal learning spaces, making learning areas more accessible.	0.400
		£m
	Total Cost of schemes to be approved	**1.555**
	Total Allocation Available	**1.677**
	Balance still to allocate	**0.122**

Appendix 2 – Update on Previous SEND Capital Projects

2018 schemes

Ref No	School	Scheme	Update
2018.1	Secondary	New Autism Spectrum Condition Class (ASC) in two mainstream secondary schools for between 10 to 15 pupils per class with additional support from Educational Psychology, Speech and Language Therapy, Occupational Therapy and Healthy Young Minds	Provision opened at Lostock College in September 2018
2018.2	Egerton School	Provide a nurture class and outdoor area for year 7 and 8 pupils to aid their transition	Provision opened in September 2018
2018.3	Delamere School	Provision of toilets to support the needs of ambulant pupils as the geographical primary special school model takes effect	Works completed over Summer 2018
2018.4	Pictor Academy	Provision of hoists in both KS1 and KS2 to support the needs of non-ambulant pupils as the geographical primary special school model takes effect	Works completed to KS1 area in 2018 Works completed to KS2 area in 2019
2018.5	Moorlands Junior	Improvements to existing small specialist class to support social communication in designation	Works completed over Summer / Autumn 2018
2018.6	Delamere School	Refurbishment/enlargement of hydrotherapy pool to meet the needs of all pupils at the School	New larger pool completed Jan 2021

2018 bidding round

Ref No	Provision	Scheme	Funding request	Status
Bid 1	Wellfield Junior School	Creation of small lobby area, this can be used as quiet area to work along with improving the security of the Small Specialist Class.	£5,000	Successful
Bid 2	Broomwood Primary School	Creation of a multi-sensory area within the pre-school	£10,000	Successful
Bid 3	Longford Park School	Creation of a multi-use games area	£130,000-160,000	Partly Successful £80,000 awarded
Bid 4	Longford Park	Building adaptations	£75,000	Partly

	School	(£15,000) and extension (£60,000)		Successful £15,000 awarded
Bid 5	Gorse Hill Studios	Improvements to access and music provision	£50,000	Unsuccessful Revised bid received Feb 2019 was successful

2019 schemes

Ref No	School	Scheme	Update
2019.1	EXPRESSION OF INTERESTS REQUIRED Secondary School Planned opening in September 2020	New Autism Spectrum Condition Class (ASC) in a further mainstream secondary school for between 10 to 15 pupils per class with additional support from Educational Psychology, Speech and Language Therapy, Occupational Therapy and Healthy Young Minds	Expansion to provision at Lostock College. Works to be completed over Summer 2021
2019.2	Egerton School	Increase provision from 56 to 65 places by Sept 2020 Provision of mobile accommodation to support increase in pupil numbers. The additional accommodation will allow School to develop a fitness suite and further therapy suite.	Works completed Summer 2020
2019.3	Manor Academy	Increase provision by 25 places, including a change in the sixth form age range to include a 3rd year (age 16-19) Redevelopment of existing Sale West Development Centre into 4 classrooms to allow multi-use of this area and support increase in pupil numbers and age range	Works completed November 2019

Appendix 3 – Consultation Comments (transcribed from online survey)

Parent Carer 1

Comments on our proposals

Poor choices of provision in Trafford for academic ASC. This also applies at post 16.

Other ideas or feedback

Post 16 options.

Parent Carer 2

Other ideas or feedback

More SSCs in the south of Trafford for Primary.

Parent Carer 3

Other ideas or feedback

I have 2 autistic children. Eldest is at lostock hub. This provision is excellent but we were saddened there was nothing suitable based in the grammar schools as he is very gifted and therefore missing out on the extra opportunities offered at these schools for high achieving children. We are also concerned there is no sixth form at lostock so worried as to where he will be able to access at this stage. Our youngest child is at Pictor but is also very academically able, whilst needing very high levels of support to help meet his more PDA needs. We don't feel there is a school in trafford designed to meet his needs. An able child with very high support needs (most definitely not mainstream). He is currently only attending less than 3 hours a day because his class could not meet his needs since the pandemic. He needs higher staff ratio, smaller class, more individual provision to meet the needs of his own agenda. He is struggling to have his needs met at Pictor and there is nothing in Trafford more suitable. He is yr 3 so we are also worried ahead to secondary and none of the trafford schools are designed to meet his needs. No where near mainstream but way too academically able for the specialist provision but also at the same time needs more support and smaller classes than the current specialist provision. Trafford should invest in specialist provision such as those found in other counties that cater for academically able pupils with autism (no learning difficulties) but that have complex support needs/PDA/own agenda.

Parent Carer 4

Comments on our proposals

Schools such as Flixton girls school need additional services for ASD kids.

Other ideas or feedback

Mainstream high schools

Parent Carer 5

Comments on our proposals

Some children are able stuck between mainstream and specialist but there isn't a provision setting to support these children. Some are able to access mainstream but need adjustments to support their needs.

Other ideas or feedback

Greater capacity for secondary school provision. Our own Inscape style provision within Trafford. Not every child can manage a 40 minute journey to school. More training for mainstream teaching/support/SENCO staff. TA's who are highly qualified and SEN aware in mainstream schools.

Parent Carer 6

Comments on our proposals

Secondary provision desperately needs improvement

Other ideas or feedback

Secondary provision for asc - the existing provision in mainstream is not fit for children.

Parent Carer 7

Other ideas or feedback

1>It would make a big difference to put an accessible funding towards pre-school age group care settings who are starting the assessment/application process for a child to further support the setting to support the child and family rather than feel pressured into offering so much extra to one child with no additional funding.

2>Offering more support on diagnosis to families and settings.

3> Improvements to key transitional stages to provide friendship support courses to children at each individual school and to help a smoother transition.

4> Providing clear options for post 16 sign posting to parents clearly and supporting parents and young adults to explore their options.

Parent Carer 8
Comments on our proposals My son has been attending a small specialist primary class in Trafford. It has taken 6yrs to recieve this specialist care which is essential for my son. The issue is there isnt this same level of care for him in a secondary school environment which I find is very disappointing, I also feel that this means my son will not have the adequate support he needs to support his well being and care as a whole in secondary school even with a full care and support plan in place this was never enough in a larger class size. To go from a small specialist setting in primary to then such a huge change for secondary school, when we have only just begun to improve his self esteem from full support in a main stream environment is a huge concern. My son is lost in a class size of 10 plus.. He becomes a school refuser.. To travel also to a school outside of the area causes him to refuse school due to the long travel times which extendeds his school day dramatically. I am very concerned and feel very unsupported to find there is not a small specialist class in Altrincham it is essential that we move forward to make this happen & create the environment which should already be available to children with special needs in Altrincham . SEN children need to be supported in the correct environment with the small specialist classes which are essential for the children to thrive and to stop them becoming school refusers. I am very disappointed & concerned that we dont already have the correct educational settings available for our children in place. This is hugely lacking in the Altrincham area. To have a child finally receive the nurturing support and specialist care they need in primary, most only just receiving this finally in their last years of primary. It is essential that we continue to ne able to support them in a the same nurturing environment and small class size with the level od specialist care.. the only option spo far is travelling all the way to stretford, and with this being the only option for the while whole of trafford this is one over subscribed and too far.. I would like my email/survey response to be included in the recent application for a SSC clasd to be put in place for another school in trafford Altrincham. **Other ideas or feedback** A small specialist class added to local high school please
Parent Carer 9
Comments on our proposals My son has an ASC diagnosis and has struggled in mainstream provision. We have had to fight to get him into Longford Park and his mental health and well-being have been hugely impacted by his needs not being met. Early diagnosis is also an issue as most mainstream schools have an SEN policy which kicks in in Year 2, with a 2 year waiting list for the ND Pathway in Trafford children are in year 4 before they get diagnosis and in this time their needs are not being met. The system needs a full review so that education and health compliment each other and support children better. The education places will help, but it's dealing with the fall out of long waiting times and inadequate services to support early diagnosis in some areas particularly ASC **Other ideas or feedback** Education isn't just about the curriculum. Children with ASC need after school and holiday provision which can meet their needs and support them to develop the skills they need to be successful in all areas of their life. Wrap around care is often not accessible for SEN children and the miss out on cultural enrichment activities as well as additional opportunities to develop and nurture friends, which can take longer for children with SEMH needs.
Parent Carer 10
Comments on our proposals Support within existing mainstream secondary education within the borough is limited and varies significantly between schools. Most SENCo staff are carrying out the role in addition to teaching a full curriculum. **Other ideas or feedback** Independent travel training is vital for SEN children transferring from primary to secondary school. For some children, the safety awareness and support this training provides is more cost effective long term than the provision of transport.
Parent Carer 11
Comments on our proposals CYP with SEN should have access to mainstream school but the right support needs to be in place for their needs. There needs to be the right culture in the school to accept all students with diverse needs

and staff need to be appropriately trained so the students needs are met.

Other ideas or feedback

Staff training to understand diverse needs.

Investment in developing the social skills and confidence in CYP with SEN- to help prepare them for the future and open their eyes to possibilities.

Parent Carer 12

Comments on our proposals

There not a lot proposed for secondary schools and what there is is focused on autism. Where is the support for children with other learning disabilities eg Down syndrome who have been turned down from mainstream schools as they say can't meet need and special schools like Manor Academy which is full?

Other ideas or feedback

See my previous comment. A pathway for children with Down syndrome for whom Brentwood is not a suitable setting. Increased capacity at Manor Academy and increased support in mainstream schools. Everything always seems to be about children with autism and children with Down syndrome are never mentioned in proposals specifically despite making up a significant proportion of children with learning disabilities.

Parent Carer 13

Comments on our proposals

Choice is key, we had a very stressful situation when our school of choice didn't have funding for a place for our son. I had to appeal the decision, the wait was very stressful as none of the other provisions available to us were suitable for his needs. Luckily we were granted a place at our chosen school after appeal but I do worry that other parent /carers in our position might not have been able to fight for a place. It shouldn't have to be a battle to have the funding for our children to be happy, settled and safe in school.

Other ideas or feedback

More support for parents through the school transition phase.

Better choice - we were very limited for options as a mainstream setting was not suitable.

More funding for early years speech and language, this area is so key for a child's development yet so poorly funded in Trafford. Very limited resource which meant the staff had hardly any availability for my child. I was able to attend courses etc to help support my child and develop skills but access to bi weekly / monthly session a with a trained speech therapist would have been so beneficial. The group sessions that Trafford were running didn't help at all to be honest, too much distraction for any child with attention & behavioural challenges.

Parent Carer 14

Comments on our proposals

Priority 3 really applies to me. My son is currently in year 4 at a special school. He has autism. Looking ahead to secondary schools there are hardly any small specialist provision classes within mainstream schools. Where there are these classes the availability of these are very limited. I feel really strongly that a lot more of these smaller classes within mainstream are available.

Other ideas or feedback

A lot more funding needs to be given to mainstream schools in order for them to accommodate Send pupils in smaller classes, with specialist support.

Parent Carer 15

Comments on our proposals

My daughter is in a mainstream secondary school (yr7) she is really struggling. I feel her needs or not being meet at the mainstream school. I am currently looking again at provision - I feel specialist school isn't right for her either. I would love to have the option on a SSC for specific learning difficulties in a small learning environment.

Other ideas or feedback

Mainstream school to have a small learning environment/ SSC.

Parent Carer 16

Comments on our proposals

Our experience of the Trafford education system at primary level has been incredibly positive. I have seen the huge difference the correct educational setting can make to a child with additional needs. I can only speak from my experience of Wellfield small specialist class but this model has given our son the opportunity to be happy, learn and develop his social skills. The specialist skills of the teaching staff have made such a difference to his and our lives.

At secondary our options feel more limited. Our only option for an SSC would appear to be Lostock where there are a very limited number of places, considering all the children with ASC in Trafford schools. For us it would mean a huge amount of travel for our son every day and no local school friends, something which is very worrying for any child never mind one with autism. Other options would possibly be North Cestrian, Sale High School, Altrincham College of Arts, Wellington or Ashton on Mersey which all have very good reputations for their SEN provision however none of these schools have a specific class for children with social communication needs.

As both a parent and a teacher, I have experienced the difference the right placement can make to our autistic children. It would really help the Trafford offering if we could extend our offering accommodate more specialist provision/ SSC's in South Trafford as suggested in your proposals.

Other ideas or feedback

Having recently visited North Cestrian I thought the model they were currently using of a small class for the weakest 15 children in Year 7 was a very good idea. They are taught by a primary school teacher for the first year (for core subjects) and they go out into the school for specialist subjects. Not all schools can have a specialist class but this seems a very good in between not just for autistic children but for all children with send.

That first year in secondary school is so important and can often set the tone of the next four -six years. Could Trafford find funding for something like this in all secondary schools. In my opinion this form of inclusion is so much preferable to a child starting a large class in year 7 with additional TA support. This gives them the opportunity to form the social relationships so important to all children and gain in confidence in their first year at school.

Could Trafford find additional funding and lead a pathfinder project to improve transition of students into secondary education at the same time supporting our SEND children. These classes could then be mentored by the specialists in the SSC hubs in the north and (hopefully) south of the borough. Although the SSC's are for autism the speech and language, education psychologist and OT input could be so valuable to all schools.

Parent Carer 17

Other ideas or feedback

As a local resident in Davyhulme i am aware of small park in the Bent Lanes area. This 'hidden gem' has not been utilised for the children of the local area for around 20 years. Other local parks have received funding in recent years and are regularly maintained. As a parent of 4, one of whom is disabled, i am not aware of any park that is fully accessible and inclusive for all children. For example this isn't really anywhere i can take my children where they can all play together. Children should be able to play alongside their siblings and friends where they can begin to make meaningful relationships through play. All SEND children including those with sensory needs would be included. I am not aware of any park catering for children's accessibility and sensory needs that is fully inclusive. It would help children grow up with a better understanding of each others similarities and differences which they should be proud of. It would also help families meet other families creating informal support networks. There is a lack of outdoor recreational facilities that are fully accessible, inclusive and free in Trafford creating a barrier when taking a child with SEND to the park.

The local residents are already in the process of trying to get funding to make something of this wasted space therefore i think this is perfect timing to use this grant money.

Parent Carer 18

Comments on our proposals

All children that need support should be able to get it without fighting for a space, as more disabilities etc get diagnosed provision needs to increase

Other ideas or feedback

More affordable holiday clubs, more high functioning autism settings do they can thrive.

School or Setting 19

Other ideas or feedback

More money invested to help schools to meet the needs of children who do not have an EHCP, to reduce the number of children needing an EHCP. This will save money for Trafford to allow them to continue to allocate this funding to schools and so on in a cyclical fashion.

More TAs in schools would also help with this.

School or Setting 20

Comments on our proposals

I am providing feedback specifically in respect of the proposal for Delamere School.

This proposal will vastly improve our provision for Early Years pupils. The current configuration is unsuitable for the groups of pupils currently within this department. The proposal will provide a more fit for purpose use of the space and facilitate a more suitable provision for these pupils.

School or Setting 21

Comments on our proposals

I know all too well about the increasing demand for special school places over the last few years.
We have had to start using previously unused spaces in school which are unfit for purpose and do not meet appropriate standards for children.
The proposed re-configuration of the Early Years space at Delamere will allow us to meet demand but in a way that provides everything that children need with the appropriate space, resources and facilities around them.

Other ideas or feedback

The unused science block at Wellacre Academy could be transformed into additional space for Delamere but also a SEND training hub.

School or Setting 22

Comments on our proposals

Yes, it is important that parents continue to have a range of choices for their child not just the settings with places. Could a SSC be considered in a faith school?

Other ideas or feedback

Additional settings will give parents a choice so that they don't need to make their choice on the settings that have spaces that may not meet their needs.
Choices for children/ parents of faith may be a factor when choosing settings. Had the authority considered a small specialist class in a faith school?
There are very few specialist SEND schools that provide wrap care, particularly secondary schools. This disadvantages parents of the most vulnerable children in society from accessing employment in some cases and providing for their family.

School or Setting 23

Comments on our proposals

There is a recognised growing need for appropriate school places to support those children where a full mainstream class would not be suitable to meet the child's needs in an educational setting.

Other ideas or feedback

I fully support the proposals provided.

School or Setting 24

Comments on our proposals

Delamere is an outstanding school a d being able to provide more places to children within the catchment is vital to the children and families who attend school or may need our provision in the future

Other ideas or feedback

Refurbishment of the EYFS unit to provide a more suitable space for the children

School or Setting 25

Other ideas or feedback

EYFS provision

School or Setting 26

Comments on our proposals

The EYFS provision at Delamere is in need of expansion. The school is already full and needs future proofing in order to meet the increasing demand. The prevalence of children with SCD in early years has been steadily increasing over time in addition to this there is planned new build of residential homes in the area.

School or Setting 27

Stated they disagree with the proposals

Other ideas or feedback

I think it is fine to expand buildings as long as class sizes do not increase. As this will be detremental to the children.

School or Setting 28

Stated they disagree with the proposals

Already class size has a profound effect on teaching effectively. More classrooms a teaching teams in my branch of SEN is my hope

Other ideas or feedback

Expansion of school buildings to create more classrooms isn't desire

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TRAFFORD COUNCIL
Report to: **Executive**
Date: **26 July 2021**
Report for: **Decision**
Report of: **Executive Member for Housing and Regeneration**

Report Title

Places for Everyone Plan (2021): Approval of Places for Everyone 2021 for Regulation 19 consultation

Summary

This report summarises the content of the final draft Places for Everyone Plan (PfE) 2021 and its relationship to the Greater Manchester Spatial Framework (GMSF). It summarises the Trafford allocations and land supply position in PfE. The report seeks approval to publish PfE for an 8-week consultation and sets out the next steps for PfE.

Recommendation(s)

It is recommended that the Executive:

(i) Approves the PfE: Publication Draft 2021, including strategic site allocations and Green Belt boundary amendments, and reference to the potential use of compulsory purchase powers to assist with site assembly, and the supporting background documents, for publication pursuant to Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 for an 8 week period for representations to begin not earlier than 9 August 2021;

(ii) Delegates authority to the Corporate Director of Place, in consultation with the Executive Member for Housing and Regeneration, to approve the relevant Statement of Common Ground(s) required pursuant to the National Planning Policy Framework 2019.

Contact person for access to background papers and further information:

Stephen James (Head of Strategic Growth) x 4330

Sarah Todd (Principal Transport Policy Officer) x 4494

Lesley Franklin (Senior Strategic Planning Officer) x 4770

Appendices

Appendix 1 – Publication Draft Places for Everyone Plan 2021 (includes link to the Integrated Assessment and supporting evidence base documents)

Appendix 2 - New Carrington PfE Masterplan (separate document)

Appendix 3 - Timperley Wedge PfE Masterplan (separate document)

Appendix 4 – PfE 2020 New Carrington Allocation Policy

Appendix 5 - PfE 2020 Timperley Wedge Allocation Policy

Appendix 6 – Schedule of proposed replaced Core Strategy (2012) policies

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The PfE will provide the overall strategic planning context for the Trafford Local Plan which will contribute to a number of the Council's Corporate Priorities, in particular affordable and quality homes, successful and thriving places and greener and connected.
Relationship to GM Policy or Strategy Framework	The PfE is being produced in partnership with the GMCA and will be one the key strategic policy documents produced at the GM level.
Financial	The PfE is being produced jointly with nine GM LA's (excluding Stockport) and the GMCA which contributes to the costs of its preparation and ultimate adoption. For Trafford, the estimated costs of consultation, further evidence work required and the Examination in Public to secure adoption of the PfE is expected to be covered from Reserves that have been specifically earmarked.
Legal Implications	The PfE will form part of the Trafford Development Plan. There is a requirement for the Council to keep its Development Plan documents up to date. Applications for planning permission must be determined in accordance with the Development Plan, unless material considerations indicate otherwise. The next consultation stage will be carried out in accordance with Regulation 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012.
Equality/Diversity Implications	None arising directly out of this report, however the implications of the PfE have been assessed as part of its preparation through an Equality Impact Assessment.
Sustainability Implications	The PfE will be supported by a Sustainability Appraisal (SA), which will assess the plan against a number of economic, social and environmental indicators to ensure that development will be sustainable.
Carbon Reduction	The PfE underpins Greater Manchester's ambition to be a carbon neutral city region by 2038, as well requiring all new developments to be net zero carbon by 2028. The Trafford allocations could also provide opportunities for decentralised, low carbon heat and energy networks. The PfE

	policies link to the Trafford Carbon Neutral Action Plan.
Resource Implications e.g. Staffing / ICT / Assets	The PfE is in part being produced by staff from within the Council's Strategic Growth Service. The documents will be available to view electronically via the web. A small part of the allocations are on land or property owned by the Council.
Risk Management Implications	The PfE is a key strategic planning document that provides the context for the Trafford Local Plan. If it is not progressed it may impact on the scope and delivery of the Trafford Local Plan.
Health & Wellbeing Implications	The PfE will include a number of policies which will encourage more people to make healthier choices in life, including promoting cycling and walking. It will therefore contribute towards improving the health and wellbeing of Trafford's residents.
Health and Safety Implications	Not applicable

1.0 Introduction

1.1 The Places for Everyone (PfE) Plan 2021 (see Appendix 1) is a strategic spatial plan that is being prepared jointly by nine GM Authorities and the Mayor of GM. The PfE 2021 will set the housing and employment land requirements for each Local Authority (LA), and as such tackles core strategic issues which would otherwise have to be addressed in the Trafford Local Plan. PfE 2021 will cover the period up to 2037 and will provide the overarching strategic context for the detailed policies of the forthcoming Trafford Local Plan.

2.0 Background

2.1 The "Future of GM" paper in 2019 set out Greater Manchester's bold plans for the future in the face of uncertainty. Despite Covid 19 and the ongoing uncertainty about the UK's future trading relationships, the bold and ambitious vision for the city-region remains unchanged, although the actions prioritised to achieve some of those ambitions will inevitably have to change. Greater Manchester's ambition to continue to be - and further develop its position as - a global city-region, with strong and prosperous communities throughout as well as a thriving and productive economy remains. Without a clear, long term cohesive set of plans it becomes almost impossible to implement and deliver initiatives that will achieve this ambition.

2.2 Within this context, the need for a bold spatial plan to provide certainty and guide development, investment and infrastructure has never been stronger. Government has sent a very strong message that Covid-19 should not be a reason to delay either the preparation of statutory plans or the determination of planning applications through the publication of emergency guidance to enable local authorities to continue to exercise their planning functions in a Covid-19 compliant way.

2.3 Up until December 2020 a joint development plan document of the ten Greater Manchester local authorities was being prepared, Greater Manchester's Plan for

Jobs, Homes & the Environment (known as the "GMSF"). The GMSF 2020 had reached the Regulation 19 (Publication) stage of the process, however, the decision at Stockport Council's meeting on 3 December to not submit the GMSF 2020 to the Secretary of State for independent examination following the consultation period, and the subsequent resolution at its Cabinet meeting on 4 December not to publish the GMSF 2020 for consultation, in effect signalled the end of the GMSF as a joint plan of the ten.

2.4 S.28 (6)-(9) of the Planning and Compulsory Purchase Act 2004 and regulation 32 of the Town and Country Planning Local Plan Regulations apply where one authority withdraws from an agreement to prepare a joint DPD. Together they enable a joint plan to continue to progress in the event of one of the authorities withdrawing, provided that the plan has "substantially the same effect" on the remaining authorities as the original joint plan

2.5 Consequently, at its meeting on the 11th December 2020, members of the AGMA Executive Committee asked officers to report back on the implications and process of producing a joint DPD of the nine remaining Greater Manchester (GM) LA's (i.e. Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan). One of the key issues that officers were asked to explore was the extent to which the joint Places for Everyone plan could take advantage of the provisions set out in paragraph 1.4 above, and proceed to Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 Publication stage rather than have to go back to an earlier (Regulation 18) informal stage of consultation.

2.6 The 'Publication stage' is a formal consultation on the draft joint DPD pursuant to Reg. 19 of the Local Planning Regulations. It is a statutory stage that provides an opportunity for organisations and individuals to submit their final views on the content of the plan. Following consultation on the Publication Plan, the draft joint DPD and the representations made in the Publication stage are sent to the Secretary of State – this is called the 'Submission stage', pursuant to Reg. 22 of the Local Planning Regulations. Upon completion of the consultation on the Publication Plan in late 2021, a post-consultation report will be prepared and then the plan will be submitted to the Secretary of State for Examination in early 2022.

2.7 At the AGMA Executive Board meeting on 12 February 2021, a report was considered setting out the merits of continuing to produce a joint plan of the nine remaining GM LA's to be known as "Places for Everyone".

2.8 The report highlighted that producing such a plan would enable those nine LA's to continue to:

- progress the strategic policies in GMSF 2020, for example net zero carbon development, affordable housing and space and accessibility standards for new housing
- maximise the use of sustainable urban/brownfield land and limit the need for Green Belt to accommodate the development needs of the nine
- align with wider Greater Manchester strategies for transport and other infrastructure investment

- utilise the evidence base already commissioned and completed, minimising the cost of producing further evidence
- spread the cost jointly of the independent examination

2.9 At the meeting, it was noted that each LA would be asked to approve the making of an agreement with each other to prepare a joint Development Plan Document. Trafford Council agreed to establish a Joint Committee in March 2021 and to delegate the formulation and preparation of a joint Development Plan Document to the Joint Committee.

3.0 Differences between Places for Everyone 2021 and GMSF 2020

3.1 The text of the GMSF 2020 has been revised following the withdrawal of Stockport and the revisions to the PfE 2021 (as compared to GMSF 2020) fall into 5 broad categories:

(i) As a direct result of the withdrawal of Stockport Council from GMSF

Policies relating specifically to Stockport Council's area have been removed (e.g. strategic allocations). Housing and employment land requirements and supply have been recalculated to reflect the withdrawal of Stockport Council, the change in the Plan period and the outcome of Duty to Co-operate discussions with Stockport, as has the extent of the proposed release of Green Belt in the remaining nine LA's. The plan period has been updated from 2020-2037 to 2021-2037; and references to 'Stockport' 'Greater Manchester', 'Greater Manchester Spatial Framework' and 'GMSF' have been deleted and/or replaced where appropriate.

Information presented in the Plan relates to the 9 participating LA's where appropriate and possible to do so. In some instances (such as air quality), information cannot be disaggregated from the Greater Manchester level, or it is not appropriate to do so as it is referring to the wider Greater Manchester area, including Stockport. In these instances it is legitimate to present the information for Greater Manchester.

(ii) As a direct result of changes to government policy since October 2020

Government published the revised methodology for calculating Local Housing Need (LHN) on 16 December 2020. The methodology for all of the Greater Manchester Authorities other than Manchester City Council was largely unchanged, however the new methodology resulted in a 35% uplift for the Manchester City Council area. The revised LHN methodology states that the 35% uplift is to be met within the LA and not redistributed. As PfE 2021 has not been through the Publication Stage it is not subject to transitional arrangements and is required to take into account the standard methodology for calculating Local Housing Need published by Government on 16 December 2020. This resulted in the Manchester LHN increasing by 914 homes per annum or almost 15,000 homes over the plan period which has been reflected in Manchester City Council's housing land target in PfE 2021.

(iii) As a direct result of new evidence/information being made available since October 2020

The evidence base underpinning the Places for Everyone Publication Plan 2021 builds on that compiled for GMSF 2020. Addenda have been produced where appropriate to outline the additional work which has been undertaken to take account of the changes between GMSF 2020 and Places for Everyone Publication Plan 2021 and the passage of time.

(iv) Clarification of policy wording

This category includes minor changes to a limited number of policies as a result of ongoing collaboration with statutory consultees, and to provide more clarity regarding implementation.

(v) Minor typographical changes

This category relates to the correction of spelling and grammatical errors only.

4.0 Assessment of the Proposed Changes

4.1 The revisions set out in Section 3 above have been reviewed in order to consider their impact on the effect of the PfE 2021 on the remaining nine LA's, compared to the GMSF 2020. The assessment of the effect of the changes is set out below.

(i) As a direct result of the withdrawal of Stockport Council from GMSF

The effect on the remaining nine LA's of the removal of the Stockport allocations and associated references is minimal.

The withdrawal of the Stockport allocations did not result in the need for the remaining nine LA's to amend the distribution of their objectively assessed housing and employment needs. Any potential reduction in housing numbers made possible by Stockport retaining a greater number of homes has been offset by changes in Local Housing Need for Manchester (see below). Therefore the spatial strategy for the remaining nine LA's will have substantially the same effect as the GMSF 2020 would have had on the nine remaining LA's.

The withdrawal of Stockport in December delayed publication of the plan under Regulation 19. The PfE Plan period has therefore been revised to 2021 to 2037, from 2020 to 2037 (that of GMSF 2020). As a result, the overall (and individual) housing and employment land targets have been amended and the ability of the land supply to meet these revised targets has consequently altered. Whilst a small number of changes have been made to allocations in Oldham and Salford, as a result of this, the resultant spatial strategy will have substantially the same effect as the GMSF 2020 would have had on the nine remaining LA's.

The proposed Green Belt release in PfE 2021 equates to 1,755 hectares, equating to 3.3% of the current Green Belt covering the 9 LA's. GMSF 2020 proposed Green Belt release of 1,940 hectares, which equated to

3.3% reduction in the extent of the Greater Manchester (all 10 LA's) Green Belt.

In light of the above, it is considered that the revisions which fall into this category (as a direct result of the withdrawal of Stockport) would result in a plan which has a substantially the same effect on the participating nine LA's as GMSF 2020.

(ii) As a direct result of changes to government policy since October 2020

A higher annualised plan figure for Manchester City than in the GMSF 2020 (2,951 vs 3,527) has been introduced within PfE 2021 as a result of the revised LHN. Through this process Manchester City Council has identified sufficient land in the urban area to meet its increased need and consequently remove a very small Green Belt housing site. This remains consistent with the GMSF 2020 spatial strategy which concentrated growth in the centre of the conurbation. Manchester City's increased LHN, and therefore its PfE 2021 housing target, helps to maintain a broadly consistent spatial strategy, between the two plans, despite Stockport's withdrawal and results in a Plan with substantially the same effect as the GMSF 2020 on the nine LA's.

(iii) As a direct result of new evidence/information being made available since October 2020

The types of changes outlined in section 3.1(iii) above, which fall into this category have arisen out of the need to maintain an up to date evidence base, despite the passage of time since the GMSF 2020 and similarly the need to have continuous dialogue with key stakeholders on matters of strategic importance. The effect of the proposed amendments on the overall strategy and objectives of the plan have substantially the same effects on the participating nine LA's as GMSF 2020.

(iv) Clarification of policy wording

Minor changes to policies, referred to in section 3.1(iv) above, have been made to assist interpretation of the policies. It is not considered that they impact on the overall objectives of the policies or specific allocations. Therefore, the effect of the policies on the remaining nine LA's remains substantially the same as they did in GMSF 2020. However, they make the plan less ambiguous, in line with NPPF.

(vi) Minor typographical changes.

This category relates to the correction of spelling and grammatical errors only and therefore result in a plan which has a substantially the same effect on the participating LA's as GMSF 2020.

4.2 Having considered the impact of the five different categories of changes above, it is necessary to consider if their cumulative impact would result in a plan which has a substantially the same effect on the participating nine LA's as GMSF 2020. In this context, it is important to note that, as with the above assessment, "substantially the same effect" does not mean "the same effect". It allows for flexibility to address the fact that the plan now covers a different geographical area, with consequently different levels of needs and resulting changes to allocations.

4.3 The changes made between GMSF 2020 and PfE 2021 are not insignificant in numerical terms, indeed all sections of the plan have seen some form of change. However, in determining the cumulative impact of these multiple changes, it is important to consider what impact they have had on the overall Vision, Objectives and Spatial Strategy of PfE 2021 compared to GMSF 2020, particularly for the decision maker in implementation terms.

4.4 As set out above, the resultant impact of the changes on the overall strategy of the joint plan and its effect on the remaining nine LA's is limited.

4.5 On this basis, officers have concluded that the PfE 2021 has substantially the same effect on the nine boroughs as the GMSF 2020 and recommend that the plan proceed to a Publication stage (Regulation 19) consultation.

4.6 The Joint Committee will review the changes between the GMSF 2020 and PfE 2021 and will decide whether the Plan has substantially the same effect when recommending the Plan to the nine LA's for approval.

5.0 Places for Everyone Publication Plan 2021

5.1 The PfE 2021 provides an important opportunity to create the conditions for inclusive economic growth, provide opportunities for provision of much needed homes, protect, and enhance the natural environment. The Plan is not being prepared in isolation. It is supported by the Transport 2040 Delivery Plan, which will outline the interventions required to achieve the transport vision for the city region and is one of a suite of strategic documents setting out how Greater Manchester can achieve the ambition set out in the Greater Manchester Strategy. It sits alongside the Local Industrial Strategy, Housing Strategy, 5 Year Environment Plan, Digital and Cultural Strategies.

5.2 This is a plan for sustainable growth in the nine LA's, it;

- sets out how they should develop up to the year 2037,
- identifies the amount of new development that will come forward in terms of housing, offices, and industry and warehousing, and the main areas in which this will be focused,
- identifies the important environmental assets which will be protected and enhanced,
- allocates sites for employment and housing required outside of the urban area,
- supports the delivery of key infrastructure, such as transport and utilities,
- defines a new Green Belt boundary for the nine boroughs.

5.3 The vision is for a Greater Manchester which emerges from the pandemic a more resilient and better city-region. The impact of Covid 19 on people's lives and wellbeing as well on the economy and communities is not yet known but will be severe. There is an opportunity to capture some of the changes, for example the increase in cycling and walking and the acceleration in flexible working that has been seen over the recent months, and harness this to cement the benefits for towns and cities in GM. Greater Manchester needs to be a place where everyone can access the services they require through high quality digital communications and where town and city centres can respond to the decline in their traditional retail role in positive ways. One of the biggest lessons of the pandemic is the importance of good quality greenspace close to where people live. This is particularly important in densely populated and deprived neighbourhoods.

5.4 The following sections provide a summary of the key chapters / topic areas of Places for Everyone 2021.

PfE Spatial Strategy

5.5 The spatial strategy seeks to deliver sustainable, inclusive growth. It has 3 key spatial elements;

- Significant growth in jobs and housing at the core – continuing development in the 'core growth area' encompassing the city centre and beyond to the Etihad in the east, through to the Quays, Trafford Park and Port Salford in the west. The majority of commercial employment growth is proposed in this area and over 50% of overall housing supply is found here and in the wards immediately surrounding it.
- Boosting the competitiveness of the northern LA's – provision of significant new employment opportunities and supporting infrastructure and a commitment that collectively the northern LA's meet their own local housing need.
- Sustaining the competitiveness of the southern LA's – supporting key economic drivers, for example around Wythenshawe hospital and the Airport, realising the opportunities offered by national infrastructure investment, e.g. HS2, whilst recognising the important green infrastructure assets in the area.

Jobs

5.6 Economic prosperity is central to the overall strategy. It is essential to raising incomes, improving health and quality of life, and providing the finances to deliver better infrastructure, services and facilities. In the face of the uncertainty wrought by Covid 19, there is a need for continued investment in town centres. As well as development of Research and Development capabilities underpinned by excellent academic institutions and investing in strengthening existing, and creating new, employment locations so that all communities are able to contribute to, and benefit from, growth.

5.7 The Greater Manchester Independent Prosperity Review: One Year on 2020 indicated that Greater Manchester was the most economically diverse city region economy with world-class strengths in advanced materials and health innovation.

Yet the Prosperity Review also acknowledged that for two decades Greater Manchester's productivity consistently remained at 90% of UK level and a year on, this gap persists.

5.8 There is a growing body of evidence that the worst effects of the COVID-19 pandemic have amplified pre-existing patterns of not only health, but also economic inequality. This gap is linked to economic inequality with overall pay levels and salary growth in Greater Manchester lagging behind UK averages. The growth in employment in low productivity sectors witnessed in Greater Manchester over the last decade further explains this, as these sectors are likely to pay lower wages and invest in lower value business models which perpetuate the challenges. Furthermore, it is in these sectors of the foundational economy (retail, hospitality and leisure) in which employees have tended to be hardest hit during the COVID-19 crisis.

5.9 Growing inequalities have a major impact on quality of life for Greater Manchester residents such as the ability to afford decent housing, good quality food and services. As emergency support schemes from government are withdrawn, a greater focus is needed to support businesses in the foundational economy in a Greater Manchester has the opportunity to lead with the 'levelling up' agenda helping to deliver a more successful North of England and aiding the long-term economic success of the country as a whole. This Plan supports high levels of economic growth across Greater Manchester and seeks to put in place the measures that will enable such growth to continue in the even longer-term. However, delivering these high levels of growth means that Greater Manchester will need to continue to invest in the sites and critical infrastructure that will make it an even more attractive place for businesses to invest, bringing high-value, well paid jobs, to the city region; invest in skills and business development to support the foundational economy, and promote the continued progress towards a low-carbon economy.

5.10 In pursuit of this, the plan sets a target of at least 1,900,000 sq.m of new office floorspace and at least 3,330,000 sq.m of industrial and warehousing floorspace across Greater Manchester over the plan period.

Homes

5.11 Greater Manchester is facing a housing crisis and the impact of Covid 19, with potential increases in unemployment will exacerbate this. Although the Greater Manchester authorities have built more houses in recent years, wages have not been keeping pace with property price increases and affordability issues have intensified. To address the supply side Government has introduced a standard methodology for calculating local housing needs to provide local authorities with a clear and consistent understanding of the number of new homes needed in an area. The construction of new housing is also an important part of the economy, providing large numbers of jobs and often securing the redevelopment of derelict and underused sites.

5.12 Applying the current methodology means that around 10,300 (10,305) homes are required per annum, equating to just under 165,000 (164,880) new homes over the plan period. The plan supports Greater Manchester's commitment to deliver more affordable housing, 50,000 units over the plan period, including 30,000 for social or affordable rent.

Environment

5.13 The Plan is not solely concerned with accommodating development. It also includes a range of policies designed to protect and enhance the many and varied green spaces and features which are used in many different ways and afforded many different values by the people who live, work or visit the city-region.

5.14 The Plan supports the important role of natural assets by:

- Taking a landscape scale approach to nature restoration ;
- Seeking to protect and enhance the network of green and blue infrastructure;
- Seeking a significant overall enhancement of biodiversity and geodiversity; and
- Seeking to maintain a new and defensible Green Belt which will endure beyond the plan period.

5.15 Furthermore, the plan supports wider strategies around clean air, walking and cycling and underpins Greater Manchester's ambition to be a carbon neutral city-region by 2038. A key element of this is to require all new development to be net zero carbon by 2028 and to keep fossil fuels in the ground.

Brownfield land preference

5.16 There is a strong focus in the GMSF on directing new development towards sites within the existing urban area, which are often in sustainable locations, close to facilities and served by existing infrastructure. Maximising the use of land in the urban area reduces the need to release greenfield and Green Belt land for development.

5.17 There are significant viability issues in parts of the conurbation and there is a need to continue to press Government for support to remediate contaminated land, to provide funding for infrastructure and to support alternative models of housing delivery. The recently announced Brownfield Housing Fund is targeted at Combined Authorities and begins to help to address viability issues but it is not enough to enable the full potential of the brownfield land supply to be realised.

Green Belt

5.18 The PfE 2021 Plan proposes a limited release of a Green Belt for both housing and employment. The net loss of Green Belt proposed is 1,760 hectares. This represents a significant reduction from the 4,363 hectares which were proposed for release by the nine PfE LA's in the 2016 GMSF. This has been achieved through:

- Removing a number of sites

- Reducing the extent of Green Belt release within sites and retaining more Green Belt within some sites
- Proposing a limited number of Green Belt additions

5.19 The proposals in the Plan would result in the overall extent of the nine PfE LA's Green Belt reducing by 3.3%. The current Green Belt covers almost 47% of the land covered by the nine PfE LA's, the proposals in this Plan would reduce this by just under 2% with over 45% (45.2%) of the PfE Plan remaining as designated Green Belt.

6.0 Relationship with the Trafford Local Plan

6.1 PfE 2021 will be part of the Trafford Development Plan and will set the high level strategic context for the Trafford Local Plan. PfE deals with many of the complex and controversial issues that otherwise would have to be addressed by the Trafford Local Plan – such as Housing distribution and Green Belt change. By addressing these matters comprehensively and strategically, the path towards adopting a Local Plan for Trafford will be made simpler and more straightforward. The Trafford Local Plan will interpret the strategic policies at a more detailed local level to support the creation of locally distinctive high quality places/neighbourhoods. The Trafford Local Plan is being prepared alongside PfE 2021 and will come forward following the adoption of PfE.

7.0 Integrated Assessment and Habitats Regulation Assessment

7.1 As part of the development of the GMSF 2020, an Integrated Assessment (IA) was undertaken incorporating the requirements of:

- Sustainability Appraisal (SA): mandatory under section 19 (5) of the Planning and Compulsory Purchase Act 2004.
- Strategic Environmental Assessment (SEA): mandatory under the Environmental Assessment of Plans and Programmes Regulations 2004 (which transpose the European Directive 2001/42/EC into English law).
- Equality Impact Assessment (EqIA): required to be undertaken for plans, policies and strategies by the Equality Act 2010.
- Health Impact Assessment (HIA): there is no statutory requirement to undertake HIA, however it has been included to add value and depth to the assessment process.

7.2 The IA contributed to the development of the GMSF through an iterative assessment, which reviews the draft policies and the discrete site allocations against the IA framework.

7.3 Given the conclusion in section 3 that PfE 2021 has substantially the same effect as the GMSF 2020 would have had on the nine LA's enabling the application of S.28 (6)-(9) of the Planning and Compulsory Purchase Act 2004 and regulation 32 of the Town and Country Planning Local Plan Regulations, it follows that PfE 2021 should be considered as, in effect, the same Plan as the GMSF, albeit without one of the LA's (Stockport). Therefore "the plan" which is being assessed is one and the same. Its content has changed over time through the iterative process of plan making, but its purpose has not. In view of this, the environmental assessments carried out at previous stages remain valid (including their scope). That said, addendum reports have been prepared to assess the impact of the changes between GMSF 2020 and PfE 2021 against the IA framework and these are available alongside the GMSF 2020 IA documentation.

7.4 A Habitats Regulations Assessment (HRA) refers to several distinct stages of Assessment which must be undertaken in accordance with the Conservation of Habitats and Species Regulations 2017 (as amended) to determine if a plan or project may affect the protected features of a habitats site before deciding whether to undertake, permit or authorise it

7.5 All plans and projects (including planning applications) which are not directly connected with, or necessary for, the conservation management of a habitat site, require consideration of whether the plan or project is likely to have significant effects on that site. If a proposed plan or project is considered likely to have a significant effect on a protected habitats site (either individually or in combination with other plans or projects) then an Appropriate Assessment of the implications for the site is required.

7.6 As was the case with GMSF, PfE 2021 is regarded as a Plan which is considered likely to have significant effect on one or more European protected site and has therefore been informed by an HRA with mitigation measures identified as appropriate.

8.0 Evidence Base

8.1 A comprehensive evidence base was assembled to support the policies and proposals in the GMSF 2020. This evidence base remains the fundamental basis for the PfE 2021and has remained available on the GMCA's website since October 2020. This evidence base has been reviewed and updated in the light of the change to the PfE 2021 and, where appropriate addendum reports have been produced. The evidence documents which have informed the plan are available on the website, in advance of the formal consultation starting.

8.2 One key supporting document is the Statement of Common Ground. This will set out the key matters between the nine authorities agreeing on the distribution and quantum of development contained in the Publication Plan. It will also deal with any matters with other organisations, including Stockport as a neighbouring local authority that need to be agreed to enable the Plan to be submitted next year. There may be a need for additional Statements of Common Ground to deal with specific matters linked to the proposed site allocations and these will be the responsibility of Trafford Council to prepare if required.

8.3 It will also deal with any matters with other organisations, including Stockport as one of Trafford's neighbouring local authorities, that need to be agreed to enable the Plan to be submitted next year. The position between Stockport and the remaining nine Greater Manchester authorities has evolved from December 2020 when all 10 were co-operating on the Greater Manchester Spatial Framework, to the more recent position where, in March 2021, the nine remaining LA's agreed to produce a joint plan (Places for Everyone) following the Stockport decision to withdraw from the joint plan to prepare its own local plan.

8.4 In light of this it has been necessary to 'reset' the Duty to Co-operate arrangements. The outcome of the GMSF work was an agreed approach to the scale and distribution of development and a number of housing and employment allocations to ensure that the overall Vision and Objectives of the Plan were met. Whilst the outcome of the spatial strategy was some individual LA's not meeting their LHN and some exceeding theirs, the extent to which LA's were meeting need was never a defining factor in determining distribution. No LA was identified as having 'unmet' needs as overall Greater Manchester was meeting its collective LHN and supporting the spatial strategy. At this point in time, the nine LA's do not have an understanding of what the Stockport land supply position is, and the assumptions underpinning Stockport's assessment of it and until this assessment is carried out it is too early to be able to have conclusive discussions on potential distribution of development needs. Duty to cooperate discussions with Stockport will continue.

8.5 The PfE 2021 and supporting documents can be found at (https://www.greatermanchester-ca.gov.uk/placesforeveryone)

9.0 Trafford Housing Land Requirements and Supply

9.1 PfE 2021 sets the housing and employment land targets for each of the nine GM LA's. The housing land target is set by the Government using the standard methodology for calculating Local Housing Need (LHN). The 2021 publication draft PfE will have a start date of 2021 and the plan period will end in 2037. The total LHN for Trafford in this period is 21,904 homes, equating to 1,369 homes per annum

9.2 In PfE 2021, there is a total requirement for the nine GM LA's for 164,881 new homes, which is 10,305 new homes per annum. The GMSF takes this total LHN for the nine LA's and redistributes it in accordance with the PfE 2021 spatial strategy. The spatial strategy seeks to focus growth in the urban core, whilst boosting the competitiveness of the northern parts of GM and ensuring that southern parts of GM sustain their economic growth. Trafford's total housing requirement in PfE 2021, based on this redistribution, is 17,954 new homes which equates to 1,122 homes per annum.

9.3 A buffer then needs to be applied on top of the 17,954 new homes figure to allow for flexibility in the supply to ensure the required number of homes are built by 2037. Trafford has identified land for a total of 20,698 homes and therefore the buffer on the housing requirement figure is approx. 15%.The set new homes requirement for Trafford in PfE 2021 is identified as 17,954 by the end of 2037. Table 1 below shows the housing requirement and buffer, as well as the components which make up the Trafford housing land supply.

Table 1: Trafford housing land supply for PfE 2021

	Units up to 2037
Trafford housing requirement with PfE	17,954
Buffer on housing requirement	2,744
TOTAL housing to be identified	**20,698**
Baseline Supply 2020 (urban area)	15,685
Allowances[1]	777[1]
New Carrington	3,131[2]
Timperley Wedge	1,696
Minus estimated completions 2020-21	*-591*
TOTAL Supply	**20,698**

[1]This accounts for completions on small sites
[2]Note approx. 1,200 units at Carrington are already counted in the baseline supply

9.4 It is worth noting that without PfE 2021, Trafford would be expected to meet 100% of its LHN which totals 21,904 new homes in the plan period and would likely require the release of significant additional Green Belt land.

Employment Targets

9.5 There is no standard methodology for calculating employment land needs and therefore the GMCA commissioned work to calculate the employment land figure for GM. In calculating this, current take up rates and GM's economic growth aspirations were taken into consideration as a need for employment land is not calculated as housing need is, PfE 2021 will identify employment growth which will ensure sustainable development, delivering the jobs needed in line with the PfE 2021 spatial strategy.

9.6 Trafford's existing employment land supply is approximately 260,000 sqm of office space and 540,000 sqm of industry and warehousing, see Table 2 for the GM and Trafford supply.

Table 2: Employment land supply 2020

	GM	Trafford
Office supply	2,500,000sqm	258,428 sqm
Industry and warehousing supply	4,100,000 sqm	536,209 sqm

10.0 Trafford's Strategic Allocations

10.1 The 2019 GMSF included draft policies for both of Trafford's strategic allocations at New Carrington and Timperley Wedge. The New Carrington allocation was identified for approximately 6,100 new homes and 410,000 sqm industrial and warehousing floorspace; while the Timperley Wedge allocation was identified for 2,400 homes and 60,000 sqm of office floorspace.

10.2 Since the close of the GMSF 2019 consultation, further evidence base work has been completed to review and support the allocations. High level Masterplans have been prepared for both strategic allocations, supported by viability assessments, to determine an appropriate development quantum for the sites and to establish a realistic delivery rate in the PfE plan period to 2037. These studies have resulted in amended development totals for the strategic allocations, in GMSF 2020 and subsequently in PfE 2021 New Carrington is identified for 4,300 new homes and 380,000 sqm industrial and warehousing floorspace; while the Timperley Wedge allocation is identified for 1,700 homes and 15,000 sqm of office floorspace.

11.0 Evidence for Trafford's Strategic Allocations

11.1 PfE 2021 is supported by a wide ranging and comprehensive evidence base which supports the draft policies in the Plan. A number of key evidence base documents relate specifically to Trafford's Strategic Allocations and these are detailed below.

(i) Transport Locality Assessments

11.2 The Council has worked closely with GMCA and TfGM to establish the high level highway, public transport, walking and cycling requirements of each strategic allocation. The Assessments identify strategic infrastructure requirements both within the sites and on the surrounding transport network. The purpose of the Assessments is to identify the overarching transport requirements for each of the Strategic Allocations, and they do not replace the need for detailed Transport Assessments at the planning application stage. The Assessments have identified that with a range of improvements and new transport infrastructure, planned growth can be sustainably accommodated.

(ii) Viability Assessments

11.3 Consultants 'Three Dragons' were commissioned by the GMCA to assess viability impacts of the whole Plan and the site allocations. The results of the final Assessments found that Timperley Wedge is very viable and developer contributions (CIL / s106) would be expected to fully fund the transport interventions and other supporting infrastructure for the site. The viability for New Carrington is more marginal, as a result of lower land values and the level of infrastructure which is required, and therefore external funding will be required, alongside developer contributions, to fund all the necessary transport interventions.

(iii) Green Belt Assessments

11.4 The GMCA commissioned a Green Belt Assessment in 2016 and Green Belt Harm Assessment in 2019 to understand the impact of removing land from the Green Belt. This work was one of the key inputs into the site selection work in identifying the most appropriate development sites and in determining appropriate Green Belt boundaries for the allocations through Masterplanning. In addition an assessment has been undertaken to identify opportunities to improve land which remains in the Green Belt, through improved access, biodiversity enhancements and recreational spaces. The findings of this assessment are reflected in the Masterplans for each strategic allocation.

(iv) Historic Environment Assessments

11.5 Historic Environment Assessments have been produced for New Carrington and Timperley Wedge to identify areas which have particular sensitivities and where further investigative work is required to understand the heritage value, some of which will be required in advance of any planning application. These Assessments have informed the Masterplans and allocation policies for both sites.

11.6 More detail on the individual evidence base documents can be found on the GMCA website.

12.0 Allocation Masterplans

12.1 Masterplans were commissioned for each strategic allocation to support the allocation policies and to assist in demonstrating site deliverability. The Masterplans were developed in partnership with the key landowners on each site and Landowner Steering Groups (chaired by the Council) for each site were established to guide the masterplanning process. The work also involved engagement with a range of specialists from across the Council, United Utilities, the Environment Agency, Natural England and the GM Ecology Unit.

12.2 The Masterplans set a vision for how development could come forward over the Plan period at each allocation. The Masterplans, informed by the evidence documents set out in the above sections, identify development parcels within the allocations to establish a realistic residential and employment development total for each allocation. A high level phasing schedule has been produced for each allocation, which applies a realistic delivery rate to determine an appropriate Plan period total for the allocation. These figures have then fed into the overall Trafford land supply position. At this stage much of the proposals are indicative but aim to show that development is sustainable and deliverable, and to provide an illustration of what it could look like. It is important the allocations are planned for as a whole new community to deliver the high quality sustainable places with coordinated infrastructure delivery that Trafford needs. The full Masterplans are at Appendix 2 and 3, and show potential development parcels, indicative green infrastructure, the location of new local / neighbourhood centres, highways and other necessary infrastructure.

13.0 Trafford Strategic Allocation Policies

13.1 The evidence base and the Masterplan work has then informed the New Carrington and Timperley Wedge allocation policies (see Appendix 4 and 5). The policies have been amended from the Draft GMSF 2019 and new policy requirements added in response to Integrated Assessment recommendations, consultation comments, new evidence and masterplanning.

13.2 The PfE 2021 allocation policies are largely unchanged from the Draft GMSF 2020, any changes made were minor and these are set out in the summaries for each allocation below. A summary of the policies is set out for each allocation below.

13.3 Policies that are applicable to both allocations include guidance around protection and enhancement of ecological sites, historic assets and important views and landscapes. Specific policies are also included on design, self-build, local training and construction jobs and climate change. Both allocation policies require the preparation of a more detailed masterplan / SPD which will be needed in advance of any development coming forward as a planning application. This will include details of a land equalisation mechanism to ensure all development makes a proportionate contribution to infrastructure delivery.

14.0 New Carrington Allocation Policy

14.1 The Allocation Policy for New Carrington (see Appendix 4) identifies 4,300 homes to be delivered in the Plan period to 2037, and 5,000 homes in total beyond the Plan period; as well as around 350,000 sqm employment floorspace for industry and warehousing. It will be developed at a range of densities to reflect the four distinct character areas identified in the Masterplan, recognising the different landscape, historic environment and local character of the areas. Development parcels close to the existing Partington and Sale West urban areas will be developed at an average density of 40 dwellings per hectare (dph), and areas close to the local and neighbourhood centres at an average density of 50 – 70 dph. The parcels at Warburton Lane to the south of the Red Brook will be at a lower density of 25dph to reflect the landscape and historic environment sensitivities in this area. All other development parcels will be developed at an average of 35 dph. These development densities are broadly consistent with the PfE 2021 density policy.

14.2 The overall development total for New Carrington has reduced from the GMSF 2019, which proposed 6,100 homes within the plan period and up to 10,000 homes in total (see Table 3). The number of residential units and amount of employment space has reduced following an increase in the development potential of sites in the existing urban area. In addition, the Masterplan identified a more realistic and appropriate delivery rate for such a large site. This has been determined following discussions with the landowner steering group and in considering evidence on the delivery rates of other large sites. This has resulted in a total of 4,300 homes being identified in the Plan period to 2037.

14.3 The amount of Green Belt to be removed to enable the New Carrington Allocation was reduced from 241 ha in 2019 to 169 ha in PfE 2021. This is a reduction of 72 ha (see Table 4). The reduction has been achieved through a reduced land take at New Carrington and through the Masterplanning process. The GMSF 2019 proposed to safeguard a significant area in the centre of the site for development beyond the plan period, this is no longer required and it has therefore been retained in the Green Belt in PfE 2021

14.4 The New Carrington Allocation will require significant infrastructure investment, including the Carrington Relief Road, as well as other significant highways infrastructure to upgrade the surrounding network and effectively access development parcels across the site. These will need to be delivered alongside public transport and active travel improvements. The alignment of the Carrington Relief Road as shown in the supporting diagram is based on current assessments. However the detailed alignment will be subject to further evaluation and refinement and may require further amendment.

14.5 A new local centre will be provided in the East Partington area and neighbourhood centres at Carrington Village and Sale West, as well as provision for new primary and secondary school places. Significant areas of open and accessible green space will be delivered throughout the allocation as part of the wider strategic green infrastructure network, providing important multi-functional recreational spaces and active travel routes, linking different areas within and beyond the site.

14.6 Changes to the PfE 2021 New Carrington Allocation Policy from the Draft GMSF 2019 include strengthening protection of strategic green spaces close to Sale West and making it clear that these areas are not available for development. Further detail has also been added on land contamination which affects the brownfield land at New Carrington. Significant land remediation will be required to ensure there are no unacceptable risks to human health and the water environment.

14.7 The affordable housing policy has been amended from an initial target of 30% in the GMSF 2019, to a minimum of 15% affordable housing in PfE 2021. This is following detailed evidence from the viability assessment which found that the aspiration of a 30% requirement would be unviable. However the policy is clear that 15% is the minimum requirement and there may be opportunities for a greater affordable housing contribution in some areas, considering the distinct character areas across the site, as well as the long build-out period. A 15% requirement is also greater than the current Core Strategy policy for much of the Carrington / Partington area which requires a 5% affordable housing contribution in normal market conditions.

14.8 The only change to the New Carrington allocation policy from the Draft GMSF 2020 to the PfE 2021 Plan relates to a change to policy point 43 to address comments from Historic England. The change to the wording makes it clear that a Historic Impact Assessment will be required (see Appendix 4).

15.0 Timperley Wedge Allocation Policy

15.1 The PfE 2021 Timperley Wedge Allocation Policy (see Appendix 5) identifies development of 1,700 homes and 15,000 sqm of employment land in Plan period to 2037, and 2,500 residential units and 60,000 sqm of employment land in total extending beyond the plan period. Development will be delivered at a medium density of 35 dph in the north and higher density development (70 dph) close to a proposed new local centre at the Davenport Green Metrolink stop. Higher density development is also appropriate close to the HS2 Manchester Airport station.

15.2 The development total in Plan period has reduced by 700 homes and 45,000 sqm of office employment land, in comparison to the draft GMSF 2019 (see Table 3) The reduced delivery in Plan period is due to the likely delay of HS2 who require part of the Timperley Wedge development site during the construction of the Airport Station, HS2 route and southern tunnel portal. However, overall, the development numbers have increased at Timperley Wedge to 2,500 units in total as a result of increased densities around the local centre and close to the HS2 station.

15.3 The Timperley Wedge Allocation Policy identifies an area of 'safeguarded land' around the HS2 station which is land to be removed from the Green Belt but which is not available for development within the PfE 2021 plan period. The location of this area has been amended from the GMSF 2019 in order to maximise the available developable land and fully capitalise on the benefits of HS2 and the GM HS2 Growth Strategy. Due to this, the Safeguard Land total has increased from 10 ha to 11ha. The policy specifies that the safeguarded land will not be available for development until the completion of HS2 and the development of the 2,500 homes and 60,000 sqm of office identified to take place in plan period within the Timperley Wedge allocation.

15.4 The amount of Green Belt to be removed to enable the Timperley Wedge Allocation has been reduced from 114 ha in 2019 to 100 ha in PfE 2021, a reduction of 14ha (see Table 4). The reduction has been achieved through the Masterplanning process and removing land north of Shay Lane due to a risk of harm to archaeological assets of significant importance and built heritage assets. In addition Green Belt land previously identified for the Allocation has now been retained, such as an area between Wellfield Lane and Clay Lane. The Policy has also strengthened the protection of Manor Farm playing fields by specifically identifying it as an area of green space on the policies map.

15.5 The Timperley Wedge allocation will require significant infrastructure investment, including a spine road through the site to provide increased capacity through the area and enable access to development parcels across the site. The spine road is also proposed to link across the Fairywell Brook through the proposed Manchester Medipark Allocation and has the potential to improve accessibility with the planned improvements at Wythenshaw Hospital. Highways improvements will need to be delivered alongside public transport and active travel improvements. A new primary school will also be needed. There is also a provision for a rural park together with more local parks and play facilities close to the new homes.

15.6 The affordable housing policy has been amended from a 30% requirement in the GMSF 2019 to a 45% requirement in PfE 2021. This increase recognises the significant need for affordable housing in the south of the borough and the findings of the Trafford Housing Needs Assessment 2019. The viability assessment demonstrated that a requirement of 45% is viable for Timperley Wedge. The affordable housing requirement was also raised in many consultation responses in 2019, where it was considered that a 30% requirement was too low.

15.7 A number of very minor changes were made to the Timperley Wedge allocation policy from the Draft GMSF 2020 to PfE 2021 (see Appendix 5), these are:

- Deletion of the words "to be agreed with TFGM" in Policy 15 as it is not possible for a Local Plan policy to require a third party agree a planning requirement other than with the Local Planning Authority

- A change to the wording of policy point 36 to address comments from Historic England. The change to the wording makes it clear that a Historic Impact Assessment will be required
- Correction of the full name of Wythenshawe Hospital from 'University Hospital South Manchester' to 'Manchester University NHS Foundation Trust Wythenshawe Hospital', in the reasoned justification text.

16.0 New Carrington and Timperley Wedge Residential and Employment Numbers

16.1 The number of residential units and employment floorspace for each Trafford strategic allocation identified in the PfE 2021 is shown in Table 3. Numbers to be delivered in Plan period to 2037 are shown, as well as the total numbers that could be delivered beyond 2037. Table 3 also shows the draft GMSF 2019 figures for comparison. The figures for PfE 2021 are unchanged from the Draft GMSF 2020.

Table 3: Trafford's allocation development proposals in the draft GMSF 2019 and PfE 2021, for the plan period to 2037 and in total.

	GMSF 2019		PfE 2021	
	Timperley Wedge	New Carrington	Timperley Wedge	New Carrington
Total no. of resi units (to 2037)	2,400	6,100	1,700	4,300
Total no of resi. Units (Total)	2,400	10,000	2,500	5,000
Emp floorspace (sqm) (to 2037)	60,000	410,000	15,000	350,000
Emp floorspace (sqm) (Total)	60,000	900,000	60,000	365,000

17.0 Impact on Trafford's Green Belt

17.1 Based on the proposed allocations set out in Table 4, PfE 2021 would result in 86ha less land being removed from the Green Belt in Trafford compared to the draft GMSF 2019. The loss of Green Belt land for PfE 2021 is unchanged from the Draft GMSF 2020. This represents a reduction in Trafford's Green Belt of 8.9% in the GMSF 2019 to 6.7% in the PfE 2021.

Table 4: Green Belt loss at the proposed Trafford strategic allocations

	Green Belt loss (ha)	
	GMSF 2019	**PfE 2021**
Timperley Wedge	114[1]	**100[1]**
New Carrington	241	**169**
All Allocations	355	**269**

[1]Of which 11 ha is safeguarded for the GM HS2 Growth Strategy related development beyond the PfE 2021 plan period

17.2 Of the land removed from the Green Belt not all of it will be developed, significant areas of both allocations will remain open and will provide strategic green infrastructure. At Carrington this includes significant areas at Sale West which are currently woodland, these areas will be enhanced as part of the development providing green infrastructure and improved access to these areas. At Timperley Wedge the Manor Farm playing fields will be retained as open space within the allocation. In addition green infrastructure will be interspersed across the allocations providing open spaces and green connecting routes through the development parcels.

18.0 Trafford Council Motion – March 2019

18.1 A motion was approved by Trafford Council in March 2019 on the Draft GMSF which related to the impact of the GMSF on climate change and carbon emissions. The requirements of the motion have been considered in the preparation of both the Draft GMSF 2020 and PfE 2021.

18.2 Following the publication of the Draft GMSF 2019 significant evidence base and masterplanning work has been undertaken on the proposed strategic allocations in Trafford: New Carrington and Timperley Wedge. This further work has led to a reduction in the amount of land proposed to be released from the Green Belt (reduction of approx. 90 ha) and there is also additional policy protection of open space within the allocations. The development quantum at New Carrington has reduced from 6,100 homes to 4,300 homes in the plan period and the allocation policy (JPA 33) requires the restoration and creation of wetland areas within the site, as well as protection of natural environmental assets.

18.3 The PfE 2021 has been prepared alongside the refreshed Transport Strategy 2040, Delivery Plan (2021-2026) and Trafford Local Implementation Plan, these documents help to ensure there is a clear link between land use and transport planning. Transport Locality Assessments have been prepared for both allocations and a range of public transport and active travel interventions will be required to support the development.

18.4 The PfE 2021 retains the Draft GMSF 2020's ambition to deliver 50,000 affordable homes across GM. The affordable housing requirements for the Trafford allocations have been through a Viability Appraisal to ensure they are deliverable, at Timperley Wedge the policy requires a minimum 45% affordable housing contribution and at New Carrington a 15% affordable housing contribution. The scale of the New Carrington site means that different character areas may be able to deliver a greater affordable housing contribution and this will be reviewed as part of further Masterplanning and the preparation of the Trafford Local Plan.

18.5 The Climate Change Emergency declaration by Trafford Council (and the other GM LAs) has been considered in the Growth and Spatial Options Paper for PfE 2021. Rather than resulting in an alternative option it was embedded in the assessment of the GMSF 2020 reasonable alternatives through the Integrated Assessment (IA) framework. The independent consultants, who carried out the IA, concluded that the appraisal framework was appropriate to assess the growth and spatial options and the policies in the plan against these matters.

19.0 Consultation

19.1 There have been four previous consultations on the GMSF (2014, 2015, 2016 and 2019) and PfE 2021 is the next iteration of these plans. The PfE 2021 consultation will be different to previous stages as it is the 'publication' stage, which is a formal consultation on the Plan. This means that whilst anyone can make a representation on any part of the Plan, only those relating to the four tests of soundness will be taken into account by the Planning Inspector(s). The four tests of soundness are:

a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;

c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and

d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework.

19.2 The PfE 2021 consultation will be in accordance with the Trafford Statement of Community Involvement. It will be slightly different to previous Development Plan consultations due to Covid-19 restrictions and new government guidance, such as there is no longer a requirement for a physical copy of the Plan to be available for inspection in public buildings and libraries. Government guidance also strongly encourages the use of online engagement methods therefore a range of online tools will be used including a virtual exhibition and use of social media.

19.3 Representations on the Plan will be submitted online through the consultation portal on the GMCA website, or by email or post.

20.0 Next steps and timescales

20.1 Subject to approval from each of the nine LA's, PfE 2021 will be published for Regulation 19 consultation in August 2021 for an 8 week consultation.

20.2 Following consultation on the Publication Plan, the draft joint DPD and the representations made in the Publication stage are sent to the Secretary of State – this is called the 'Submission stage', pursuant to Reg. 22 of the Local Planning Regulations. Upon completion of the consultation on the Publication Plan in late 2021, a post-consultation report will be prepared and then the plan will be submitted to the Secretary of State for Examination in early 2022.

20.3 An Examination in Public takes place at which a Planning Inspector will consider the joint DPD and representations made in respect of it and determine whether the DPD is capable of being adopted, either with or without amendments.

20.4 Assuming that the document is capable of adoption, whether with or without amendments, the ultimate decision to adopt must be taken by each of the Full Councils of the 9 participating local authorities

20.5 Upon adoption of the PfE a number of policies in the Trafford Core Strategy (2012) will be partially replaced by policies in PfE (see schedule of replaced policies in Appendix 6). Any part of the policy which is not replaced will be 'saved' and will remain part of the statutory development plan for Trafford, until the Core Strategy is replaced by the forthcoming Local Plan.

21.0 Wider Corporate Links

21.1 PfE 2021 is consistent with the Council's Corporate Plan and Corporate Objectives, as it seeks to deliver sustainable communities, provide new homes and employment space and enhanced green infrastructure. The GMSF will set the strategic framework for the Local Plan and will link to the Housing Strategy and Carbon Neutral Action Plan. At a GM level, the PfE 2021 shares the same vision as the GM Strategy and the policies in PfE 2021 are designed to support this vision.

22.0 Other options

22.1 The PfE 2021 ensures that development in GM and Trafford can come forward in a sustainable manner giving developers, investors, communities and the Council certainty in decisions on planning matters The only other option is for Trafford to not be part of PfE 2021, which would require Trafford to deliver a higher housing number, requiring the release of more Green Belt land in Trafford. Not progressing PfE 2021 risks greater uncertainty and delay in delivering sustainable growth in Trafford.

23.0 Reasons for Recommendations

23.1 PfE 2021 enables a strategic approach to delivering growth and housing needs in GM and in Trafford and it sets the strategic framework for the Local Plan. The PfE 2021 needs to be approved by each of the nine LA's to ensure that the Plan can progress to Examination and Adoption.

Key Decision *(as defined in the Constitution)*: Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance *PC*

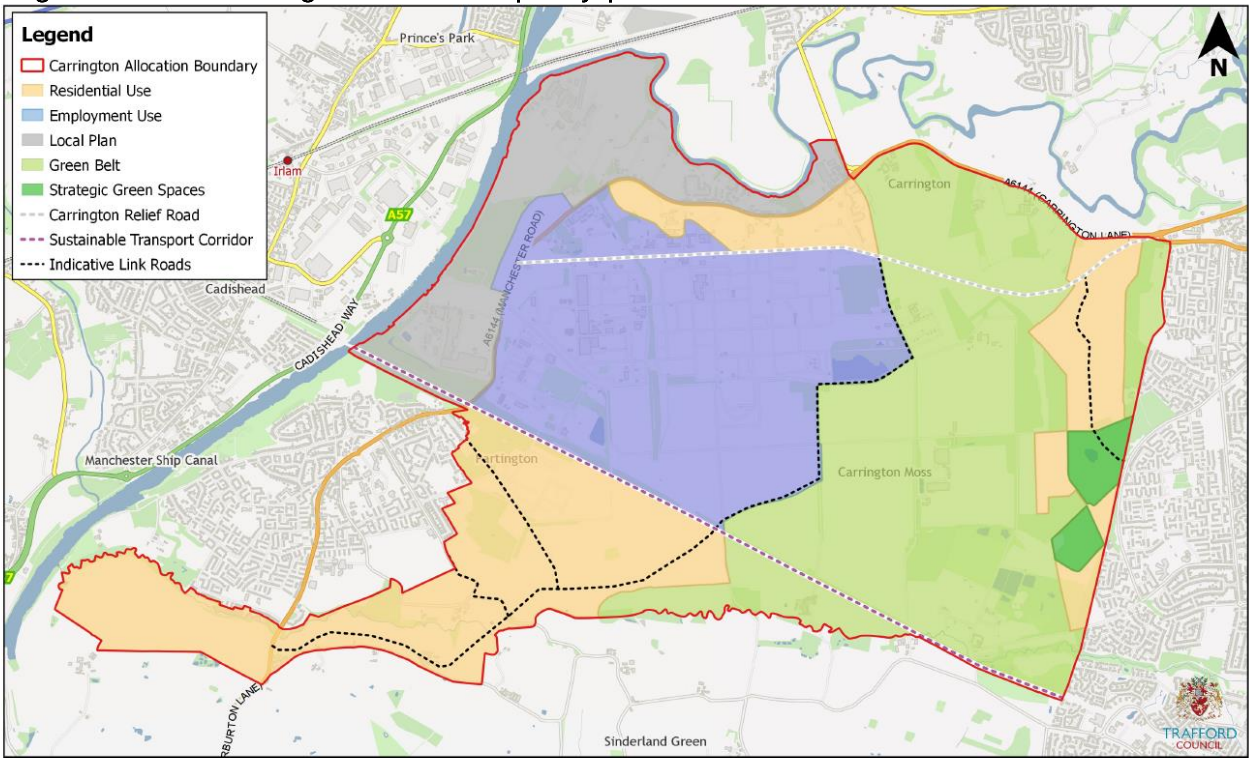
Legal Officer Clearance *TR*

[CORPORATE] DIRECTOR'S SIGNATURE

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

Appendix 4 – PfE 2021 New Carrington allocation policy

Figure 1: New Carrington allocation policy plan



Development of this site will be required to:

1. Be in accordance with a masterplan or Supplementary Planning Document (SPD) that has been approved by the Local Planning Authority, to ensure the site is planned and delivered in a coordinated and comprehensive manner;

Residential development

2. Deliver around 5,000 units, of which 4,300 will be delivered in the plan period at Carrington / Partington and Sale West, in the following distinct character areas, as set out in Figure 1:
   - Carrington Village – approximately 600 units
   - Sale West – approximately 1,450 units
   - East Partington – approximately 2,600 units
   - Warburton Lane – approximately 420 units

3. Deliver high quality residential units which are accessible, integrated with the existing community and well designed to create a genuine sense of place;

4. Demonstrate how the constraints on land to the west of Warburton Lane can be addressed. Planning applications will need to demonstrate how the site will:

   i. Integrate into and reflect the character of the historic landscape; avoiding areas of the highest heritage significance;

   ii. Integrate successfully into Partington and the wider Carrington allocation, both in terms of physical linkages and the ability to understand the wider area as a distinct place.

Development proposals which do not address these constraints will not be accepted;

5. Deliver a range of house types, sizes, layouts and tenures through a place-led approach based on each of the Character Areas in the New Carrington Masterplan / SPD and the Trafford Local Plan;

6. Deliver residential development at the following average densities, recognising the distinct characteristics of each area:
   - Carrington Village – average 35 dph
   - Sale West – average 40 dph
   - East Partington – average 35 dph, increasing to an average of 40 dph in areas close to the existing Partington urban area. Higher density development at an average of 55dph will be appropriate close to the local centre;
   - Warburton Lane – average 25 dph

7. Provide a minimum of 15% affordable housing across the New Carrington allocation. In determining appropriate affordable housing provision regard should be had to the distinct Character Areas within the New Carrington site which each reflect different housing markets. The New Carrington Masterplan / SPD and the Trafford Local Plan will provide additional guidance on appropriate affordable housing contributions for each of the Character Areas;

8. Make specific provision for self-build/custom-build plots, subject to local demand as set out in the Council's self-build register;

<u>Employment development</u>

9. Deliver around 350,000 sqm (gross) of employment opportunities for industry and warehousing as set out in Figure 1;

10. Create legible streets and spaces within the employment area with attractive buildings that respond positively to the landscape and provide accessible linkages to residential areas and local / neighbourhood centres;

11. Create employment and training opportunities for local people in particular through the construction phase, to be set out in a Local Labour Agreement in accordance with Local Plan Policies;

<u>Delivery and phasing</u>

12. Coordinate the phasing of development with the delivery of infrastructure on the site, ensuring sustainable growth at this location;

13. Make a proportionate contribution, by means of an equalisation mechanism, to infrastructure delivery. Detailed requirements will be set out in the masterplan/SPD;

Transport, Integration and Accessibility

14. Deliver accessible streets which prioritise cycling, walking and public transport over the private car;

15. Deliver a network of safe cycling and walking routes through the allocation, utilising the Carrington rides, improving the Trans Pennine Trail and creating new/enhancing existing Public Rights of Way and bridleways;

16. Deliver connected neighbourhoods which successfully link with existing communities at Carrington, Partington and Sale West, overcoming barriers such as the Red Brook to successfully integrate development;

17. Utilise the route of the disused railway line through the site as a strategic sustainable transport corridor providing links from New Carrington to the wider area as part of the Carrington Greenway scheme which includes reinstatement of the Cadishead viaduct for pedestrians and cyclists, as well as contributing to future improved east/west public transport linkages;

18. Deliver bus priority infrastructure within the site and, where appropriate, on key bus routes linking to the site;

19. Deliver and directly contribute to the Carrington Relief Road to provide an alternative route to the A6144 and a strategic link through Carrington, incorporating provision for pedestrians, cyclists and bus priority measures. Other highway links to access development parcels will also be required, including:

    i. Southern link – connecting the A6144 Warburton Lane and the A6144 Manchester Road (via either Moss Lane or Broadway), crossing the Red Brook and providing a local route around the Partington urban area
    ii. Eastern link – connecting development parcels in the East Partington area to Isherwood Road, crossing the rail line and linking through the employment parcels
    iii. Sale West link – from the Carrington Relief Road and extending south through the Sale West development parcel and linking to Firs Way.

20. Make the necessary improvements to the Strategic, Primary and Local Road Networks including the following key new / upgraded junctions to enable the proposed level of development and mitigate the impact of increased vehicle numbers:

    i. Carrington Spur widening on the approach to M60, J8 (approx. 500m)
    ii. Carrington Relief Road widening between Isherwood Road and the Carrington Spur
    iii. Upgrades to the Flixton Road junction
    iv. Upgrades to the Carrington Relief Road / Banky Lane / Carrington Spur junction
    v. Upgrade Isherwood Road

Community Facilities

21. Provide a new local centre with convenience shopping facilities and services in the region of 2,500 sqm of retail floorspace, within the East Partington development area at a scale to serve the needs of the proposed communities and improve the sustainability of the wider Partington and Carrington area;

22. Provide new Neighbourhood Centres at Carrington Village and Sale West to provide local services and community facilities;

23. Provide and contribute to the provision of additional primary and secondary school places. Extensions will be required to primary and secondary schools in Partington and Sale West;

24. Provide and contribute to new health facilities to support the new community;

Green Belt

25. Provide a significant green corridor through the site which remains in the Green Belt and provides an area of protected, high quality, accessible green infrastructure;

26. Create defensible Green Belt boundaries utilising, where appropriate, existing landscape features;

27. Mitigate any impact and improve the environmental quality and accessibility of remaining Green Belt land;

Green Infrastructure

28. Provide significant areas of open and accessible green space throughout the allocation as part of the wider strategic green infrastructure network. These will provide important multi-functional recreational spaces and active travel routes, linking different areas within and beyond the site;

29. Retain, create and enhance wildlife corridors and stepping stone habitats within the development areas to support nature recovery networks, provide ecosystem services and accessible green infrastructure;

30. Provide a range of types and sizes of open space within the allocation boundary in accordance with the Council's open space and outdoor sports policies, including: local open space; natural and semi-natural greenspace; equipped and informal play and youth provision; outdoor sports facilities and allotments, ensuring arrangements for their long term maintenance;

31. Protect the green spaces at Sale West identified on Figure 1 and promote their use as an accessible green infrastructure area. These areas are protected from development and proposals will need to demonstrate how they

will deliver improved Green Infrastructure and access (including new/improved public rights of way) to these parcels to mitigate the impact of development;

Natural Environment

32. Protect and enhance natural environment assets within the site and the surrounding area, including Brookheys Covert Site of Special Scientific Interest (SSSI), local Sites of Biological Importance (SBIs) and local nature conservation sites and features including woodland and hedgerows both within and adjacent to the allocation;

33. Achieve enhanced delivery of ecosystem services through the restoration and creation of areas of wetland within the site, commensurate with the identified high potential of the area in this regard and the role of the allocation site in the context of the Local Nature Recovery Network for Greater Manchester;

34. Deliver a clear and measurable net gain in biodiversity, including provision for long-term management of habitats and geological features which may include SUDs systems of high biodiversity value created as part of the overall flood risk and drainage strategy;

35. Protect and enhance the habitats and corridors along Sinderland Brook, the River Mersey and the Manchester Ship Canal as part of the catchment-based approach for the Upper Mersey to improve the existing water quality and seek to achieve 'good' status as required under the North West River Basin Management Plan (2019);

36. Provide a project specific Habitats Regulation Assessment for planning applications for over 50 residential units or 1,000 sqm employment floorspace;

Landscape

37. Retain important landscape views and features such as the rides, hedgerows and tree belts and use these features to develop a distinct sense of place at Carrington;

38. Conserve and enhance local landscape character, including the setting of the Dunham Massey estate and Warburton Deer Park;

39. Provide appropriate landscape buffers across the site, including a substantial landscape buffer along the southern boundary of the Warburton Lane development parcels to mitigate the impact on the rural landscape to the south of the allocation area;

Design

40. Ensure new development is place-led, creative and contextual in its response, respecting the local character and positive local design features of the area;

41. Be in accordance with the Council's adopted Design Guide embracing strategic design principles, including creating connected communities,

redefining streets, delivering inclusive characterful design and responding to heritage;

42. Respect the urban/rural fringe setting in the design of the development, in terms of its height, scale and siting, and demonstrate high standards of design;

<u>Historic Environment</u>

43. Conserve and enhance the historic environment in line with the findings and recommendations of the Historic Environment Assessment (2020) in the Plan’s evidence base and any updated HIA submitted as part of the planning application process;

44. Positively conserve archaeological features and, where appropriate, carry out archaeological evaluation in the form of geophysics, field walking and trial trenching for areas specified in the New Carrington Heritage Assessment 2020 to establish where especially significant archaeology should be preserved in situ;

<u>Utilities, Environmental Protection and Climate Change</u>

45. Mitigate the impacts of climate change and utilise the most energy and water efficient technologies to achieve zero carbon by 2028;

46. Explore and deliver the most appropriate solutions to providing decentralised, low carbon heat and energy as part of new residential and employment development. This will include exploring the potential for the development of district heat, cooling and energy networks, energy centres, the implementation of renewable and low carbon heat and energy technologies in design and the co-location of potential heat and energy customers and suppliers;

47. Ensure new development maximises on-site renewable energy measures in line with the energy hierarchy, for example via solar PV and other low carbon technologies, linked to the provision of and supply to electric vehicle charging infrastructure;

48. Make provision for necessary infrastructure such as utilities, full fibre broadband and electric vehicle charging points in accordance with relevant GMSF or local planning policies;

49. Mitigate flood risk and surface water management issues, both within and beyond the site, including provision of SUDS through the design and layout of development and in accordance with a flood risk, foul and surface water management strategy. The allocation-wide drainage strategy should be prepared after having fully assessed site topography, flood risk, existing water features and naturally occurring flow paths to identify where water will naturally accumulate. The strategy will demonstrate how each phase interacts with other phases of development and further detail will be set out in the Masterplan / SPD.

50. Incorporate on-site measures to deal with surface water and control the rate of surface water run off. Planning applications will be expected to apply the full surface water hierarchy and ensure water is managed close to where it falls by mimicking the natural drainage solution.

51. Demonstrate that development proposals will not adversely affect existing water supply infrastructure that passes through the site. This will include consideration of any changes in ground levels and management of the construction process;

52. Address land contamination issues by undertaking appropriate site investigations to identify the level of contamination and deliver effective remediation to ensure there are no unacceptable risks to human health and the water environment;

53. Incorporate appropriate noise and air quality mitigation particularly along major transport corridors, including HS2, and in relation to existing and new businesses, facilities and employment uses, including existing operational wastewater treatment works;

54. Development proposals at the existing Partington and Altrincham wastewater treatment works will be supported where they are needed to respond to future foul and surface water infrastructure requirements.

Reasoned Justification

The New Carrington allocation will deliver a new community that links to the existing Carrington, Partington and Sale West areas and provides improved transport, social and green infrastructure. New development will create a distinct, attractive place which capitalises on the industrial history and prominent landscape features on the site.

The successful development of the site will require a coordinated approach between all landowners and developers. Trafford Council is therefore committed to working with stakeholders to bring forward a detailed Masterplan / SPD which provides a framework for the sustainable delivery of a new community at Carrington, Partington and Sale West. The delivery strategy must ensure that a mechanism is put in place to secure proportionate contributions from all developers within the New Carrington allocation and deliver the wide ranging infrastructure required.

A high level Masterplan has been prepared for the New Carrington site which assessed the existing site constraints and determined the overall residential and employment development quantum, as well as identifying green infrastructure areas and opportunities. The Masterplan identifies four distinct character areas across the allocation: Carrington Village, Sale West, Partington East and Warburton Lane.

<u>Residential development</u>

The New Carrington site will deliver around 4,300 homes in the plan period and up to 5,000new homes in total. High quality design will be essential to ensuring the successful integration of development with existing communities and in delivering a positive step change in the local area.

Some areas of the site have particularly high sensitivity and will require additional work to be undertaken in advance of any planning application to ensure that any impacts can be suitably addressed. The land to the west of Warburton Lane was previously designated as safeguarded land in the Trafford Core Strategy and is a particularly sensitive parcel. The New Carrington Heritage Assessment 2020 identified that the area has potentially significant heritage value and it is therefore necessary to take a cautious approach to the development potential of this area in advance of the necessary investigative works being undertaken. The site is also located on the periphery of the Carrington allocation and any future planning application will therefore need to demonstrate how the site can be integrated with Partington to the north and the wider New Carrington development area. Such measures will need to include pedestrian / cycle crossings over the Red Brook linking to Oak Road, providing well lit, safe access to Partington. The high level phasing of the New Carrington site has taken a cautious approach and development of this parcel is not expected to come forward within the GMSF plan period, recognising the significant issues which development in this area will need to overcome.

The site will primarily deliver family housing at a medium density to meet the identified need and reflect the existing residential communities around the site. Slightly higher densities of 40 dph are appropriate close to the existing Partington and Sale West communities, which reflects and builds on existing suburban development to create a sustainable urban extension. A lower density of 25 dph is appropriate on the land at Warburton Lane to reflect the rural character of this area and the need to avoid assets of heritage significance. The highest density of development (up to 55 dph) will be appropriate in and close to the local or neighbourhood centres. Development should be innovatively designed across the site to deliver the specified density whilst acknowledging the local landscape character and site characteristics.

Trafford has an acute affordable housing need and this site offers an opportunity to deliver affordable housing on a greenfield site A minimum of 15% affordable housing contribution is required across the whole allocation, however, regard will be given to the distinct Character Areas identified within the New Carrington allocation: Carrington Village, East Partington, Sale West and Warburton Lane in determining an appropriate contribution. Further guidance will also be provided in the Carrington Masterplan / SPD and the Trafford Local Plan.

Employment development

Employment development will be located in the north western area of New Carrington, largely on existing brownfield land. This is the most appropriate use in this area considering the existing COMAH zone constraints. The employment land will provide an important contribution to Greater Manchester’s overall employment land needs and provide a strategic employment location in southern Greater Manchester. Careful consideration should be given to the design of the employment development to ensure that it is well connected and integrated with the surrounding residential development.

The site is close to deprived communities in Partington, Carrington and Sale West and it will also be accessible by bus and tram to other deprived areas in Trafford. Targets for the training and employment of local people could, therefore, be agreed between the developers, the local colleges and the Local Authority to ensure local people, particularly from these more deprived communities, benefit from training and new jobs as a result of the development.

Delivery and phasing

Development of the New Carrington site will need to be phased alongside the necessary infrastructure to ensure a successful, sustainable development. A high level, indicative phasing plan has been developed which recognises the distinctive areas and demonstrates the deliverability of the site. A more detailed development and infrastructure phasing plan will be required as part of the Masterplan / SPD. It is expected that multiple residential sites will be delivered alongside each other throughout the plan period in order to maximise the delivery rate and cater for the distinct market areas.

All areas of development will be expected to make a proportionate contribution to necessary infrastructure, including transport, social and green infrastructure. Further details on supporting infrastructure requirements will be set out in the masterplan or SPD together with information on trigger points for when infrastructure including road improvements, new schools and link roads will be required, linked to the development trajectory.

Transport, integration and accessibility

A significantly improved active travel and public transport network is central to the success of the New Carrington allocation. Development will be designed to support walking and cycling, encouraging sustainable short journeys and promoting healthier lifestyles. The development should have regard to the 2040 Transport Strategy, providing improved links to the regional centre, enhancing sustainable travel links to/from New Carrington and Flixton Station, as well as contributing to east-west links to Altrincham and Salford through the use of the disused rail route. This route will deliver the Carrington Greenway providing an important active travel link to Irlam Station, as well as a future public transport corridor.

Public transport from the New Carrington area is currently unattractive in relation to the private car and it will therefore be essential for the development to provide genuinely attractive alternatives. This will require significant investment in bus priority measures (potentially including bus gates, dedicated bus lanes or busways and priority and signalised junctions) to minimise any delay from congestion on key roads.

The New Carrington Transport Locality Assessment provides a high level assessment of current highways infrastructure and identifies key transport interventions which will be required to mitigate the impact of the New Carrington allocation. The Carrington Relief Road, a new strategic link through the site, is integral to delivering the development at New Carrington, providing increased capacity and access to the development parcels. Development proposals within the New Carrington allocation will need to make a proportionate contribution to the Carrington Relief Road, as well as other highways infrastructure across the site.

The New Carrington Transport Locality Assessment also identified a series of key highway junctions which will require intervention to mitigate the impact of development on the surrounding highway network, as well other link roads which will be required to access development parcels within the site. Details around the design of these interventions will be determined by Transport Assessments to fully understand the impact of the development and to identify appropriate solutions.

These transport infrastructure improvements will enhance the attractiveness of New Carrington as an employment and residential location and also promote modal shift from car travel to sustainable travel modes.

Community facilities

A new local centre, located in the east Partington area, will be a hub for community infrastructure and will service the needs of the new community. Smaller neighbourhood centres will also provide local community hubs at Sale West and Carrington Village. The large number of new residents will also help to support existing shops and services in the surrounding area, such as the existing Partington Local Centre.

The site will be an attractive location for families, and this will generate an additional demand for school places and as a result, the development will need to provide new facilities for primary and secondary education. Development will also be required to provide new and improved health facilities to support the new community.

Green Belt

The development will require the removal of some land from the Green Belt; but a significant area of Green Belt will remain within the allocation through the middle of the site which will prevent the merging of Carrington/Partington and Sale West. This green wedge will also provide an attractive setting for the development and will be an important green resource. It will include features which characterise the landscape such as the existing woodlands, hedgerows and rides. The wedge will be protected as a green infrastructure corridor, connecting Sinderland Brook to the Mersey Valley in the north.

Green Infrastructure

The New Carrington site has been identified as a Green Infrastructure Opportunity Area and has the potential to deliver significant improvements to the green infrastructure network. The development will enhance existing green infrastructure characteristics across the site and other open spaces. Enhancements to the mature tree belt along the existing Sale West boundary (which forms part of Dainewell Wood) will contribute to the green setting of the Sale West extension as well as improved access and green infrastructure enhancement to the green spaces identified at Sale West which are protected from development. Improved access within and through these parcels will be a priority and should include enhancement of the Trans Pennine Trail. Where green spaces remain in the allocation area that is to be removed from the Green Belt, the highest level of protection will be applied in accordance with the Trafford Local Plan.

Natural Environment

The development will need to have regard to existing ecological features and should seek to enhance these as part of the development. This includes the habitats and green corridors along Sinderland Brook and Red Brook.

Parts of the proposed Carrington allocation also support organic soils (peat) which, when taken together with a low-lying topography and existing nature conservation interest, makes the area particularly suitable for restoration to important wetland habitats. Much of the wetland area is within the identified Green Belt gap and will therefore be protected from development; other locations across the site will also be considered in relation to their wetlands potential. The Carrington area is included in the Great Manchester Wetlands Nature Improvement Area and has been identified as a potentially important part of a developing Wetlands Ecological Network. In addition, the conservation of organic soils will help to reduce carbon emissions.

A project specific Habitats Regulation Assessment will be required for all development proposals of over 50 units / 1,000 sqm floorspace. The site has the potential, by 2040, to result in traffic increases on the M62 motorway because of its size and relative proximity to the motorway and whilst it is recognised that New Carrington does not have direct connectivity to the M62, a precautionary approach has been taken considering the size and scale of this allocation. The M62 passes close to designated European sites known to be susceptible to traffic pollution, particularly nitrate deposition.

Landscape

Much of the Carrington / Partington area is currently undeveloped and open, development proposals will therefore be required to consider the landscape setting of the site and enhance the transition from the urban edge to the open countryside, having regard to views/vistas into and out of the site, as well as sensitive receptors through the retention of existing natural features and the introduction of additional tree planting and vegetation to soften new development. Areas of the site, such as Warburton Deer Park and Carrington Moss, have particularly high landscape sensitivity and therefore development proposals in these areas will need to demonstrate how any landscape impact can be appropriately mitigated.

Design

The New Carrington development will need to set a new high quality design standard for this area and development should draw upon the guidance in the Council's adopted Design Guide. Specific parameters for the development of the site will be set out in the Masterplan / SPD.

The development will reduce the isolation of existing communities at Carrington, Partington and Sale West, and to fully achieve this, it will be essential for development to be carefully integrated with the existing communities. Issues such as design and linkages through the site should be carefully considered.

Historic Environment

The New Carrington Heritage Assessment considered the characterisation of the site in respect of the known archaeological, built heritage and historic landscape within the allocation. It assessed the potential for the development to affect designated and non-designated heritage assets and this has been taken into account in considering an appropriate development quantum for the site. The area of highest archaeological potential is land to the south of Partington and to the west of Warburton Lane, which has been identified as a potentially significant medieval deer park. Other areas of the Carrington site which are of potentially high value include large areas of peat where assessments to establish the depth and condition of any remaining peat will be required. For the areas of highest archaeological value, work will need to be undertaken in advance of any planning application to understand the heritage significance of these areas. A suitable mitigation strategy should be developed which also identifies opportunities to enhance the heritage assets.

The Heritage Assessment also identified the designated and non-designated built heritage assets, their settings and important views that enhance the historic character and identity of the area. The Assessment makes recommendations for mitigation, and identifies opportunities for enhancement. Further archaeological investigation and a Heritage Impact Assessment will be required as part of future planning applications.

Utilities, Environmental Protection and Climate Change

A high quality, coordinated drainage strategy will be required for New Carrington which is integrated with the green and blue environment and which is a key component of the new high quality design standard for this area. Landowners / developers will be expected to work together in the interest of sustainable drainage and if pumping stations are identified as necessary, the strategy will demonstrate how the number of pumping stations is minimised so to avoid a proliferation of pumping stations between phases. Where necessary, the strategy must be updated and agreed with the local planning authority to reflect any changing circumstances between each phase of development.

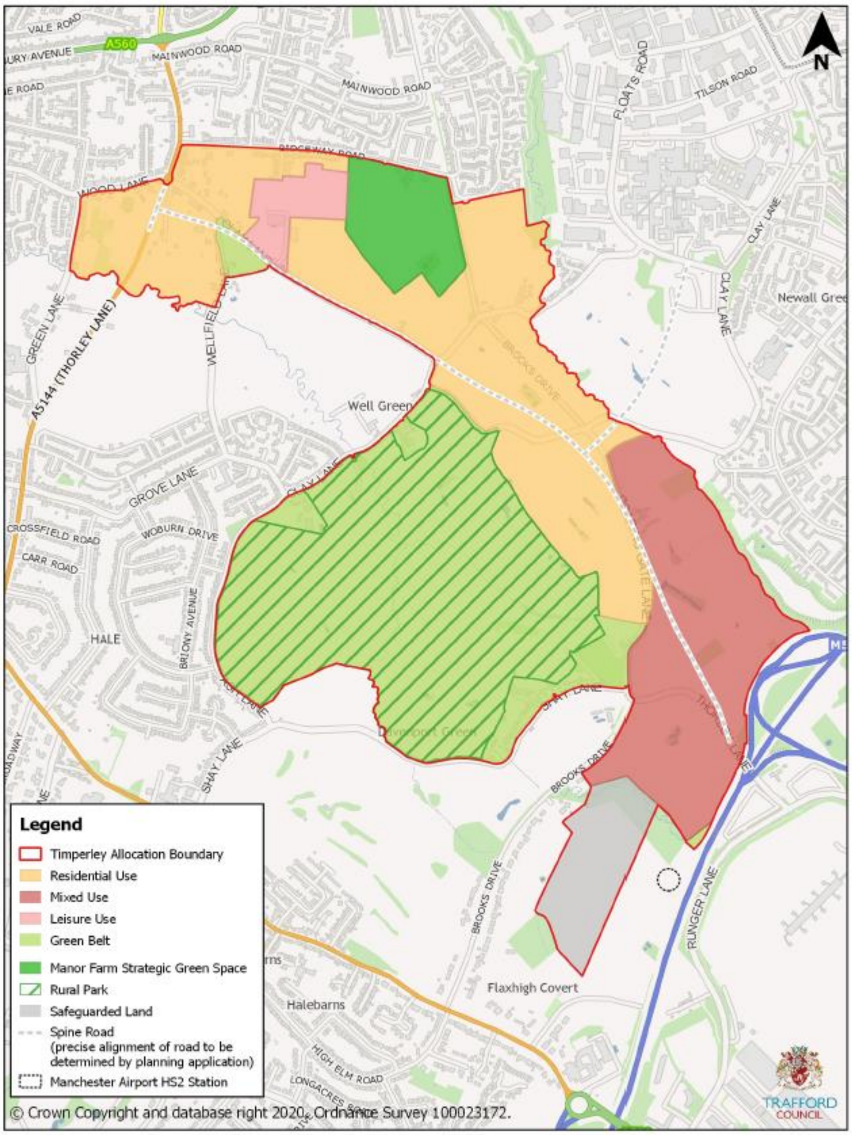
Opportunities will also be explored to maximise the potential of the Sinderland Brook in terms of urban flood management. The brook currently has a rating of ‘moderate’ under the EU Water Framework Directive, and the development should seek opportunities to improve this to ‘good’.

The allocation includes the former Shell Carrington industrial estate and other industrial land uses. Prioritising development across these areas provides an opportunity to bring previously developed land back into beneficial use. However, in doing so new development will need to ensure that any contamination risks are appropriately remediated and do not give rise to the pollution of any watercourse or groundwater and/or present risks to human health. The area is particularly sensitive for the water environment given its location above a Principal Aquifer and nearby surface waters (including the River Mersey and Sinderland Brook).

Noise mitigation such as woodland buffers and landscape bunds will ensure major transport corridors and employment uses are not seen to be bad neighbours to development.

Appendix 5 – PfE 2021 Timperley Wedge allocation policy

Figure 2: Timperley Wedge allocation policy plan



Development of this site will be required to:

1. Be in accordance with a masterplan or SPD agreed by the Local Planning Authority to ensure the site is planned and delivered in a coordinated and comprehensive manner;

<u>Residential Development</u>

2. Deliver around 2,500 homes of which 1,700 will be in the plan period as set out in Figure 2 of the GMSF;

3. Deliver high quality residential units which are accessible, integrated with the existing community and well designed to create a genuine sense of place;

4. Deliver a range of house types, sizes, layouts and tenures through a place-led approach;

5. Deliver residential development at an average density of 35 dph in the northern part of the allocation area, reflecting the existing urban area. Higher density development at an average of 70 dph will be appropriate close to the new local centre, Davenport Green metrolink stop and the HS2/ NPR Manchester Airport station;

6. Provide a minimum of 45% affordable housing throughout the site;

7. Make specific provision for self-build/custom-build plots, subject to local demand as set out in the Council's self-build register;

Employment development

8. Deliver around 60,000sqm of B1 office employment land within a mixed employment residential area set out in Figure 2 of the GMSF; of which 15,000 sqm will be in the Plan period;

9. Create legible streets and spaces within the employment area with attractive buildings that respond positively to the landscape and provide accessible linkages to residential areas and the local centre;

10. Create employment and training opportunities for local people, in particular through the construction phase, to be set out in a Local Labour Agreement in accordance with Local Plan Policies;

Delivery and phasing

11. Coordinate the phasing of development with the delivery of infrastructure on the site, ensuring sustainable growth at this location;

12. Make a proportionate contribution, by means of an equalisation mechanism, to infrastructure delivery. Detailed requirements will be set out in the masterplan/SPD;

Transport Integration and Accessibility

13. Deliver accessible streets which prioritise cycling, walking and public transport over the private car;

14. Deliver a network of new safe cycling and walking routes through the allocation, including enhancements of Brooks Drive and creating new/enhancing existing Public Rights of Way;

15. Accommodate and contribute to the delivery of the Manchester Airport Metrolink Line, Western Leg extension including Metrolink stop(s);

16. Deliver a new spine road through the site with connections to the existing road network and local access to development sites, incorporating separate pedestrian and cycling space and provision for future bus rapid transit to improve east west connections between Altrincham and Manchester Airport ;

17. Make the necessary improvements to the Strategic, Primary and Local Road Networks to enable the proposed level of development and mitigate the impact of increased vehicle numbers, including:

    i. Road widening at Dobbinetts Lane
    ii. Junction improvement to Thorley Lane/Runger Lane
    iii. New roundabout junction at Thorley lane/Green Lane/Clay Lane
    iv. Contributions to improvements at M56 junction 3 and Terminal 2 roundabout

Community Facilities

18. Provide a new local centre with convenience shopping facilities as a hub for local services in the region of 3,000 sq m of retail floorspace close to the Davenport Green stop of the Metrolink Western Leg extension;

19. Provide additional primary school places, including a new primary school and contribute to the provision of secondary school places ;
23.2

20. Provide and contribute to new health facilities to support the new community;

Green Belt

21. Create defensible Green Belt boundaries utilising where appropriate, existing landscape features;

22. Mitigate any impact on and improve the environmental quality and accessibility of remaining Green Belt Land;

Green Infrastructure

23. Provide a significant area of enhanced and accessible green infrastructure (including new public rights of way) within a rural park to remain in the Green Belt identified on Figure 2, ensuring protection of heritage assets in this area;

24. Create wildlife corridors and stepping stone habitats within the development areas to support nature recovery networks, provide ecosystem services and accessible green infrastructure including green links:

    i. From Clay Lane through to Brooks Drive and Fairywell Brook;

    ii. Through Davenport Green Ponds SBI to Medipark;

25. Provide a range of types and sizes of open space within the allocation boundary in accordance with the Council's open space standards, including local parks and gardens; natural and semi-natural greenspace, equipped and informal play areas; outdoor sports pitches; and allotment plots, ensuring arrangements for their long term maintenance;

26. Protect Manor Farm identified in Figure 2 and promote its use for future sports provision including as appropriate new access and car parking;

27. Promote improvements to leisure facilities at Hale Country Club;

Natural Environment

28. Protect and enhance natural environment assets within the site and surrounding area, including SBIs, woodland, and hedgerows;

29. Deliver a clear and measurable net gain in biodiversity, including provision for long-term management of habitats and geological features which may include SUDs systems of high biodiversity value created as part of the overall flood risk and drainage strategy;

30. Protect and enhance the habitats and corridors along Fairywell Brook and Timperley Brook to improve the existing water quality and seek to achieve 'good' status as required under the North West River Basin management Plan (2019);

Landscape

31. Retain important landscape views and landscape features such as ponds, woodland and hedgerows and use these features to develop a distinct sense of place;

32. Provide appropriate landscape buffers across the site, including a substantial landscape buffer along the Green Belt boundary to mitigate the impact on the rural landscape to the south west of the allocation area;

Design

33. Ensure new development is place-led, creative and contextual in its response, respecting the local character and positive local design features of the area;

34. Be in accordance with the Council's adopted Design Guide embracing strategic design principles, including creating connected communities, redefining streets, delivering inclusive characterful design and responding to heritage;

35. Respect the urban/rural fringe setting in the design of the development, in terms of its height, scale and siting, and demonstrate high standards of urban design;

Historic Environment

36. Conserve and enhance the historic environment in line with the findings and recommendations of the Historic Environment Assessment (2020) in the Plan's evidence base and any updated HIA submitted are part of the planning application process;

37. Protect and enhance archaeological features and where appropriate carry out archaeological evaluation in the form of geophysics, field walking and trial trenching for areas specified in the Timperley Wedge Heritage Assessment 2020 to understand where especially significant archaeology must be preserved in situ;

Utilities, Environmental Protection and Climate Change

38. Mitigate the impacts of climate change and utilise the most energy and water efficient technologies to achieve zero carbon by 2028;

39. Explore and deliver the most appropriate solutions to providing decentralised low carbon heat and energy as part of new residential and employment development. This will include exploring the potential for the development of district heat, cooling and energy networks, energy centres, the implementation of renewable and low carbon heat and energy technologies in design and the co-location of potential heat and energy customers and suppliers;

40. Ensure new development maximizes on-site renewable energy measures in line with the energy hierarchy, for example via solar PV and other low carbon technologies, linked to the provision of and supply to electric vehicle charging infrastructure;

41. Make provision for other necessary infrastructure such as utilities, full fibre broadband and electric vehicle charging points in accordance with relevant GMSF or local planning policies;

42. Mitigate flood risk and surface water management issues including provision of SUDS through the design and layout of development in accordance with a flood risk, foul and surface water management strategy. The allocation-wide drainage strategy should be prepared after having fully assessed site topography, flood risk, existing water features and naturally occurring flow paths to identify where water will naturally accumulate. The strategy will demonstrate how each phase interacts with other phases of development and further detail will be set out in the Masterplan / SPD;

43. Incorporate on-site measures to deal with surface water and control the rate of surface water run off. Planning applications will be expected to apply the full surface water hierarchy and ensure water is managed close to where it falls by mimicking the natural drainage solution.

44. Demonstrate that development proposals will not adversely affect existing water supply infrastructure that passes through the site. This will include consideration of any changes in ground levels and management of the construction process;

45. Seek to actively reduce the impact of potential flood risk both within and beyond the site;

46. Incorporate appropriate noise and air quality mitigation, such as woodland buffers particularly along the M56 motorway, the Metrolink and HS2/NPR corridor in line with Environmental (Noise) Regulations;

Safeguarded Land – HS2 Growth Area

47. The land identified to the south and west of the HS2 Airport station as shown on figure 2, although removed from the Green Belt is not allocated for development at the present time;

48. This land is safeguarded in accordance with Policy GM-G 12 Safeguarded Land;

49. Any future allocation is subject to an assessment that the land directly contributes to the Greater Manchester HS2 / NPR Growth Strategy and it should only be developed after completion of development set out in the Timperley Wedge masterplan/SPD and following the delivery of HS2 Airport station; and.

50. Should an HS2 Airport station not be developed, the land will be returned to Green Belt following a future Plan review.

Justification

Development of the site will require a coordinated approach between all landowners and developers and Trafford Council is committed to working with stakeholders to bring forward a detailed Masterplan / SPD which provides a framework for the sustainable delivery of a new community at Timperley Wedge.

Residential development

The Timperley Wedge allocation will deliver around 1,700 homes in the plan period and around 2,500 in total. In the northern areas of the allocation site, development will deliver medium density housing to be in keeping with the existing character of the area. Lower density is not considered to be appropriate as this would not be an efficient use of land. Higher density housing, including apartments, will be appropriate close to the local centre, within the mixed housing and employment area to the south east of the allocation between the Local Centre and the HS2/NPR Airport Station. The density of areas closest to Green Belt and areas of ecological or historic importance may need to be lower subject to detailed design.

The site is expected to deliver affordable housing across all parts of the site at a minimum of 45% in line with the requirements identified in the Housing Needs Assessment 2019. The site offers an opportunity to deliver affordable housing on a greenfield site and make an important contribution to addressing the acute affordable housing need in Trafford.

There are a number of existing pockets of residential development across the site some of which contain locally distinctive design features. New development should therefore be designed so that it is sensitively integrated into these areas.

Employment development

Employment development will deliver around 15,000 sqm in the plan period and 60,000 sqm in total. This will be located in the south eastern area of the site at Davenport Green as a mixed use area with some higher density residential units. It will support the expansion of Manchester Airport and University Hospital NHS Foundation Trust, Wythenshawe Hospital. This land is already allocated for high quality office use.

The area is close to areas of deprivation including Wythenshawe in Manchester and Broomwood in Trafford and it will also be accessible by bus and tram to other areas of deprivation in Trafford. Targets for the training and employment of local people could, therefore, be agreed between the developers, the local colleges and the Local Authority to ensure a realistic number of local people benefit from training and new jobs as a result of the development.

Delivery and phasing

Approximately 800 new residential units and 45,000 sqm of employment land have been phased for delivery beyond the plan period as the development is proposed on land located within the HS2 construction boundary and therefore will be unavailable for a temporary period whilst the HS2 route, Airport Station and southern tunnel portal are under construction. It is therefore anticipated that this area will come forward following the completion of HS2 Airport Station; and the build-out is very likely to extend beyond the GMSF plan period. The timescales for development in this area are, in part, dependent on the HS2 timescales. The area of land required for construction may therefore be altered if changes are made to the overall HS2 construction programme. However, delivery of development is not dependent on HS2/NPR and in the unlikely event a rail scheme did not come forward, an alternative option for delivery of development in this area has been considered and is achievable.

All areas of development will be expected to make a proportionate contribution to necessary infrastructure, including transport, social and green infrastructure. Further details on supporting infrastructure requirements will be set out in the masterplan or SPD together with information on trigger points for when infrastructure such as road and junction improvements, a new school and the spine road will be required linked to the development trajectory.

Transport integration and accessibility

The delivery of new and improved public transport and active travel infrastructure is integral to the success of the Timperley Wedge allocation enabling modal shift from car travel to sustainable travel modes. The Western Leg Metrolink extension will provide links to Manchester Airport, as well as to employment areas in Trafford Park and other main employment areas in the borough and GM. This will benefit both existing and new residents providing improved access to jobs and services. A proportionate contribution towards the Merolink extension infrastructure is, therefore, appropriate and will need to be agreed with TFGM.

The road network currently consists of country lanes which are unable to support the proposed development but will be enhanced to promote them as cycling and walking routes promoting healthier lifestyles. These, together with new routes, will provide links through the allocation and to Medipark, Hale Barns, Timperley and beyond. A new spine road will provide safe capacity for car use and link to the surrounding road network. The route identified is indicative at this stage and further work on the most appropriate alignment will be required as part of future masterplanning / planning applications. It is envisaged the spine road will be delivered incrementally by the development as and when it requires access from it. The spine road will have a safe route for walking, cycling and bus rapid transit and will contribute to improving east/west connectivity between Altrincham and the Airport, as well as the wider southern Greater Manchester area. The Timperley Wedge/Medipark Transport Locality Assessment has determined the key necessary transport interventions and supporting interventions needed to mitigate the impact of the development. These include interventions specific to each allocation but also shared interventions between the allocations.

An appropriate proportioning of contributions between the allocations and individual development plots, together with more local interventions, will need to be determined by further masterplanning, detailed design and a Transport Assessment.

Community Facilities

A new local centre close to the proposed Metrolink stop will be a hub for community infrastructure and will service the needs of the community. The site will be an attractive location for families, and it is anticipated that this will generate the need for a new primary school located close to the Local Centre. Secondary schools within the area can accommodate the new pupils but will require a contribution per pupil place. Small high street shops and community facilities including health facilities and a local supermarket would also be appropriate within the Local Centre.

Green Belt

The development will involve the removal of some land from the Green Belt, however, a considerable area of Green Belt within the allocation boundary will remain. This area of retained Green Belt will maintain the separation of Timperley and Hale and will be enhanced to improve green infrastructure functionality, creating new accessible recreation areas particularly along the Timperley Brook and the large SBI areas. Opportunities exist to enhance areas of SBI, existing woodland and hedgerows throughout the allocation. The incorporation of 'old' (19^{th} century or earlier origins) hedgerows within development areas will help to enhance the sense of place of the local landscape. These will also contribute to the green setting of development.

Green Infrastructure

Where green spaces remain in the part of the allocation area that is to be removed from the Green Belt, there is a need to provide the highest level of protection in line with policies in Trafford's Local Plan.

The allocation contains Bowdon Rugby Club along Clay Lane. As part of the development proposals, it may be appropriate to look at opportunities to relocate the facilities within the wider allocation area. Such proposals will be considered as part of future detailed masterplanning work.

Manor Farm sports fields along Ridgeway Road are an existing valued community resource and will be protected in line with policies in Trafford's Local Plan. The facilities have the potential to be enhanced and more widely used with a new access created from Clay Lane.

Hale Country Club is looking to make improvements to its leisure facilities creating job opportunities and providing a higher quality of leisure experience for local communities.

Natural Environment

The development will need to have regard to existing ecological features and should seek to enhance these as part of the development. This includes the habitats and green corridors along Fairywell Brook and Timperley Brook.

Landscape

An area of open land will remain alongside the allocation and development will therefore be required to consider the landscape setting and enhance the transition between the urban edge and the open countryside having regard to views / vistas into and out of the site.

Design

Development will need to set a new high quality design standard for this area and should draw upon the guidance in the Council's adopted Design Guide. Specific parameters for the development of the site will be set out in the Masterplan / SPD.

Historic Environment

The Timperley Wedge Historic Environment Assessment 2020 considered the characterisation of the land in respect to the known archaeological, built heritage and historic landscape within the allocation. It assessed the potential for the development to affect designated and non-designated heritage assets, their settings and important views, and this has been taken into account in considering appropriate quantums of development for the site. The area of highest archaeological potential is within the south-western portion of the site. Although this particular area remains in the Green Belt there is potential for enhancement as part of development proposals.

Areas of particular sensitivity are the Deer Park and listed structures including Davenport Green Farmhouse, Hall and Barn. The Assessment makes recommendations for mitigation, and identifies opportunities for enhancement. Further archaeological investigation and a Heritage Impact Assessment will be required as part of future planning applications to understand the heritage significance of these areas. A suitable mitigation strategy should be developed which also identifies opportunities to enhance the heritage assets.

Utilities, environmental protection and climate change

Opportunities will be explored to maximise the potential of the Timperley Brook and Fairywell Brook in terms of urban flood management. The Brooks currently have a rating of 'moderate' under the North West River Basin management Plan (2019) and the development should seek opportunities to improve this to 'good'.

A high quality, coordinated drainage strategy will be required which is integrated with the green and blue environment and which is a key component of the new high quality design standard for this area. Landowners and developers will be expected to work together in the interest of sustainable drainage. Where necessary, the strategy must be updated and agreed with the local planning authority to reflect any changing circumstances between each phase of development. The incorporation of a swale adjacent to the spine road has the potential to reduce surface water runoff.

Downstream from this allocation there is an area with an existing risk of flooding and as such the development of this site has the potential to take a strategic approach to flood risk management and provide additional opportunities for upstream storage. Further investigation is needed into this as open areas of water in this location are a risk for bird strike due to the close proximity of Manchester Airport.

Noise mitigation such as fencing and bunds will ensure areas like the M56, Metrolink line and HS2 are not seen to be bad neighbours to development.

Safeguarded Land - HS2 Growth Area

The Greater Manchester HS2/NPR Growth Strategy identifies the opportunities of this strategically important and well-connected location adjacent to the HS2 Airport station. The exceptional circumstances for taking this land out of the Green Belt are directly related to the potential this land has to capitalise on the economic benefit brought by HS2. The south eastern area of the allocation, adjacent to the HS2 station, has therefore been removed from the Green Belt to support the delivery of the wider Greater Manchester HS2 Growth Strategy ambitions.

In the longer term this area may also benefit from Northern Powerhouse Rail (NPR) (or an equivalent project) which will deliver fast east west rail connections across the north, further enhancing public transport connections to the station.

The area around the Manchester Airport HS2 Station has been removed from the Green Belt, but will only be considered a sustainable location after delivery of HS2 Airport Station. It is likely much of this land will be utilised to support HS2 during construction but after the delivery of HS2, land adjacent to the station could be available for potential housing and employment development that will benefit from this sustainable, well connected location.

As part of the delivery of HS2 a substantial landscaped screen/ buffer will form a boundary to this land and housing on Brookes Drive and will form the new Green Belt boundary.

Appendix 6 – Schedule of proposed replaced Core Strategy (2012) policies

Regulation 8(5) of the Town and Country Planning (Local Planning) (England) Regulations 2012 explains that 'where a Local Plan contains a policy that is intended to supersede another policy in the adopted development plan, it must state that fact and identify the superseded policy.'

Upon adoption of PfE 2021 a number of policies in the Trafford Core Strategy (2012) will be partially replaced by policies in the PfE 2021 (see table below). Any part of the policy which is not replaced will be 'saved' and will remain part of the statutory development plan for Trafford.

The strategic allocation policies – GM Allocation 3.2 Timperley Wedge and GM Allocation 41 New Carrington - provide further site specific policies for each allocation.

Core Strategy Policy	Core Strategy Policy Title	GMSF Policy
SL1	Pomona Island	Partially replaced with Policy JP-Strat 5 Inner Areas
SL2	Trafford Wharfside	Partially replaced with Policies • JP-Strat 1 Core Growth Area • JP-Strat 3 The Quays
SL3	Lancashire County Cricket Club Quarter	N/A
SL4	Trafford Centre Rectangle	N/A
SL5	Carrington	Partially replaced with Policies • JP-Strat 9 Southern Areas • JP-Strat 11 New Carrington • JP Allocation 33 New Carrington
L1	Land for new homes	Partially replaced with Policies • JP-H 1 Scale, Distribution and Phasing of New Housing Development • JP-H 4 Density of New Housing
L2	Meeting housing needs	Partially replaced with Policies • JP-H 2 Affordability of New Housing • JP-H 3 Type, Size and Design of New Housing
L3	Regeneration and reducing inequalities	Partially replaced with Policies • JP-Strat 5 Inner Areas • JP-Strat 11 New Carrington
L4	Sustainable transport and accessibility	Partially replaced with Policies • JP-Strat 14 A Sustainable and Integrated Transport Network • JP-C1 Our Integrated Network • JP-C3 Our Public Transport

Core Strategy Policy	Core Strategy Policy Title	GMSF Policy
		• JP-C4 Streets for All • JP-C5 Walking and cycling • JP-C6 Freight and logistics • JP-C7 Transport requirements of new development
L5	Climate change	Partially replaced with Policies • JP-S 2 Carbon and Energy • JP-S 3 Heat and Energy Networks • JP-S 5 Flood Risk and the Water Environment • JP-S 6 Clean Air
L6	Waste	Partially replaced with Policy JP-S 7 Resource Efficiency
L7	Design	Partially replaced with Policy JP-P 1 Sustainable Places
L8	Planning obligations	Partially replaced by Policies • JP-D 1 Infrastructure Implementation • JP-D 2 Developer Contributions
W1	Economy	Partially replaced by Policies • JP-Strat 9 Southern Areas • JP-J 1 Supporting Long-Term Economic Growth • JP-J 2 Employment Sites and Premises • JP-J 3 Office Development • JP-J 4 Industry and Warehousing Development
W2	Town centres and retail	Partially replaced by Policies • JP-Strat 9 Southern Areas • JP-Strat 12 Main Town Centres • JP-P 4 New Retail and Leisure Uses in Town Centres
W3	Minerals	Partially replaced by Policy JP-S 7 Resource Efficiency
R1	Historic environment	Partially replaced by Policy JP-P 2 Heritage
R2	Natural environment	Partially replaced by Policies • JP-Strat 13 Strategic Green Infrastructure • JP-G 1 Valuing Important Landscapes • JP-G 3 River Valleys and Waterways

Core Strategy Policy	Core Strategy Policy Title	GMSF Policy
		• JP-G 4 Lowland Wetlands and Mosslands • JP-G 7 Trees and Woodland • JP-G 9 Standards for a Greener Greater Manchester • JP-G 10 A Net Enhancement of Biodiversity and Geodiversity
R3	Green infrastructure	Partially replaced by Policies • JP-Strat 13 Strategic Green Infrastructure • JP-G 2 Green Infrastructure Network (Nature Recovery Network) • JP-G 3 River Valleys and Waterways • JP-G 4 Lowland Wetlands and Mosslands • JP-G 7 Trees and Woodland • JP-G 9 Standards for a Greener Greater Manchester
R4	Green Belt, countryside and other protected other land	Partially replaced by Policies • JP-Strat 9 Southern Areas • JP-Strat 10 Manchester Airport • JP-Strat 11 New Carrington • JP-G 11 The Greater Manchester Green Belt • JP-G 12 Safeguarded Land • JP Allocation 3.2 Timperley Wedge • JP Allocation 33 New Carrington
R5	Open space, sport and recreation	Partially replaced by Policies • JP-G 6 Urban Green Space • JP-P 7 Sport and Recreation
R6	Culture and tourism	Partially replaced by Policy JP-P3 Cultural facilities

TRAFFORD COUNCIL

Report to: **Executive**
Date: **26 July 2021**
Report for: **Decision**
Report of: **The Leader of the Council**

Report Title

Greater Manchester Clean Air Final Plan

Summary

To set out the proposed Greater Manchester Final Clean Air Plan and policy following a review of all of the information gathered through the GM CAP consultation and wider data, evidence and modelling work which is to be agreed by the ten Greater Manchester local authorities. To recommend approval of the proposed plan as set out below, which will be considered by Council on 28 July.

Recommendations

It is recommended that the Executive:

1. Note the progress of the Greater Manchester Clean Air Plan;

2. Note the progress in the distribution of Bus Retrofit funding;

3. Note Ministers' agreement to include the sections of the A628/A57 in Tameside which form part of the Strategic Road Network within the Greater Manchester's Clean Air Zone (CAZ) and their request for Tameside MBC, TfGM and Highways England to establish the most appropriate solution for the charging mechanism to be applied on this section of the Strategic Road Network (SRN);

4. Recommend to Council that it approves the GM Clean Air Plan Policy, at Appendix 1 noting that the policy outlines the boundary, discounts, exemptions, daily charges of the Clean Air Zone as well as the financial support packages offered towards upgrading to a compliant vehicle, including the eligibility criteria to be applied.

5. Agree the Equalities Impact Assessment, as set out at Appendix 2;

6. Agree the AECOM Consultation Report, as set out at Appendix 3;

7. Agree the proposed Response to the Consultation at Appendix 4 which has been prepared by TfGM on behalf of the ten GM local authorities;

8. Agree the Impacts of COVID-19 Report, as set out at Appendix 5;

9. Agree the Modelling report of the final CAP package, as set out at Appendix 6, and in particular that the modelling outputs of the final plan scheme show the achievement of compliance with the legal limits for Nitrogen Dioxide in the shortest possible time and by 2024 at the latest as required by the Ministerial Direction;

10. Agree the economic implications of the CAP Report, as set out at Appendix 7;

11. Note the update on the GM Minimum Licensing Standards, set out in section 3.1, and in particular that licensing conditions will not be used to support delivery of the GM Clean Air Plan;

12. Approve a 6-week public consultation on the inclusion of motorhomes classified as MSP1 in the GM Clean Air Zone and on the inclusion of the A575 and A580 at Worsley commencing on 1 September 2021 and delegate authority to the Corporate Director, Place in consultation with the Director of Public Health to approve the consultation materials;

13. Note that the GM Clean Air Charging Authorities Committee has the authority to make the Charging Scheme Order which establishes the GM Charging Scheme in line with the agreed GM Clean Air Plan Policy;

14. Note that the GM Charging Authorities Committee has the authority to vary the Charging Scheme Order if this is established as the most appropriate charging mechanism to be applied on sections of the A628/A57 part of the Strategic Road Network (SRN) in Tameside;

15. Note that the Air Quality Administration Committee has the authority to agree the final form of the Operational Agreement for the Central Clean Air Service, and to authorise the making of the Agreement, on behalf of the ten GM local authorities;

16. Note that the Air Quality Administration Committee has the authority to:
    a. establish and distribute the funds set out in the agreed GM Clean Air Plan policy;
    b. approve the assessment mechanism agreed with JAQU to ensure that Clean Air Funds can be adapted if necessary;
    c. keep the use of the funds under review and to determine any changes in the amounts allocated to each and their use and
    d. Monitor and evaluate the joint local charging scheme.

17. Approve the reallocation of funding from the Try Before You Buy scheme to provide additional electric vehicle charging points dedicated for use by taxis;

18. Delegate to the GM Charging Authorities Committee the authority to determine the outcome of the consultation on both the inclusion of motorhomes classified as MSP1 within the scope of Clean Air Zone charges and on the inclusion in the GM Clean Air Zone of the A575 and A580 at Worsley following the conclusion of that consultation;

19. Agree the Clean Air Zone ANPR and signage locations, as set out at Appendix 10;

20. Agree a delegation to the Corporate Director, Place in consultation with the Director of Public Health to approve the submission of the Interim Full Business Case if required and the Full Business Case (FBC) to the Government's Joint Air Quality Unit to support the GM Clean Air Plan and any supplementary information to that Unit.

Contact person for access to background papers and further information:

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Director of Growth & Regulatory Services
Email: Adrian.fisher@trafford.gov.uk

Background Papers:

- 31 January 2021, report to GMCA: GM Clean Air Plan: Consultation
- 31 July 2020, report to GMCA: Clean Air Plan Update
- 29 May 2020, report to GMCA: Clean Air Plan Update
- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 1 March 2019, report to GMCA: Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2017

Appendices:

Relationship to Policy Framework/Corporate Priorities	The Clean Air Plan aligns closely with our priorities on Health & Well-being and Green & Connected Places.
Relationship to GM Policy or Strategy Framework	The Clean Air Plan is a GM wide initiative, led by Transport for Greater Manchester on behalf of the ten districts.
Financial	**Revenue and Capital:** Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all administration, development and delivery costs to be funded by central Government.

Legal Implications:	legal considerations are set out in Appendix 9 of the report
Equality/Diversity Implications	Equality Impact Assessment was completed for consultation and can be found at here. This will be updated and published with the final plan
Sustainability Implications	The Clean Air Plan is consistent with and will support delivery of the Council's Carbon Neutral Action Plan 2020 and the aims and objectives relating to the Council's Climate Emergency declaration.
Carbon Reduction	The GM CAP is a place-based solution to tackle roadside NO_2 which will have a positive impact on carbon.
Resource Implications e.g., Staffing / ICT / Assets	Initial risk register set out in Clean Air Plan OBC (March 2019).
Risk Management Implications	Risk to delivery of the interventions detailed within any new project and plans and will be monitored and updated as required.
Health & Wellbeing Implications	The basic rationale of the CAP is that it will improve health and wellbeing across the borough through improving air quality
Health and Safety Implications	None as a consequence of this report.

1.0 Executive Summary

1.1 In Greater Manchester, the ten GM local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "GM", have worked together to develop a Clean Air Plan to tackle NO_2 Exceedances at the Roadside, referred to as GM CAP.

1.2 This report sets out the progress made on the GM Clean Air Plan, the report is supported by the following documents which are proposed and subject to approval by the ten GM local authorities:

- Appendix 1 – GM CAP Policy following Consultation
- Appendix 2 – GM CAP Equality Impact Assessment following Consultation
- Appendix 3 – AECOM Consultation Report[1]
- Appendix 4 – Response to the Consultation
- Appendix 5 – Impacts of COVID-19 Report
- Appendix 6 – Air Quality Modelling Report following Consultation and with COVID-19 impacts
- Appendix 7 – Economic Implications of CAP following Consultation and with COVID-19 impacts
- Appendix 8 – Update on Other Cities' Clean Air Plans
- Appendix 9 – Compliance with the Secretary of State's Direction

[1] AECOM – the independent agency who managed and analysed the consultation responses

- Appendix 10 – Clean Air Zone ANPR and Signage Locations

1.3 The proposed final GM Clean Air Plan sets out final proposals for:
- the boundary, hours of operation, management of the scheme, discounts, exemptions and daily charges of a Clean Air Zone;
- the amount of supporting funds for each vehicle type; and
- other supporting measures

.
1.4 The proposed final GM CAP policy, which is summarised in this report, is attached at Appendix 1. In relation to the Clean Air Zone (CAZ), it covers the operation and management of the GM CAZ. The anticipated implementation date of the charging CAZ is Monday 30 May 2022[2] when the charges will apply to non-compliant buses, HGVs, and Hackney Carriages and Private Hire Vehicles licensed outside of Greater Manchester. Non-compliant LGVs, minibuses and coaches, and GM-licensed Hackney Carriages and Private Hire Vehicles would be subject to the charges from 1 June 2023 when a temporary exemption expires.

1.5 The boundary of the CAZ will cover the whole of Greater Manchester[3], excluding the strategic Road Network (SRN) which is managed by Highways England. The daily charges remain the same as at consultation. Lower charges would mean more people are likely to pay the charge, rather than upgrade their vehicle, which would impose costs onto businesses without delivering air quality benefits. Improved support to businesses is proposed to provide a better mitigation than lower charges. One such mitigation is extended temporary exemptions, which include all LGVs and minibuses, GM-licensed hackney carriages and Private Hire Vehicles (PHVs) and all coaches. These exemptions are now proposed to be in place until 31 May 2023. Providing a full 12-month exemption, gives those with non-compliant vehicles more time to upgrade, alongside support funds to assist businesses, individuals and organisations to upgrade their non-compliant vehicles.

1.6 Feedback from the consultation and consideration of the impact of COVID-19 on Greater Manchester has been used to better understand the requirements of those businesses, individuals and organisations who most need the support to upgrade. It is therefore proposed to amend the support funds from those consulted upon. The final proposed policy increases the funding per vehicle for Private Hire Vehicles, coaches, HGVs and vans whilst remaining the same for other vehicle types. There are also more options for replacement and retrofit for hackney carriages, PHVs, minibuses and vans.

1.7 The proposed final GM Clean Air Plan does not include a Hardship Fund. Although feedback from the consultation and the impact of COVID-19 research found that further support was required for GM businesses, Government Ministers do not agree that a Hardship Fund is the best way to mitigate the impact of uncertainty due to the pandemic. Ministers cite other government schemes being available to address wider business impacts. However, Government have confirmed that they wish to ensure that Clean Air Funds can be adapted if necessary; and, that they will continue to work with GM to understand the situation, including the funding position, if the impacts prove to be more severe than forecast.

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[2] subject to joint GM and JAQU agreement on overall 'readiness', including that the Central Charging Portal and national Vehicle Checker is GM ready.

[3] It is now proposed to include, in addition to the roads consulted on, the A575 and A580 at Worsley and a further consultation is proposed to take place on that.

1.8 The proposed final GM Clean Air Plan also explains the next steps with the taxi charging infrastructure and the Try Before You Buy Hackney Carriage scheme. The changes within these schemes have been determined by the funding allocated to GM from Government as well as feedback from the consultation.

1.9 This report summarises the Air Quality Modelling of the final CAP package, taking into account the impacts of COVID-19, which concludes that the proposed final Plan will achieve compliance with the legal limits for Nitrogen Dioxide within Greater Manchester in the shortest possible time and by 2024 at the latest as required by the Ministerial Direction.

1.10 The report also sets out:

- the key findings of the consultation.
- highlights from the proposed GM Response to the consultation Report.
- the findings from the Impact of COVID-19 research, which looks at the potential impact of the COVID-19 pandemic and the potential economic and behavioural changes that may occur.
- the key findings of the GM CAP Equality Impact Assessment following consultation.
- the latest position on Government funding, an update on the bus retrofit fund and progress on the GM Clean Air Zone, including signage and governance.

1.11 Making the charging scheme is desirable to facilitate the achievement of the local transport policies of the 10 GM local authorities and the GMCA, in particular policy 8 of the 2040 Transport strategy. The GM CAP has been developed, in-line with the 2040 Transport Strategy principles and vision. The 2040 Strategy provides a long-term vision for transport provision in Greater Manchester, along with specific principles and targets for achieving that vision, to ensure that available resources are used to contribute to achieving the region's strategic transport objectives.

2.0 Introduction

2.1 Poor air quality is the largest environmental risk to the public's health. Taking action to improve air quality is crucial to improve population health.

2.2 Whilst air quality has been generally improving over time, particular pollutants remain a serious concern in many urban areas. These include oxides of nitrogen (NOx) and in particular nitrogen dioxide (NO_2), and particulate matter (PM).

2.3 In Greater Manchester, road transport is responsible for approximately 80% of NO_2 concentrations at roadside, of which diesel vehicles are the largest source.

2.4 Long-term exposure to elevated levels of particulate matter (PM2.5, PM10) and NO_2 may contribute to the development of cardiovascular or respiratory disease and may reduce life expectancy[4]. The youngest, the oldest, those living in areas of

[4] Air Quality – A Briefing for Directors of Public Health (2017), https://www.local.gov.uk/air-quality-briefing-directors-public-health

deprivation, and those with existing respiratory or cardiovascular disease are most likely to develop symptoms due to exposure to air pollution[5,6].

2.5 Public Health England estimate the health and social care costs across England due to exposure to air pollution will be £5.3 billion by 2035 for diseases where there is a strong association with air pollution, or £18.6 billion for all diseases with evidence of an association with air pollution[7].

2.6 The Secretary of State for Defra has instructed many local authorities across the UK, including authorities in Greater Manchester, to take quick action to reduce harmful Nitrogen Dioxide (NO_2) levels, issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO_2 concentrations to within legal limit values in the "shortest possible time". In Greater Manchester (GM) the GM authorities have worked together to develop a Clean Air Plan to tackle NO_2 Exceedances at the Roadside, referred to as GM CAP.

2.7 The core goal of the GM CAP is to address the legal requirement to achieve compliance with the legal Limit Value (40 $\mu g/m^3$) for NO_2 identified through the target determination process in Greater Manchester in the "shortest possible time" in line with Government guidance.

2.8 Throughout the development of the plan GM has considered a range of options to deliver compliance, overseen by the GM Steering Group[8], and to understand the type and scale of intervention needed to reduce NO_2 to within legal Limit Values in the "shortest possible time" across Greater Manchester.

2.9 A best performing option was recommended within an Outline Business Case (OBC) for further consideration and discussion with stakeholders and the public to aid the development of the Full Business Case.

2.10 In March 2019 the GM Authorities agreed the submission of the OBC that proposed a package of measures that was considered would deliver compliance in Greater Manchester in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. This involved a Charging Clean Air Zone Class C with additional measures.

2.11 The OBC made clear the expectation that the UK Government would support the plans through:

- Clear arrangements and funding to develop workable, local vehicle scrappage / upgrade measures;
- Short term effective interventions in vehicle and technology manufacturing and distribution, led by national Government with local authorities;
- Replacement of non-compliant buses; and
- A clear instruction to Highways England with regard to air pollution from the Strategic Road Network (SRN) in Greater Manchester[9].

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[5] Air Quality – A Briefing for Directors of Public Health (2017), https://www.local.gov.uk/air-quality-briefing-directors-public-health

[6] RCP and RCPCH London, Every breath we take lifelong impact of air pollution (2016), https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution

[7] https://www.gov.uk/Government/news/new-tool-calculates-nhs-and-social-care-costs-of-air-pollution

[8] Members include Directors or Assistant Directors from each GM authority.

[9] GM Authorities are directed to take action on the local road network. Those roads managed by Highways England, such as motorways and trunk roads are excluded from the Clean Air Plan.

2.12 In July 2019 the Secretary of State issued a direction under section 85 of the Environment Act 1995 requiring the 10 GM local authorities to implement the local plan for NO_2 compliance for the areas for which they were responsible, including a Charging Clean Air Zone Class C with additional measures, but with an obligation to provide further options appraisal information to demonstrate the applicable class of charging clean air zone and other matters to provide assurance that the local plan would deliver compliance in the shortest possible time and by 2024 at the latest.

2.13 Following that direction further information was supplied to the Secretary of State and the particular measures in the local plan were developed.

2.14 The Secretary of State subsequently issued a direction to the ten GM local authorities in March 2020 that required them to take steps to implement the local plan for NO_2 compliance so that compliance with the legal limit for nitrogen dioxide is achieved in the shortest possible time, and by 2024 at the latest, and so that exposure to levels above the legal limit for nitrogen dioxide are reduced as quickly as possible. That local plan involved a Charging Clean Air Zone Class C with additional measures[10]. The direction also required the submission of an interim full business case to the Secretary of State once any necessary public consultation had been completed in respect of the scheme.

2.15 The Clean Air Update report of 22 June 2020[11] detailed that in March 2020 the government provided initial funding of £41m for clean vehicle funds to award grants or loans to eligible businesses: £15.4m for bus retrofit, £10.7m for Private Hire Vehicles, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses. Note: These figures include JAQU estimated delivery costs at 5%.

2.16 In the Trafford Council report to the Executive of 28 September 2020 detailed updates on the developments of the GM Clean Air Plan included the Light Goods Vehicles (LGV) and Hackney Carriage funding position, interaction with the Strategic Route Network and Highways England. The report also confirmed arrangements for distributing funding received for bus retrofit and highlighted separate discussions with the Department of Transport about funding for bus replacement.

2.17 It set out a proposal for consultation and detailed the policy for consultation. The report also considered the proposed Governance arrangements for the CAZ and that TfGM would act as an 'operating body' responsible for day-to-day operation of the CAZ and the implementation of other GM CAP measures. The report also highlighted the link to taxi and Private Hire Vehicle common minimum licensing standards (MLS).

2.18 The GMCA Clean Air Plan Update Report 22 February 2021 explained that the outputs of the GM CAP consultation and GM Minimum Licensing Standards (MLS) consultations would be reported as soon as is reasonably practicable and no later than summer 2021. The proposed final policy for the GM CAP would consider all the information and evidence gathered, so that the GM Authorities can understand the consequences that COVID-19 has had on vehicle owners and trades affected by the proposed GM CAP. It explained that the ten GM local authorities would

[10] Further details about the local plan in March 2020 ae provided in Appendix 9.

[11] Also considered by the GM Authorities through their own constitutional decision-making arrangements.

undertake subsequent equalities, air quality and emissions impact assessments, to inform future decisions on each aspect of the final plan.

2.19 Following consideration of the Clean Air Plan Update Report in February 2021 all ten GM local authorities agreed to establish the Clean Air Charging Authorities Committee (a joint committee created by the ten GM local authorities to enable decisions to be taken that are required to be taken jointly by the 10 GM local authorities as charging authorities) and the Air Quality Administration Committee (a joint committee created by the ten Greater Manchester local authorities and the GMCA).

3 CLEAN AIR – PROGRESS SINCE LAST UPDATE

3.1 Minimum Licensing Standards (MLS) for Taxi and Private Hire services

3.1.1 Hackney Carriage and PHV services are a significant part of GM's transport offer. In 2018, GM's ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of Greater Manchester. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda have now also become a major consideration.

3.1.2 As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the Greater Manchester Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant Greater Manchester level policies.

3.1.3 The ten Greater Manchester authorities conducted an eight-week consultation from 8 October to 3 December that was carried out virtually and adhered to the Government COVID-19 guidance around social distancing. The purpose of the consultation was to inform and seek the views of the trade and the public about the proposals and engage impacted groups (the trade and the main service users) to build understanding and awareness to inform the final standards, alongside the GM Clean Air Plan, so that the trade could see and input into the policy landscape which would affect them.

3.1.4 Whilst the MLS will complement the GM Clean Air Plan, common vehicle standards will not be in place prior to the launch of the GM Clean Air Zone. Therefore, licensing conditions will not be used at this stage to support delivery of the GM Clean Air Plan, however, all future conditions around vehicle standards will complement this activity.

3.2 Outstanding funding asks

3.2.1 As reported in July 2020, government accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but requested further development of shared evidence on the needs within this complex sector before responding to the specific asks.

3.2.2 On 11 February 2021 Government confirmed by letter that it will provide £14.11m for Hackney Carriages and £73.5m for Light Goods Vehicles. The Hackney Carriage award comprises £10.61m to support grants and loans to upgrade vehicles; £3m for dedicated electric vehicle infrastructure; and £0.5m for an EV Hackney carriage try before you buy scheme, confirming scope for the ten GM local authorities to move funding between the Hackney Carriage elements. These figures include JAQU estimated delivery costs at 5%.

3.2.3 GMCA's Clean Air lead, Councillor Western responded to Ministers requesting an urgent meeting to outline Leaders' concerns that the 11 February letter did not take into account the need for revision in the light of the emerging findings on the impact of COVID-19 and in respect of the statutory consultation, following a briefing that TfGM officials had given to the Joint Air Quality Unit (JAQU) on the profound impact that the pandemic has had on a number of the business sectors impacted by the proposed Clean Air Zone.

3.2.4 This meeting took place on 15 March 2021. Councillor Western advised that the analysis undertaken by TfGM is clear that the case for the right Clean Air Plan to address NO_2 emissions in GM in the shortest possible time remains. Therefore, in advance of any consideration of COVID-19 impact, GM would like to encourage a reconsideration of the level of baseline funding support, for LGV replacement costs in particular, so that it met the funding request submitted in the OBC.

3.2.5 Reflecting on the work that has followed this meeting Councillor Western wrote on 29 April to Ministers setting out the issues to be resolved if GM was to make a final plan. These were identified as the level of LGV, hardship and bus replacement funding, as well as a commitment from Government to work closely together with GM to monitor and evaluate progress, adapting it if the impacts require change to any aspect of the Plan. This included the consideration of additional funding if the impacts prove to be more severe than forecast.

3.2.6 On 9 June, Ministers wrote to Councillor Western confirming their position on the outstanding funding asks.

- On bus replacement funding Ministers confirmed that they will provide £3.4m to support bus replacement by small and medium size companies.

- Apart from that addition Ministers stated that they did not plan to increase the amount awarded. GM had asked for the LGV funding amount of £73.5m to be reconsidered against the ask of £80m. With regards to the need for a Hardship Fund Ministers stated they "were not convinced" that it was the best way to mitigate the impact of uncertainty due to the pandemic, in addition to the awards already made. They also advised of the other government schemes in place to address wider business impacts.

- Ministers also stated that they wish to ensure that NO_2 plans are being delivered as planned and adapted if necessary. Ministers confirmed they cannot make any future funding commitment at this stage – but stated they would continue to work with GM to understand the situation in the future based on the monitoring and evaluation of progress, including the funding position if the impacts prove to be more severe than forecast.

3.2.7 At a meeting on 15 June Minister Pow and JAQU officials confirmed that a mechanism would be agreed to ensure that Clean Air Funds can be adapted if necessary and, that they will continue to work with GM to collectively understand the situation, including the funding position, if the impacts prove to be more severe than forecast. This assessment methodology will be agreed by the Air Quality Administration Committee in advance of the funds opening in November 21.

3.2.8 As further funding to address potential cases of hardship may be needed, Greater Manchester Authorities will be monitoring the situation very closely to ensure that they can take up the Government's offer to review the need for further funding if the need can be objectively demonstrated.

3.3 **Try Before You Buy & EV Taxi Infrastructure**

3.3.1 In the consultation it was proposed that EV charging infrastructure (EVCI) would be installed to support the taxi trade in GM. The charging posts will be installed in suitable, available and sustainable locations, with a focus on repurposing public sector assets and will be supported by the development of an EV Taxi (Hackney Carriage and PHV) charging membership scheme. As set out in para 3.2.2 of this report the Government have offered £3m towards GM's ask of £6.5m, this is sufficient to deliver 28-30 charge points, compared to the planned provision of 40 charge points.

3.3.2 In the consultation it was proposed that there would be a "Try Before You Buy" initiative for GM-licensed hackney carriage drivers to test electric vehicles and address uncertainties such as operating costs, range anxiety and availability of charging infrastructure. The funding ask for this is £1.69m, however Government have offered £0.5m. This is not sufficient funding to deliver the scheme. Therefore, alongside the changes to the timeline on delivering common vehicle standards through the GM Minimum Licensing Standards and the wider options for vehicle upgrades for hackney carriages and Private Hire Vehicles (outlined in sections 7.5 and 7.6) it is recommended that this funding is reallocated by the ten GM local authorities to provide an additional 6-8 charge points dedicated for use by taxis within the EVCI programme.

3.4 **Strategic Road Network managed by Highways England**

3.4.1 The ten GM Authorities continue to ask the Government to direct Highways England to tackle NO_2 exceedances on the Strategic Road Network (SRN) in the same way GM Authorities are having to take action on the local road network.

3.4.2 In particular, Tameside MBC has highlighted to Ministers that the inconsistency in approach is leaving many residents unprotected, particularly, around the A628/A57, a strategically important trans-Pennine route that passes through the villages of Hollingworth and Mottram as a single carriageway. This route, managed by Highways England, will be left with NO_2 exceedances that are not being addressed, despite the area being declared as part of GM's Air Quality Management Area.

3.4.3 As previously reported on 25 August 2020, Tameside MBC were notified that Government ministers have agreed to consider extending Greater Manchester's Clean Air Zone (CAZ) charges to the sections of the A628/A57 which form part of the Strategic Road Network, within the proposed CAZ boundary. The extension of any charges to the A628/A57 will be subject to a full assessment of the potential impacts, to be led by Highways England. This will cover air quality impacts on other roads, safety impacts, carbon impacts, as well as wider issues for Highways England, such as operational and network issues.

3.4.4 On 9 June Ministers wrote to the Leader of Tameside MBC to advise that following consideration of assessment provided by Highways England, Ministers have agreed to the inclusion of the identified section of the A57 and A628 within the Greater Manchester charging Clean Air Zone and that Government will work collaboratively with Tameside MBC, TfGM and Highways England to establish the most appropriate solution for the charging mechanism to be applied on this section of the Strategic Road Network within the current legislation and timeframe available.

3.5 **Clean Bus Fund – Retrofit**

3.5.1 As reported in July 2020 the Government awarded £14.7m as an initial tranche of funding to retrofit buses running services in Greater Manchester that have older engines which are not compliant with the GM CAZ emission standards. Government also confirmed the funding award for Bus Retrofit funding should be distributed as a continuation of the Clean Bus Technology Fund. As this funding mechanism is distinct from the wider delivery of the GM CAP, no consultation feedback was requested on this aspect of the policy.

3.5.2 The distribution of Bus Retrofit funding commenced in December 2020.

3.5.3 This fund offers operators of locally registered bus services up to £16k of funding per vehicle towards the retrofit of non-compliant buses before the launch of the Clean Air Zone in Spring 2022. The funding is available for vehicles, including minibuses and coaches, operating on a registered bus service within Greater Manchester. This includes cross-boundary services operating within the GM CAZ boundary.

3.5.4 As at the end of May, there have been 63 applications made by 18 operators. The total number of buses eligible for retrofit funding that has been approved is 756. The total funding that has been approved is just over £11.7 million.

3.5.5 The retrofitting of buses has now started, with seven operators having commenced retrofitting their vehicles, at the time of publication.

3.6 **Clean Air Zone Preparatory Arrangements**

3.6.1 The ten GM local authorities are undertaking the preparatory implementation and contract arrangements required to deliver the CAZ and other GM CAP measures. Preparatory work is required in order to maintain delivery momentum in line with the funding arrangements agreed with Government, for example in relation to automatic number plate recognition (ANPR) cameras, back office systems and service providers. Given that the ten GM local authorities are subject to the direction to implement the CAZ, the preparatory procurement arrangements commenced without a risk of the consultation outcome being pre-judged.

3.6.2 TfGM is running the procurement exercises with potential suppliers on behalf of the ten GM local authorities to final evaluation and is to provide a report to allow the authorities to make a decision to award to the successful supplier(s) on receipt of the confirmation of funding from Government.

3.6.3 Once the ten GM local authorities make a final plan mobilisation will commence. The geographic scale of the zone (almost 1,300km^2) is such that over 2,300 road signs and almost 1,000 automatic number plate recognition (ANPR) cameras will need to be installed on the highway network. The cameras need to be integrated into a technology platform, that will also be connected to the payment and vehicle checking services which are being established by central government. In addition, the operational teams of both TfGM and the chosen supplier must be recruited, trained and mobilised.

3.6.4 Whilst much of this technology is tried and tested, the programme schedule is complex. This currently shows that implementation of a scheme that has fully tested all of the component parts is late May 2022 and therefore this is now the earliest date that the GM CAZ could launch.

3.6.5 **Procurement Update** – All of the major enabling procurements have now been completed. Each of the ten GM local authorities will use existing delegation arrangements to award contracts. The timely award of the contracts are critical for the disbursement of funds before the end of 2021 and the commencement of the CAZ in May 2022.

3.6.6 **ANPR / Signage** – Once the boundary of the Clean Air Zone has been determined the location of the signs/cameras can then be formally agreed by the respective Highway Authorities. However, work has been done on signs/cameras locations by officers working on the GM CAP on the basis that the boundary was anticipated at the GM administrative boundary (and noting that the GM local authorities are subject to a ministerial direction to implement a GM-wide CAZ C). The Executive are requested to agree the Clean Air Zone ANPR and signage locations, as set out at Appendix 10.

3.6.7 **Operational Agreement for the Central Clean Air Service with JAQU** – in order to access central government services such as the national payment portal, the ten Greater Manchester local authorities will be required to enter into a legal agreement with the Secretary of State for JAQU/DVLA to provide the CAZ Central Services. The services will consist of a vehicle compliance checker, a customer payment portal and a centralised vehicle database (which are being made available by JAQU to enable the operation of all UK Clean Air Zones). In providing the CAZ central service customer payment portal JAQU charge a £2 fee per transaction.[12] This transaction charge is payable by all Authorities operating UK Clean Air Zones. For example a taxi driver paying a £7.50 daily charge, £2 will be kept by JAQU and £5.50 will be paid to the ten Greater Manchester local authorities to manage and operate the zone.

3.6.8 The Air Quality Administration Committee has the authority to agree the final form of the Operational Agreement for the Central Clean Air Service, and to authorise the making of the agreement, on behalf of the ten GM local authorities.

4 CLEAN AIR – CONSULTATION SUMMARY OF RESPONSES

4.1 As reported in January the ten GM authorities conducted an eight-week consultation from 8 October to 3 December 2020 which was carried out virtually and adhered to the Government's COVID-19 guidance around social distancing. The purpose of the consultation was to seek views from residents, visitors, stakeholders and businesses on the proposals to achieve legally compliant NO_2 levels in Greater Manchester. The

[12] The Clean Air Zones Central Services (Fees) (England) Regulations 2020 set out the fee per transaction payable by charging authorities for use of the customer payment portal.

GM Minimum Licensing Standards consultation ran in parallel to ensure that those impacted and/or interested in the proposals could have a complete view of the proposed changes to vehicles and the financial support available.

4.2 The consultation was not seeking views on whether to introduce a charging scheme as that has been directed by the Secretary of State. It set out a position for consultation on the daily charge, discounts and exemptions of a Category C GM Clean Air Zone, and the proposals for the supporting funds.

4.3 TfGM, on behalf of the ten Greater Manchester authorities, conducted the consultation, under the Clean Air GM brand. AECOM – an independent consultant – was appointed to receive, manage, process and analyse the consultation responses on TfGM's behalf; to undertake qualitative research on the proposals (a research method of facilitated sessions to seek feedback from representative groups); and produce a full report on the findings from the consultation.

4.4 The consultation was also supported by engagement activity to ensure all groups could engage with the consultation materials and respond in a meaningful way.

4.5 The consultation materials were published on www.cleanairgm.com on 8 October 2020. This included the consultation document, the questionnaire, technical reports, the policy for consultation and supporting public facing materials such as leaflets and fact sheets.

4.6 A total of 4,768 responses were received during the consultation period:

- 3,954 via online questionnaire
- 770 via email
- 43 paper questionnaires
- 1 telephone response

4.7 The majority of respondents (3,858) were individuals / members of the public, with 784 responses from businesses, including anyone who is self-employed and / or a sole trader and includes taxi owners, drivers and operators. There were then 124 responses from representatives including but not limited to schools, charities, social enterprise, trade organisations, Government bodies and councilors and elected officials. Two respondents did not answer the question about the respondent type in the questionnaire.

4.7.1 The full AECOM report can be found in Appendix 3.

4.8 **Stakeholder responses**

4.8.1 Hackney Carriage and Private Hire Vehicle representations

4.8.2 Representations were made from 343 hackney carriage and PHV drivers and operators, as well as from several representative bodies. The representations covered many personal circumstances around the changes to income seen during the pandemic. There were also views suggesting that:

- The Clean Air Zone should include private cars
- Pollution levels do not warrant the measures being taken

- Clean Air Zone boundary is too large
- The hours of operation for the Clean Air Zone running from midnight to midnight should not be the transition time between 24-hour periods
- Hackney carriages and PHVs should be permanently exempt
- Disabled passenger vehicles should not be permanently exempt
- Discounts should be offered to hackney carriages
- Only grants should be available
- Oppose funding the upgrade of non-compliant vehicles (specifically buses and non-WAV taxi/PHV)
- Concerns about affordability of upgrades and indebtedness and concern that vehicle finance would need to be at or close to 0% interest rate to be affordable
- More support required for smaller businesses
- Funding for minibuses should be higher due to unaffordability of upgrade
- Funding being offered to upgrade to ZEC is not enough
- EV infrastructure – not enough to support the trade
- Funding should be higher for hackney carriages and PHVs due to unaffordability of upgrade
- Opposition to the Try-Before-You-Buy (TBYB) Hackney Carriage Scheme
- More funding is needed in the Hardship Fund.

4.9 Environmental campaigners

4.9.1 During the consultation there were two environmentally focused campaigns, where emails were sent to elected members and directly to the consultation email account. One of the campaigns, which included 172 emails, (referred to as the Environmental Bill Lobby group in the AECOM report, see Appendix 3) asked for a more ambitious clean air zone including for all polluting vehicles stating that it was unclear how the proposed zone will lower pollution as quickly as possible, given it does not include restrictions on private vehicles.

4.9.2 The campaigners also asked for an earlier timeline for delivery and action, asking for compliance before 2024, as well as greater incentives for walking and cycling, as well as for cleaner vehicles and public transport. They endorsed the funding to support those with non-compliant vehicles to upgrade, however they asked for more incentives around providing alternatives to car use, such as car clubs and e-bike schemes. The campaign also asked for a commitment to reach WHO levels for particulate matter (PM2.5) by 2030 and targeted action to reduce pollution outside schools, hospitals, and care homes to protect those most at risk.

4.9.3 There was a second environmental campaign of 484 emails (referred to as the CAZ Campaign group in the AECOM report, see Appendix 3) to members and the consultation. This focused on three points asking for:

- charge levels to be set at levels that achieve real changes in the way people travel;
- an ultra-low emission zone (ULEZ) to be introduced in Manchester City Centre which includes all polluting vehicles; and
- the government to provide financial support to help those individuals and businesses who need to change to cleaner vehicles.

4.10 National Friends of the Earth and Manchester Friends of the Earth

4.10.1 These two representations supported the principle and implementation as soon as practically possible of a CAZ. They supported the proposed boundary and hours of operation, and the proposals for funding. But they considered that to meet the requirement to ensure legal limits on NO_2 are met in the shortest time possible required the creation of a CAZ Category D, because diesel cars are the big problem for roadside illegal NO_2 levels. The option of a ULEZ/CAZ D for the city centre and Inner Ring Road would improve air quality in the city centre and benefit wider areas. They also considered that the CAZ proposals need to be set in the context of a wider sustainable transport strategy**.**

4.11 **ClientEarth**

4.11.1 ClientEarth provided a full written response to the GM CAP Consultation. On a number of key points it supported the proposals in the consultation. In particular there was support for the boundary, the hours of operation and signage, financial support for bus upgrades and the Clean Commercial Vehicle Fund, hackneys, private hire and a hardship fund.

4.11.2 However, for a number of reasons (summarised below) ClientEarth considered that the consultation proposals '*did not go far enough to reduce illegal levels of pollution across Greater Manchester with the urgency required by law*':

Failure to favour the most effective options – including tackling pollution from private cars:

4.11.3 ClientEarth stated that the Councils' CAZ proposal would do nothing to tackle pollution from private cars. ClientEarth considered that cars are the biggest contributor to illegal levels of pollution across Greater Manchester and made reference to the GM council's own analysis which showed that cars account for 45% of road based NO_x emissions across the region.

4.11.4 ClientEarth asserted that a class D CAZ, which includes private cars, would be likely lead to quicker reductions in NO_2 pollution than the class C CAZ option put forward for consultation. It also considered that an inner ring road class D CAZ, delivered alongside the wider regional class C CAZ proposals, could accelerate pollution reductions, bringing benefits in the early years (with reductions in the number of sites in exceedance in 2021) and also deliver greater certainty that compliance will be achieved across the region by 2024, by reducing the number of points modelled to be below the limit value but within the margin of error of the Councils' model.

4.11.5 By excluding this class D CAZ option from their proposals, ClientEarth considered that the GM councils had applied a flawed interpretation of the case law regarding the legal requirements the councils' plan must satisfy. Both the target date for compliance and the route to that target which reduces exposure as quickly as possible must be treated as primary determining factors when identifying and prioritising measures for inclusion.

Failure to account for modelling uncertainties:

4.11.6 ClientEarth considered that the GM CAP proposals failed to account for modelling uncertainty in a way that ensured that those proposals were "likely" to deliver compliance with legal limit values in the shortest possible time, in line with the relevant legal tests. ClientEarth raised concerns that forecasts of improvements in air quality have been shown to be overly optimistic in the past. ClientEarth also raised the point that the calculated Root Mean Square Error values are relatively high suggesting a high degree of error in the air quality projections.

CAZ Charges for vans (£10) are too little:

4.11.7 ClientEarth considered that to the extent that higher charges are likely to lead to either (a) an earlier overall compliance date, or (b) a route to compliance that reduces human exposure to pollution more quickly, higher charge levels must be adopted as part of the final CAZ plans if they are to satisfy the necessary legal requirements. ClientEarth considered that the analysis also shows that by further increasing the charge for LGVs to £12.50, the "stay and pay" response could be reduced by a further 15%. They also considered that given the extent that a higher LGV charge would lead to more rapid pollution reductions, it would need to be included in the Councils' final plan.

The scope of permanent and temporary exemptions should be limited:

4.11.8 ClientEarth urged the GM Councils to limit the scope of permanent local exemptions to the greatest extent possible and considered that if exemptions are set too broadly they risk undermining the effectiveness of any CAZ and therefore the likelihood of achieving compliance with NO_2 limit values in the shortest possible time. The focus should instead be on providing direct support to people and businesses to switch to alternative cleaner forms of transport. In particular, ClientEarth did not agree with the Councils' proposals to provide discounts to those PHVs also used as private vehicles.

4.11.9 Again ClientEarth urged the GM councils to limit the scope of temporary local exemptions to the greatest extent possible and considered that if exemptions are set too broadly they risk undermining the effectiveness of any CAZ and therefore the likelihood of achieving compliance with NO_2 limit values in the shortest possible time. In particular, ClientEarth strongly disagreed with the exemption for LGVs and minibuses for a number of reasons. ClientEarth noted the GM Councils' own analysis, which showed that LGVs account for 29% NOx road transport emissions, and that LGVs are the second biggest contributor to illegal levels of NO_2. ClientEarth also disagreed with the Councils' rationale behind the exemption but in any event in its view the priority of the Councils' air quality plan should not be to avoid the disruption to the market value of second hand LGVs but rather to protect peoples' health as quickly as possible. If there was to be any such exemption it should be limited to the greatest extent possible.

4.11.10 ClientEarth considered that the GM councils should instead be focusing their efforts on working with government to provide help and support for drivers and fleet managers to clean up or upgrade their vehicles, and/or adopt technologies to help them manage their transport needs more efficiently and use cleaner alternatives.

4.12 **Business representations**

4.12.1 441 businesses responded to the consultation, as well a number of regional and national stakeholders who represent GM businesses. Their feedback is included in the AECOM Report.

4.12.2 The Federation of Small Businesses, GM Chamber of Commerce and CBI wrote a joint letter as part of their submission to the GM Clean Air Plan consultation. They recognised the need to address poor air quality but considered that now was not the right time to be moving forward with the proposed structure and format given the difficulties faced by the business community as a result of COVID-19 (supported by a business survey). They suggested that:

- The financial offer falls way short of what is needed, and it should be made available as quickly as possible and prior to the start of the CAZ itself.
- The introduction of charging should be delayed so businesses have adequate time to make the necessary changes, recognising the extreme economic circumstances created by Covid-19: otherwise the charges may result in increased business costs without achieving the desired reduction in pollution: the CAZ should not be introduced sooner than 2024.
- GM should revisit the proposals to reflect current, short and medium term requirements taking account of updated data on the impact of the pandemic on air quality in GM.

4.13 **Other key findings of the consultation** feedback on the **GM Clean Air Zone** included:

- There was some support for the proposed boundary, with some commenting that the area should be increased and include the SRN. Others commented that the area was too large, that the zone should be limited to the city centre. There were also concerns from neighbouring local authorities on the impact on their businesses and routes.
- Over half of the public and representatives, who provided a comment on the hours of operation were generally supportive, whereas two thirds of businesses suggested amendments to the operation time including using peak and off-peak charging.
- Views on the proposed daily charge varied, in general businesses felt charges for all vehicles are too much and generally the public felt the charges are about right or too little. This was across all vehicle types.
- For the permanent and temporary local exemptions and the permanent local discounts, there was broad support from both the public and businesses. There were some concerns from the public about continuing to have polluting vehicles on the road. However, there were also some comments raised around further discounts and exemptions that were deemed necessary to support GM’s economy and recovery from COVID-19. This is set out in more detail in the report at Appendix 3.

4.13.1 Feedback on the **Funding to upgrade non-compliant vehicles**:

- There was high level of support for the funds amongst all respondent types and many felt it was needed in order to help business upgrade.
- However, there were concerns about the funds and their management.

- Many comments received stated that the proposed amounts to support each vehicle type were not enough. There were also some comments made for those who are not in GM not being eligible for the funds.

- There were some concerns raised about mismanagement of the funds and people taking advantage of the scheme.

- Some respondents who thought they had non-compliant vehicles and would be impacted by the CAZ were unsure whether they would be eligible for funding.

4.13.2 Feedback on the **other supporting measures**

- For the Try Before You Buy initiative for GM-licensed hackney drivers, there was both support and concerns. Supportive comments mentioned that it will support vehicle owners to overcome anxieties surrounding electric vehicle technology and encourage more drivers to convert to electric. Others commented that it could be extended to other vehicles such as PHV and LGVs. But there were also concerns about how it would work, vehicle performance and charging infrastructure.

- There was strong support for the Hardship fund from members of the public, businesses and representatives.

- There was a polarised view of the proposed finance offer; a third of comments were supportive stating it was vital to helping businesses upgrade to compliant vehicles. However, a third of comments were negative raising concerns it could lead to increased debt for those receiving loans, putting increased pressure on businesses.

4.13.3 Feedback on the **impact of COVID-19**

- 76% of businesses and 79% of taxis stated they had been financially impacted by COVID-19. This included increased levels of debt, reduced savings and lower turnover. Many stated any savings had been used and felt their credit rating had decreased. There were comments asking for the proposals to be delayed and that COVID-19 had led to improvements in air quality, so the CAZ may not be required.

4.13.4 Feedback on the **importance of air quality and confidence that the GM Clean Air Plan will bring down levels of NO_2**

- Members of the public and representatives mainly agreed there is a need to improve air quality in Greater Manchester, fewer businesses did. Some felt the proposals did not go far enough but others felt there were other much larger contributors to air pollution than traffic.

5 COVID-19: THE IMPACTS

5.1 To understand the wider impacts of COVID-19 the GM CAP officer team have undertaken an assessment of the possible impacts of COVID-19.

5.2 Since the COVID-19 pandemic has progressed there have been many questions about what its effect on traffic means for Greater Manchester's Clean Air Plan (GM CAP). In particular, the GM Authorities are asked for comparative data for Air Quality monitoring for this year – during the full lockdown period and more recently – compared with last year.

5.3 The GM Clean Air Plan monitors NO_2, using diffusion tubes at 222 sites where "target determination" modelling predicted illegally high levels of NO2 in 2021. The GM CAP monitoring and evaluation plan has commissioned a further extension to the NO_2 monitoring network, expected to be in place mid-2021. This is designed to enable evaluation of the scheme performance and confirm compliance with legal limits.

5.4 Air pollution reduced in 2020 as a result of the travel and economic restrictions in place due to the COVID-19 pandemic. In 2020, 16 of the above sites measured NO_2 concentrations exceeding the legal Annual Average standard of 40 µg/m3. Exceedances were recorded in Manchester, Tameside, Stockport, Bolton and Rochdale. This compares to 129 locations that were measuring concentrations above 40 µg/m3 in 2019. The significant improvement in air quality during the lockdown period does demonstrate that traffic is the primary factor causing exceedance, and that reducing vehicle emissions will lead to improvements in NO_2.

5.5 However, travel patterns and the associated pollutant emissions returned to near pre-COVID-19 levels towards the end of 2020, and it is expected these improvements in NO_2 will not be sustained through 2021.

5.6 The Secretary of State has directed the 10 GM local authorities to implement the local plan[13] to address exceedances of the Annual Average standard for NO_2 which is set at 40 ug/m3. The GM Clean Air Plan is required to take action to tackle NO_2 levels over a number of years into the future in order to demonstrate compliance with legal limits[14] and the nearer term influence of COVID-19 on air quality is not expected to lead to sufficiently long-term reductions in pollution such that the modelled exceedances of the legal NO_2 limits will be met without implementing a Clean Air Zone.

5.7 The ways in which the COVID-19 pandemic could influence future emissions has been considered in the Impacts of COVID-19 Report (see Appendix 5). They are:

- Delay in fleet upgrades: Due to the uncertainty in the economy and vehicle supply chain generated by the COVID-19 pandemic, there is evidence showing a fall in the number of new vehicle registrations, indicating that vehicle owners are delaying upgrading their vehicles. This has resulted in a more non-compliant fleet operating in GM and higher emission outputs from these vehicles than previously assumed. Following a review process with JAQU, the GM CAP baseline monitoring of air quality for the purpose of the Clean Air Plan has been updated to reflect this change to the on-road fleet.

[13] The 10 authorities may not vary, revoke or suspend their implementation of the local plan without the prior written consent of the Secretary of State.

[14] The modelling approved by Government of NO_2 concentrations in Greater Manchester predicts that exceedance of the legal limit is likely to continue until 2027, if action is not taken to reduce road vehicle emissions.

- Increased working from home: More people have worked at home during the pandemic than ever before and there is evidence that some businesses are planning to maintain at least some working from home for their employees, but the extent of future home working and impact on the road network remains highly uncertain. The reductions in commuting trips on the road network associated with increased working from home patterns may also be tempered by factors influencing travel mode choice. It is also recognised the commute mode choice is affected by journey times, with the GM road network experiencing significant delays due to congestion in peak periods. The effects of suppressed demand on the road could rapidly offset gain from working from home patterns, as commuters switch back from public transport options to car due to improved journey time, and also social distancing or hygiene perception on public transport options.

- Government guidance precludes the GM CAP from incorporating any assumptions about future home working patterns into its baseline modelling. However, indicative modelling for the GM CAP has shown that even with the largest predicted levels of reductions in commuters, increased home working is likely to translate into only marginal benefits in the number of exceedance locations. These benefits would be significantly outweighed by the increases in exceedance locations experienced through worsened vehicle emissions due to the delayed fleet upgrade.

- Reduction in bus mileage: Patronage on buses has reduced during the pandemic. Evidence shows that after the initial drop in supply, bus mileage has been maintained close to full operation. This has been due to the support offered by Government. However, at this stage it is unknown whether the level of bus services operated in GM will continue or how long for. Additionally, both potential routes which could be affected are also unknown, and reduced bus patronage may be associated with a modal switch from bus to private car, rather than simply a reduction in trips. Indicative testing of reduced bus mileage suggested marginal benefits across GM's exceedance locations. However, these indicative benefits did not offset substantial increases in exceedances linked to delayed fleet upgrades. Amendments to bus mileage have not been incorporated within the GM CAP models.

- Changes in the economic circumstances of vehicle owning businesses: it is evident that businesses overall have lost revenue, used up reserves and are more indebted and less able to borrow than prior to the pandemic. A significant minority of businesses remained closed at the end of March 2021. Investment cycles have been and may remain disrupted. This is not affecting all vehicle types or sectors equally. This, along with potential constraints on the supply of compliant vehicles, means that vehicle owners may be less able to upgrade their vehicles in response to the CAZ. Indicative testing shows that, if the pandemic meant that businesses were more likely to stay and pay, this could lead to increased emissions and exceedances. Providing businesses with more time or financial support can help ensure that they upgrade their vehicles in response to the CAZ, rather than choosing to 'stay and pay'.

6 GM RESPONSE TO CONSULTATION

6.1 Following the consultation, TfGM has reviewed consultation Reponses, using the methodology set out in the Appendix 4, alongside the COVID-19 impacts analysis, Economic Implications Report, further air quality modelling and EQIA. These documents have informed the "Response to the Consultation Report" at Appendix 4, which has been prepared by TfGM on behalf of the 10 GM local authorities, who will also be asked to endorse it as their response in the Local Authority reports.

6.2 The following paragraphs summarise the responses to be found in Appendix 4 on some of the main issues raised. More technical matters, such as issues about modelling uncertainty, are dealt with there and in related reports.

6.3 Whether the local plan for NO_2 reductions (March 2020) should not now be implemented: Modelling does not indicate that such a plan is no longer necessary. The 10 GM local authorities are obliged to implement the local plan for NO_2 reductions considered by the Secretary of State in March 2020 as a result of the direction that was then issued in any event unless it is varied or revoked. How the final plan complies with the Ministerial Direction issued in March 2020 is addressed in Appendix 9.

6.4 The Clean Air Zone:

- Alternatives **to a Charging Clean Air Zone should be prioritised.** The ten GM local authorities have been directed by the Secretary of State to introduce a Class C Clean Air Zone. In Greater Manchester evidence demonstrates in any event that due to ongoing exceedances of the legal limit value for NO_2 across the Greater Manchester region, existing and future pollutant concentrations within Greater Manchester warrant the implementation of the GM CAP.

- The charging CAZ **should be Class D or should be supplemented by a Class D CAZ within the Inner Ring Road**. The authorities were directed by the Secretary of State in March 2020 to implement their local plan for for No_2 compliance that was considered by the Secretary of State on March 16 2020 which included a Class C CAZ in Greater Manchester following rejection of these alternatives (as explained in Appendix 9). Forecasting shows that 2024 is the first year of compliance with the legal limits for nitrogen dioxide within Greater Manchester with the local plan. Achieving compliance in Greater Manchester is not possible sooner with the other options that have been suggested.

- **A number of specific roads and areas were requested to be included or excluded from the CAZ**. The response to consultation report summarises each of these points in turn to make sure that the boundary in place aligns to the principles of a fair, consistent and easily communicable zone boundary. Feedback from the consultation highlighted that the A575 and A580 at Worsley was not included. It is recommended that a consultation is held on the inclusion of the A575 and A580 at Worsley in the GM Clean Air Zone.

- **The proposals should be implemented earlier or later than proposed.** Due to the nature of this programme, the CAZ could not be implemented earlier than planned. The ten GM local authorities are also under an obligation by virtue of the direction by the Secretary of State to implement the local plan for NO_2 compliance as soon as possible. However, for those who requested that charges be introduced later, there are now a number of additional temporary exemptions in place, to provide more time to those who need it most to upgrade their vehicle.

- **Hours of operation – the CAZ should not operate 24 hours a day 7 days a week.** This included having peak and off-peak hours, not charging on evenings and weekends and operating at alternative times than midnight to midnight. The Response to Consultation Report explains that due to a number of factors, including the impact of a potential change in travel behaviour resulting from the CAZ, not operating 24/7 may have on reducing air quality means that the proposed hours of operation should remain 24 hours a day, 7 days a week.

- The **charges should be higher / lower for non-compliant vehicles or vary depending on the emissions standards or miles travelled within the CAZ.** The Response to Consultation Report responds to each of these points separately, outlining the analysis that has been undertaken to respond to these points and other measures that have been introduced to better mitigate any adverse impacts raised. No changes to the charges are recommended.

- **The GM Clean Air Zone should include other pollutants and higher vehicle standards and private cars**. The ministerial direction requires the GM CAP specifically to tackle NO_2 Exceedances at the roadside. The Greater Manchester wide approach set out in the consultation is the scheme which delivers compliance with the legal limit for NO_2 in Greater Manchester in the shortest possible time, providing considerable health benefits at the lowest cost to society and the economy.

- **Charges should apply to M1 vehicles with a body type of 'motorcaravan.'** Feedback from the consultation highlighted motorhomes can be classified in more than one way by the DVLA. Currently, non-compliant motorhomes classified as N1 or N2 would be charged in the GM CAZ scheme as a non-compliant LGV, with a £10 daily charge. However, a group of vehicles with a body type of 'motorcaravan' and a vehicle type approval of M1 (or M1 Special Purpose) that are non-compliant, would not be charged in the current GM CAZ scheme. Feedback from the consultation highlighted the lack of parity between this classification vehicles. It is recommended that a consultation is held on the inclusion of motorhomes classified as MSP1 in the GM Clean Air Zone.

- **Permanent exemptions should be limited:** Some permanent exemptions are nationally stipulated, because some types of vehicle are engaged in unique or novel operations or are particularly difficult or uneconomic to adapt to comply with the Government's Clean Air Framework requirements. As guided by the Government's Clean Air Zone Framework, Greater Manchester has constrained the permanent exemptions offered. The current exemptions are considered proportionate. The proposed local permanent exemptions are not expected to delay the date of compliance[15]. GM's response to this issue is set out in Section 8 of GM's Response to Consultation Report.

- **Private leisure vehicles should be permanently exempt.** Feedback from the consultation has suggested that private leisure vehicles which are HGVs are considered too expensive to upgrade, particularly from those who live outside of the CAZ boundary, also restriction of Leisure Vehicles Discount to vehicles registered in Greater Manchester is not parity of treatment with vehicles <3.5t and could damage the Greater Manchester leisure industry, e.g. events, equine and caravan park businesses, by excluding non-GM vehicles due to cost of entering the zone. This issue will be addressed through changes to the permanent local

[15] See Appendix E of the Air Quality Modelling Report, Appendix 6 of this report

discount for all vehicles classified under the Private HGV tax class to be eligible for a discounted charge of £10 per day.

- **Vehicles used by disabled users should be permanently exempt**. This issue will be addressed through a permanent exemption for privately owned LGVs or minibuses, where they are specially adapted for use by a disabled user, which is not covered by the Disabled Vehicle Tax Class, subject to restrictions on their use through eligibility criteria.

- **Buses, taxis and other vehicles should be permanently exempted from the CAZ.** Using the analysis from the Impacts of COVID-19 research as well as consultation feedback a number of permanent exemptions have been set out, including for heritage buses, training buses, Specialist HGV tax classes. As well as this, buses used on a Greater Manchester school bus service tendered prior to March 2019 will be exempt to the end of July 2022. However, buses will not be exempted, in order to encourage more buses to be compliant when the CAZ is introduced. A temporary exemption will be in place for all GM-licensed Hackney Carriages and Private Hire Vehicles until 31 May 2023. This is to provide the GM taxi trade with more time to recover from the effects of COVID-19 and support their ability to invest in upgrades to compliant alternatives before a charge is applied.

- **There should be limited local temporary exemptions included in the scheme**. Under the Government's Clean Air Framework, further local exemptions and discounts can be proposed where appropriate so long as they do not undermine GM's ability to achieve compliance in the shortest possible time. Prior to the consultation information[16] was published and set out evidence to suggest that introducing a CAZ C across the region before 2023 without a temporary exemption for LGVs would not be effective, as there would not be a sufficient fleet of affordable second-hand LGVs available to enable GM's van owners to upgrade in response to the scheme. In light of the pandemic, there is evidence to suggest that many LGV owners have experienced reduced turnover and profits, have used up savings/reserves, are more indebted, and have delayed or are planning to delay capital investment (including in replacement vehicles) as a result of the pandemic. There is also evidence to suggest that GM Hackney Carriages and Private Hire Vehicles need more time to upgrade their vehicles to compliant alternatives in order to protect the service they provide to vulnerable users across Greater Manchester Modelling of the post-Consultation policy demonstrates that even with the scheme fully in place (and no temporary exemptions remaining in force), compliance is not achieved in 2023. A further year of natural fleet renewal is required in order for compliance to be achieved in 2024. Therefore, the temporary local exemptions are not forecast to delay compliance from 2023 to 2024. The temporary exemptions in the proposed final GM Clean Air Plan would not delay or postpone the predicted legal compliance date in Greater Manchester.

[16] Technical note 12: https://assets.ctfassets.net/tlpgbvy1k6h2/mRNFtuRf2wyt1G1viiqDr/673c71dbbc8df8dda0f2b519fb8b0645/12_-_GM_CAP_Evidence_of_the_impact_of_2021_implementation_of_a_CAZ_C__without_exemptions_.pdf

- **Changes to temporary exemptions should be broader in scope and longer**. Using the analysis from the Impacts of COVID-19 research as well as consultation feedback a number of temporary exemptions have been extended. This includes coach operators outside of Greater Manchester and all Greater Manchester licensed hackney carriages and Private Hire Vehicles, whilst the temporary exemption for LGVs remains in place. It is proposed that these remain in place until 31 May 2023. As long as the temporary local exemptions have been removed early enough that drivers will have had time to be influenced by the forthcoming CAZ charge, make their choices and obtain a new vehicle before 1st January 2024, then the temporary local exemptions would not affect the predicted legal compliance date. GM considers that the benefits of not charging users outweigh the disadvantages of doing so.

- **Charges for vans should be higher**: Client Earth considered that the charges for vans should be higher as this would lead to a greater behavioural response and therefore be more effective. They also made some comments about discrepancies between evidence published by GM; these are addressed specifically in the Response to Consultation Report[17]. In the updated modelling of the Policy following consultation, there is a proportion of the fleet that has been presumed not to upgrade in any event, as a result of the COVID-19 pandemic. With the impacts of COVID-19 and the post-consultation Policy, 79% of non-compliant LGVs are forecast to choose to upgrade in 2023 and 84% in 2025. Overall, this means that the vast majority of LGVs on the road would be compliant from 2023 onwards (around nine in ten by 2025). Such is the extent of the upgrade of the fleet that any further benefits from higher charges are likely to be minimal.

- **A number of concerns around how the CAZ will work, including payment, enforcement, tracking non-compliant vehicles**. The response explains the practicalities of how the CAZ will work, using an ANPR camera network, the Government's online payment portal. This did not raise any changes in how the CAZ would operate.

6.5 Funding to support upgrading non-compliant vehicles:

- **Oppose funding the upgrade of non-compliant vehicles**. The Response to Consultation Report explains the rationale around the funding to support the upgrade of non-compliant vehicles, including the feedback from vehicle owners responding to the consultation, who say that they need help to upgrade as they cannot afford it and that for some sectors, including the taxi and coach sectors, as COVID-19 has had a negative economic impact on their businesses.

- **Funding should target the oldest and most polluting vehicles as a priority.** The Response to Consultation Report explains that measures to target the upgrade of the oldest and/or most polluting vehicles have been considered throughout development of the GM CAP and are embedded within the proposals.

[17] Appendix 3 to this report

- **Concerns about affordability of upgrades and indebtedness and vehicle finance needing to be at or close to 0% interest rate to be affordable.** The Response to the Consultation Report explains the rationale around the funding to support the upgrade of non-complaint vehicles. In light of consultation feedback, adjustments have been proposed to the grant amounts and vehicle finance contributions available to owners or registered keepers of a number of vehicle types, to increase the amount of financial support available to applicants.

- **Access to funding needs to be fair**. Numerous points of feedback on how the funding should be distributed, including that it should be available for all owners of non-compliant vehicles. The Response to Consultation report explains that the proposals have been assessed throughout their development, including with respect to equalities impacts, and it is considered that they should provide access to the funding support for those likely to be most vulnerable to the GM CAZ charge and costs of upgrade.

- **All vehicles that operate in GM and will be affected should be eligible for funding including those beyond the boundary.** The policy now sets out that the Air Quality Administration Committee has the authority to consider possible changes to the eligibility criteria, including opening up the Funds to vehicle owners outside Greater Manchester.

- **Funding should be means tested.** Though the proposed eligibility criteria are not means tested, the criteria and process for releasing funding support is based on research and analysis of the potential socio-economic impacts of the GM CAZ, including the Distributional Impact Report. This indicated that the smallest businesses, organisations and individuals within GM are likely to be the most vulnerable to the CAZ requirements.

- **Funding should only be for voluntary sector and small businesses, funding should be prioritised for these groups.** The vehicle caps set in policy provide a mechanism to limit the maximum number of vehicles a single applicant can apply for funding to upgrade non-compliant vehicles. It mitigates the risk of oversubscription of the funds by larger businesses with larger fleets. The Clean Commercial Vehicle Fund eligibility criteria will ask applicants to demonstrate that they are either a small business, micro business/entity, self-employed/sole trader, an entity regulated by the Charity Commission (including registered, active charities and active charities exempted from registration); a social enterprise (including non-profit organisations); or a private owner (owner/registered keeper) of a non-compliant vehicle which are not used for commercial purposes.

- **Concerns about the management of vehicle funding and fraudulent applications**. The Response to Consultation Report explains that a range of appropriate measures have been embedded within the GM CAP to ensure transparency, tractability and robust management and administration of funding.

6.6 Other feedback

- **Concerns that the proposal would not improve air quality / reduce pollution**. Modelling shows that the proposed GM Clean Air Plan will encourage many older vehicles to be retrofitted or upgraded to cleaner vehicles, and that compliance across Greater Manchester will be met in the “shortest possible time” which is now by 2024.

- **Negative economic impacts on Greater Manchester**. This included concerns over increased prices of goods / services / fares being passed onto end consumers / passengers. The Economic Impacts Report and Equalities Impact assessment following the consultation has analysed the impacts on different groups within Greater Manchester. The mitigations put in place including changes to temporary exemptions and increased funding amounts.

7 THE GM CLEAN AIR FINAL PLAN

7.1 The review outlined in Section 6 has informed the proposed GM CAP Policy following Consultation. The policy, attached in full at Appendix 1, outlines the boundary, discounts, exemptions, daily charges of the Clean Air Zone as well as the financial support packages offered towards upgrading to a compliant vehicle, including the eligibility criteria and funding rounds to be applied.

7.2 Members are asked to note that this policy is to be agreed by the ten GM local authorities and that the GM Clean Air Charging Authorities Committee has the authority to make the Charging Scheme Order which establishes the GM Charging Scheme in line with the agreed policy.

7.3 The anticipated implementation date of the Clean Air Zone is Monday 30 May 2022[18] for Buses, HGVs and Hackney Carriages and Private Hire Vehicles licensed outside of Greater Manchester and from 1 June 2023 for LGVs, minibuses and coaches, and GM-licensed Hackney Carriages and Private Hire Vehicles.

7.4 Clean Air Zone

Clean Air Zone: Boundary	Primarily aligned with the administrative boundary of Greater Manchester Authorities excludes the Strategic Road Network (SRN)[19].The detailed boundary can be found here: cleanairgm.com/clean-air-zone-map/ Consultation to be undertaken on the inclusion of the A575 and A580 at Worsley[20].
Clean Air Zone: Times of Operation	24 hours a day, 7 days a week The anticipated implementation date is Monday 30 May 2022[18]
Clean Air Zone: Vehicles Affected	• Licensed Hackney Carriage • Licensed Private Hire Vehicle • Bus • Coach • Minibus • LGV • HGV

[18] Subject to joint GM and JAQU agreement on overall 'readiness', including that the Central Charging Portal and national Vehicle Checker is' GM ready.

[19] The SRN consists of roads which are not managed by local and regional GM authorities, namely motorways and trunk roads managed by Highways England. The SRN is illustrated on the Highways England Network Management Map available at: https://www.gov.uk/Government/publications/roads-managed-by-highways-england

[20] Originally this section of the A575 and A580 at Worsley was excluded at consultation.

7.5 **Proposals for Licensed Hackney Carriages** – Government has awarded the ten GM local authorities £9.5m.

Clean Air Zone: Exemptions	All Hackney Carriages which are licensed to one of the ten Greater Manchester Authorities, as of the 3 December 2020 will be eligible for a temporary exemption until 31 May 2023.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)
Clean Vehicle Funding	The following funding is available for upgrading a non-compliant Hackney Carriage to a purpose-built Wheelchair Accessible Vehicle (WAV): up to £5,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system; OR up to £10,000 towards the running costs of a new purpose-built WAV Zero Emissions Capable (ZEC) vehicle. This option is available when the compliant vehicle acquired with GM CAP funds has also been eligible for a Government plug-in grant; OR up to £10,000 towards a second-hand purpose-built WAV ZEC vehicle; OR, up to up to £5,000 towards a compliant purpose-built WAV vehicle (Euro 4 petrol or Euro 6 diesel or better). The following funding is available for upgrading a non-compliant taxi to a non-Wheelchair Accessible Vehicle: up to £5,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system; OR up to £6,000 towards the running costs of a new Zero Emissions Capable (ZEC) vehicle; OR up to £6,000 towards a second-hand ZEC vehicle; OR up to £3,000 towards a compliant vehicle (Euro 4 petrol or Euro 6 diesel or better) Limit of 5 vehicles per applicant. GM estimates that the funding of £9.5m, received from Government would provide funding to upgrade/retrofit around 1,130 vehicles.

7.6 **Proposals for Licensed Private Hire Vehicles** – Government has awarded the ten GM local authorities £10.2m.

Clean Air Zone: Exemptions	All Private Hire Vehicles which are licensed to one of the ten Greater Manchester Authorities, as of the 3 December 2020 will be eligible for a temporary exemption until 31 May 2023.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)
Clean Vehicle Funding	The following funding is available for upgrading a non-compliant Private Hire Vehicle to a purpose-built Wheelchair Accessible Vehicle (WAV): up to £5,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system; OR up to £10,000 towards the running costs of a new purpose-built WAV Zero Emissions Capable (ZEC) vehicle. This option is available when the compliant vehicle acquired with GM CAP funds has also been eligible for a Government plug-in grant; OR up to £10,000 towards a second-hand purpose-built WAV ZEC vehicle; OR, up to up to £5,000 towards a compliant purpose-built WAV vehicle (Euro 4 petrol or Euro 6 diesel or better). The following funding is available for upgrading a non-compliant taxi to a non-Wheelchair Accessible Vehicle: up to £5,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system; OR up to £6,000 towards the running costs of a new Zero Emissions Capable (ZEC) ZEC vehicle; OR up to £6,000 towards a second-hand ZEC vehicle; OR up to £3,000 towards a compliant vehicle (Euro 4 petrol or Euro 6 diesel or better) Limit of 5 vehicles per applicant. GM estimates that the funding of £10.2m, received from Government would provide funding to upgrade/retrofit around 3,075 vehicles.

7.7 **Proposals for Buses** – Government has awarded the ten GM local authorities £14.7 million for bus retrofit and £3.2m for bus replacement.

Clean Air Zone: Exemptions	There will be permanent exemptions for Heritage buses (I.e. over 20 years old) not used for hire and reward and driver training buses. Buses used on a Greater Manchester school bus service tendered prior to March 2019 will have a temporary exemption that will end in July 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	Bus retrofit - Up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system £3.4m - Bus replacement - Up to £16,000 for purchase or lease of a compliant vehicle for up to medium size companies. The funding ask would provide funding to retrofit or towards upgrade of all non-compliant buses operating in GM, around 1,500 vehicles in total (noting that a further c350 are being retrofitted under the CBTF).

7.8 **Proposals for Coaches** – Government has awarded the ten GM local authorities £4.4 million as an initial tranche of funding.

Clean Air Zone: Exemptions	All coaches not running on a registered bus service will be eligible for a temporary exemption until 31 May 2023.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £32,000 per vehicle for replacement OR access to vehicle finance. OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) Limit of 5 vehicles per applicant. Government have provided funding of £4.4m, which would provide funding to upgrade/retrofit around 174 vehicles.

7.9 **Proposals for Minibuses** – Government has awarded the ten GM local authorities £2 million.

Clean Air Zone: Exemptions	Community Minibuses – Those operating under a permit under section 19 or section 22 of the Transport Act (1985), issued by a body designated by the Secretary of State are eligible for a permanent exemption.

	Minibuses specially adapted for a disabled user will be permanently exempted. Minibuses will be eligible for a temporary exemption until 31 May 2023.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £5,000 per vehicle to replace or retrofit their vehicle OR access to vehicle finance, offering an average subsidy of £5,000, with the subsidy per vehicle capped at £7,000. Government has provided £2m in funding, which would provide funding to upgrade around 380 vehicles.

7.10 **Proposals for LGV** – the ten GM local authorities have been awarded £70 million to support LGV owners to upgrade or retrofit their vehicles.

Clean Air Zone: Exemptions	Light Goods Vehicles (LGVs) will be eligible for a temporary exemption until 31 May 2023. LGVs specially adapted for a disabled user will be permanently exempted.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £3,500 for replacement of LGVs under 1.6t per vehicle OR access to vehicle finance, offering an average subsidy of £3,500, with the subsidy per vehicle capped at £5,000. A grant of £4,500 for replacement of LGVs over 1.6t and up to 3.5t per vehicle OR access to vehicle finance, offering an average subsidy of £4,500. A grant of £5,000 for retrofit of LGVs. This would be limited to 5 vehicles per applicant. The £70 million funding would provide funding to upgrade/retrofit around 15,900 vehicles.

7.11 **Proposals for HGV** – Government has awarded the ten GM local authorities £7.6m.

Clean Air Zone: Exemptions	Specialist Heavy Goods Vehicles – Certain types of heavily specialised HGVs, such as those used in construction or vehicle recovery.

	Non-road-going vehicles – Certain types of non-road going vehicles which are allowed to drive on the highway such as agricultural machines; digging machines; and mobile cranes (T1, T2 or T3 vehicle types)
Clean Air Zone: Discounts	All vehicles classified under the Private HGV tax class to be eligible for a discounted charge of £10 per day.
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of up to: <7.5t £5,000 <18t £7,000 <26t £9,000 <32t £12,000 <44t £6,500 per vehicle, dependent on vehicle size OR access to vehicle finance. OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) This would be limited to 5 vehicles per applicant. The Government fund received of £7.6m would provide funding to upgrade around 798 vehicles.

7.12 **Air Quality Modelling of final GM CAP**

7.12.1 The core goal of the GM Clean Air Plan is to achieve compliance with the legal Limit Value (40 µg/m^3) for NO_2 at locations identified through the target determination process within Greater Manchester in the "shortest possible time" in line with Government guidance.

7.12.2 The Modelling report of the local plan Policy following consultation can be found in Appendix 6. The modelling has been updated to use the latest information from the updated package and using updated assumptions from the impact of COVID-19 research and other information. The methodology has been agreed with government.

7.12.3 The modelling outputs of the scheme show the achievement of Nitrogen Dioxide compliance within Greater Manchester in 2024 as required by the Ministerial Direction which is the shortest possible time within which it can be achieved.

7.12.4 Appendix 9 sets out how the current proposals meet the requirements of the latest Ministerial Direction in March 2020[21].

7.13 **Equalities Impact Assessment following consultation**

[21] The ministerial direction can be found here: https://democracy.manchester.gov.uk/documents/s18580/Appendix%202%20-%20Greater%20Manchester%20NO2%20Plan%20Direction.pdf

7.13.1 Under equality legislation, there is a requirement to have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic, and persons who do not share it
- Foster good relations between those who have a relevant protected characteristic and those who don't.

7.13.2 Relevant protected characteristics in relation to the GM Clean Air Plan are considered to be age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

7.13.3 The analysis of potential disproportionate or differential impacts of the proposed GM Final Clean Air Plan are set out in the GM CAP Equality Impact Assessment following Consultation at Appendix 2.

7.13.4 The assessment concludes that improved air quality resulting from the GM CAP will have a disproportionate benefit for many protected characteristic groups namely, pregnancy and maternity; older people, young people and children; those with disability or ill-health; and those from minority ethnic and faith groups who are more likely to live in deprived neighbourhoods.

7.13.5 It also concludes that, despite the proposed package of mitigating measures, there is the risk of residual adverse impacts on some protected characteristic groups in relation to personal and business affordability: gender (male drivers), minority ethnic and faith groups. A potential, residual adverse impact in relation to accessibility was also concluded for those with protected characteristics older and young people; disability; gender reassignment and sexual orientation.

7.13.6 Overall, the assessment recognises that a significant package of temporary and permanent exemptions, discounts and funds has been put in place and that these have reduced the potential negative impact on protected characteristic groups. Having regard to the benefits of the GM CAP the proposals are considered to be justified not withstanding the remaining risk of disproportionate or differential impacts on protected characteristic groups.

7.13.7 Promotion and accessibility of the mitigating measures to protected characteristic groups will be key to ensuring that those impacted are fully aware of and able to benefit from the support available.

7.13.8 To fulfil their duty under the Equality Act, each of the ten GM local authorities has undertaken a local assessment and reported any significant variances against the GM-wide assessment, the supporting GM CAP Equality Impact Evidence report and the ten local authority assessments can be found in Appendix 2.

7.14 Assessment of potential Economic Implications following consultation

7.14.1 The potential implications of the GM CAP on the economy of Greater Manchester have been considered in the Economic implications of the CAP Report (see Appendix 7). The report sets out:

- **The economic implications of Clean Air Zones.** This section explains the potential reduction in early deaths, reduced time spent in hospitals and increase in the number of hours worked, leading to a positive economic benefit for GM. However, there are some direct costs to non-compliant vehicle owners as well as broader costs and behavioural changes. This may include upgrading vehicles, changes in travel habits and potential changes in demand.

- **The assessment of economic implications of the GM Clean Air Plan pre-COVID-19**; the background to the process undertaken which all took place before the pandemic; including the development of the Outline Business Case using the Government's framework, and the assessment of the plans using the Government's guidance including primary and secondary success criteria. It explains the rationale for each of the measures proposed for consultation.

- **The wider impacts and the economic implications of COVID-19 on GM and the UK**; this provides a summary of the economic implications of COVID-19 on the United Kingdom, explaining employment rates and the support provided to businesses. It also explains the feedback provided in the consultation on Greater Manchester businesses' experiences, including lower turnover, increased debt and delays to investment (including vehicle upgrades). It also summarises ONS data around the sectors most affected, and then explains the results of the vulnerability assessment for sectors with Coaches, Minibuses, HGVs and LGVs post-COVID-19.

- **The revisions to the GM Clean Air Plan to take into account the impact of COVID-19**. This section explains the changes to the proposals, as well as how they mitigate the adverse impacts of the GM Clean Air Plan.

7.14.2 The report concludes that whilst there is still uncertainty around individual circumstances and the wider UK economy, the analysis of the impacts of COVID-19 alongside the development of the updated GM Clean Air Plan measures supports the case for a Hardship Fund. As outlined above Government have not awarded Greater Manchester Hardship funding. Further funding to address potential cases of hardship may well be needed and the Greater Manchester Authorities will be monitoring the situation very closely to ensure that they can take up the Government's offer to review the need for further funding if the need can be objectively demonstrated.

7.15 Distribution of Funding

7.15.1 The Air Quality Administration Committee has the authority to establish the funds and distribute the funds to support those businesses, individuals and organisations who need to upgrade their vehicle to become compliant in line with the agreed policy.

7.15.2 It is envisaged that owners of non-compliant vehicles will be able to apply for funding to support their vehicle upgrades in November 2021.

7.15.3 Information on the funding options available to upgrade to a compliant vehicle will be available on cleanairgm.com. This will include information on eligibility criteria and how to apply for funding.

7.15.4 Those wishing to apply will set up a secure online account and provide the necessary information to submit an application for funding. This includes providing data about themselves, their vehicle and their business and these details are verified through a series of validation checks.

7.15.5 Following a successful eligibility assessment and acceptance of the Terms and Conditions of funding, the Applicant will be provided with a funding award notification, which will set out the funding options available to them. At this stage, the Applicant would then be able to explore the funding opportunities available to them.

7.15.6 With the exception of the Clean Bus Fund and running cost grants under the Clean Taxi Fund, which are paid to the Applicant, all funds are paid directly through accredited suppliers of retrofit and replacement upgrade options, to ensure a comprehensive audit trail, accountability for public funding and to reduce the risk of fraudulent activity. Trade in of the non-complaint vehicle is mandatory.

8 NEXT STEPS

8.1 Officers will:

- Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures.
- Prepare a consultation on the inclusion of motorhomes classified as MSP1 and the A575 and A580 at Worsley in the GM Clean Air Zone.
- Make arrangements to distribute funds to support those businesses, individuals and organisations who need to upgrade their vehicle to become compliant.
- Prepare FBC documentation for submission to the Government's Joint Air Quality Unit (JAQU).
- Work with JAQU and Highways England to establish the most appropriate solution for the charging mechanism to be applied to the section of A57/A628 on the Strategic Road Network.
- Prepare the CAP monitoring and evaluation plan – This will take account of the fact that in May 2016 a single Air Quality Management Area (AQMA) was declared for Greater Manchester based on the modelling of nitrogen oxides emissions. The Greater Manchester Air Quality Action Plan sets out the measures which will reduce air pollution within Greater Manchester's AQMAs. An Annual Status Report (ASR) provides updates on progress of all actions included within the Greater Manchester Air Quality Action Plan (2016-2021) (AQAP). DEFRA has responded positively to GM's suggestion that the update of the AQAP, and any remodelling of the Air Quality Management Area (AQMA), should be postponed until the air quality impact of the proposed GM-wide Clean Air Zone to address roadside NO_2 has been fully understood as part of the GM CAP monitoring and evaluation plan.

9 OPTIONS

9.1 The Council could decide to not implement the Clean Air Plan. However, all 10 Greater Manchester districts including Trafford Council are legally required by the ministerial direction dated March 2020 to implement the Plan. If the Council did not implement the Plan then it would be in breach of the ministerial direction. In addition if we did not implement the Clean Air Plan we would lose the opportunity to improve our air quality which would have a negative impact on the health of our citizens. We would also lose the Government funding support to implement the scheme.

10 REASONS FOR RECOMMENDATIONS

10.1 The recommendations are set out at the front of the report.

10.2 The recommendations will ensure the Clean Air Plan is properly defined and implemented in line with the other authorities across Greater Manchester.

11 APPENDIX 1 – GM CAP POLICY FOLLOWING CONSULTATION

11.1 Attached as a supplementary paper.

12 APPENDIX 2 – GM CAP EQUALITY IMPACT ASSESSMENT FOLLOWING CONSULTATION AND GM CAP EQIA FOLLOWING CONSULTATION AND GM CAP EQIA FOLLOWING CONSULTATION TRAFFORD ASSESSMENT

12.1 Attached as a supplementary paper.

13 APPENDIX 3 – AECOM CONSULTATION REPORT

13.1 Attached as a supplementary paper.

14 APPENDIX 4 – RESPONSE TO THE CONSULTATION

14.1 Attached as a supplementary paper.

15 APPENDIX 5 – IMPACTS OF COVID-19 REPORT

15.1 Attached as a supplementary paper.

16 APPENDIX 6 – AIR QUALITY MODELLING REPORT FOLLOWING CONSULTATION AND WITH COVID-19 IMPACTS

16.1 Attached as a supplementary paper.

17 Appendix 6D – GM proposed approach to representing the impact of Covid-19 in core modelling scenarios

17.1 Attached as a supplementary paper.

18 Appendix 6E – Note 38 discounts and exemptions – updated with final GM CAP Policy

18.1 Attached as a supplementary paper.

19 APPENDIX 7 – ECONOMIC IMPLICATIONS OF CAP FOLLOWING CONSULTATION AND WITH COVID-19 IMPACTS

19.1 Attached as a supplementary paper.

20 APPENDIX 8 – OTHER CITIES' CLEAN AIR PLANS

20.1 Attached as a supplementary paper.

21 APPENDIX 9 – COMPLIANCE WITH THE SECRETARY OF STATE'S DIRECTION

21.1 Attached as a supplementary paper.

22 APPENDIX 10 – CLEAN AIR ZONE ANPR AND SIGNAGE LOCATIONS

22.1 Attached as a supplementary paper.

Key Decision *(as defined in the Constitution)*: Yes
If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance *(type in initials)……PC…………*
Legal Officer Clearance *(type in initials)……JLF…………*

CORPORATEDIRECTOR'S SIGNATURE *(electronic)*
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

TRAFFORD COUNCIL

Report to: **Executive**
Date: **26th July 2021**
Report for: **Decision**
Report of: **The Executive Member for Finance and Governance and the Director of Finance and Systems**

Report Title:

Budget Monitoring 2021/22 – Period 2 (April to May 2021).

Summary:

The purpose of this report is to inform Members of the current 2021/22 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that the Executive:

a) Recommend to Council to approve an increase to the net Revenue Budget of £168k to £179.472m as detailed in paragraph 2 below;

b) note the updated positions on the revenue budget, collection fund and capital programme.

Contact person for access to background papers and further information:

David Muggeridge, Head of Financial Management Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	Revenue and capital expenditure is contained within available resources in 2020/21. In respect of the resourcing of the capital programme a number of capital receipts from the disposal of surplus land have been reprofiled to later years. This has given rise to some additional temporary borrowing the cost of which has been

	contained within the treasury management budget.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Carbon Reduction	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

REVENUE BUDGET

EXECUTIVE SUMMARY

1. The approved budget for 2021/22 agreed at the 17 February 2021 Council meeting was £179.304m. In determining the budget an overall gap of £25.44m was addressed by a combination of additional resources of £5.20m from Council Tax, use of reserves, £8.34m to address COVID-19 pressures and £2.80m for business as usual pressures, and £9.10m of service savings and additional income.

2. The Revenue Budget has now been increased by £168k to £179.472m as a result of a minor late change in the financial settlement relating to resources to support the Public Health budget. This change to the net budget will need to be formally approved and will be considered at full Council in July 2021.

3. **Summary of outturn**

   There is a net estimated outturn pressure of £2.20m at Period 2.

   This first monitor of the new financial year provides a forecast outturn based on patterns of expenditure and income from the first two months of the year. Some broad assumptions have been made on future demand and the ongoing impacts of the pandemic, the estimate is subject to variation due to this volatility and should only be used as a broad position statement at this stage.

   As in previous financial years, a more cautious approach has been used in the early period monitoring and although similar patterns of pressures (circa £1m to £2m) were forecast at Period 2 in the pre-pandemic years of 2018/19 and 2019/20, small favourable outturns (£300k and £1.78m) occurred by year end.

   The following issues are worthy of being highlighted :-

   - Children's placements £833k overspend due to an increase in complexity of cases;
   - Adults placements are breakeven, however assumptions on demand remain uncertain, a cautious contingency balance of £1.8m has been included for future demand.
   - Staffing budgets (Children's, Adults and Public Health) net underspend of £1.514m largely due to delays in recruiting and service redesign;
   - Strategic Investment Programme – These investments are budgeted to generate a net revenue benefit in 2021/22 of £7.61m although revised forecasts show a potential reduction in receipts generated of £953k. This is largely COVID-19 related due to delays in developer loans being drawn down, lower income from debt facilities due to lower interest rates, delays in schemes in the pipeline and lower trading income due to COVID-19 at retail investment sites;
   - COVID-19 related pressures in Place and central services directorates of £1.239m, largely related to income pressures in traded services and lower sales, fees and charges as a result of the impact lasting longer than the first quarter assumed when setting the budget. Examples of pressures

include parking fees and fines £486k, property rentals £318k, outdoor media advertising £400k, planning fees £593k.

- Local Government Payaward – The provisional pay award for local government at 1.5% for all staff being in excess of budget by £700k. This would require the use of the council wide contingency, leaving a balance of £300k for other unknown pressures during the year.
- Other pressures £692k

4. **Council Tax**

The Council Tax budget was reduced temporality in 2021/2022 to reflect the ongoing impact of the pandemic. Whilst estimates are difficult to predict at this stage in the year, it was reassuring that the 2020/2021 outturn was better than forecast at the time the 2021/2022 budget was set. Collection rates appear to be inline with prepandemic years and overall the estimated collection is currently assumed to be in line with budget. Again, the evoliving situation with the pandemic and wider economy could cause significant fluctuations in the forecast.

5. **Business Rates**

Projecting business rates is by its nature complex and prone to variation, in addition the impact on COVID-19 has added further uncertainty to the accuracy of projections. Government support has been extended for retail, hospitality and leisure businesses along with a discretionary scheme for other businesses. A broad assumption has been made for the Period 2 monitor that the outturn will be in line with budget.

6. **Capital Programme**

This first monitor has been used to restate the capital budget from that originally approved in February 2021. The programme for 2021/2022 has reduced by £4.98m to £165.86m. This decrease is largely due to a reduction of £15.9m in the Mayors Cycling and Walking Challenge Fund following a rephasing/prioritisation exercise by GMCA, offset by an increase of £10.9m, largely caused by re-profiling expenditure from 2020/21. An update on outturn will be presented at Period 4.

7. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Table 2 providing an explanation of the variances:

Table 1: Budget Monitoring results by Service	**2021/22 Budget (£000's)**	**Forecast Outturn (£000's)**	**Forecast Variance (£000's)**	**Percent-age**
Children's Services	43,002	42,905	(97)	(0.23)%
Adult Services	52,491	53,009	518	0.99%
Public Health	12,719	12,054	(665)	(5.23)%

Place	30,599	32,370	1,771	5.79%
Strategy & Resources	5,629	5,844	215	3.82%
Finance & Systems	7,741	7,979	238	3.07%
Governance & Community Strategy	6,291	6,614	323	5.13%
Total Directorate Budgets	**158,472**	**160,775**	**2,303**	1.45%
Council-wide budgets	21,000	20,900	(100)	(0.48)%
Net Service Expenditure variance	**179,472 ***	**181,675**	**2,203**	1.23%
Funding				
Business Rates (see para. 22)	(62,459)	(62,459)	0	
Council Tax (see para. 19)	(105,869)	(105,869)	0	
Reserves Budget Support	(2,803)	(2,803)	0	
Reserves to Support COVID-19	(8,341)	(8,341)	0	
Funding variance	**(179,472) ***	**(179,472)**	**0**	**0.00%**
Net Revenue Outturn variance	**0**	**2,203**	**2,203**	**1.23%**
Dedicated Schools Grant	**150,043**	**150,854**	**811**	**0.54%**

Budget Adjustments and Virements

* A change to the net revenue budget and a number of virements across Directorates are detailed in Appendix 1.

Main variances, changes to budget assumptions and key risks

8. The main variances contributing to the projected overspend of £2.203m, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	(97)	**Projected outturn variance, £97k favourable.** The impact of the coronavirus pandemic is and will continue to have a significant bearing on the service both in terms of its service delivery and finances. Below is the projected position on children's placements and other budget areas. • £833k over budget on Children's placements (Note 1); • £1.330m under budget on staffing (Note 2); • £400k over budget on other running costs and income across the service (Note 3). **Note 1** Children's placements currently projects an overspend of £833k. At the time of setting the budget for 2021/22 and based on placement's in January 2021 the service had a contingency of £1.6m for additional demand with savings of £1.5m to achieve. In reviewing this position, based on the placements as at the 1st April 2021, this contingency had reduced to £120k. Although children in care numbers are relatively static it is the changes in the types of placements between those that are stepping down and those that are entering which is the main reason for this change. The cost of placements vary from an average of £22k per year for internal fostering to an average of £235k per year for residential. This has had a significant impact on the children's placements position for 2021/22. The above position also projects that £1.3m of planned reductions in placement's costs are still to take place. Also included in the current placement costs projection is an allowance of £1.3m to cover potential increase in demand above the current position for the remainder of the year. To date £495k of the £1.5m savings included in the budget has been achieved through a combination of work undertaken during 2020/21 and its full year impact and planned reductions for 2021/22. The remaining savings for placements is currently anticipated to be achieved, however continuous scrutiny in this area will be applied and projections on deliverability of savings may be subject to change.

The numbers of children as at the end of May 2021 compared to those at the end of March 2021 are as follows:

- children in care 391, a reduction of 1;
- child protection is 188, a reduction of 4;
- children in need 809, an increase of 91.

At this stage it is important to note that the service continues to operate with a high degree of uncertainty due to the potential consequences the pandemic will have around future demand.

Note 2

The favourable variance in staffing of £1.33m is due to delays in recruiting and are one-off in nature as the service undertakes its service redesign which will be in place during 2021/22
The staffing savings included in the budget of £580k are expected to be achieved this year due to the delays in recruiting as mentioned above. However this will be reviewed throughout the year as to their permanency as the service redesign takes place.

Note 3

The adverse variance in running costs and income across the service is £400k as outlined below:

- £208k adverse variance on Home to school transport due to increased demand in transport for out of borough placements (£143k) and on additional staffing costs (£65k) to cover passenger assistants who are shielding;
- £74k adverse variance on Partington Nursery due to a shortfall in income;
- £133k adverse variance on income due to COVID-19 restrictions still in place;
- £72k favourable variance due to the receipt of additional grant income for the school improvement service which it was not anticipated would continue;
- £57k adverse variance on minor variances across the service.

Note 4

In addition to this there are further estimated costs of £204k due to COVID-19 for the family support grant and this will be met by a government grant.

Adult Services	518	**Projected Outturn variance, £518k adverse.** The impact of the coronavirus pandemic is and will continue to have a significant bearing on the service both in terms of its service delivery and finances. Below is the projected position on adult clients and other budget areas: • Break even on Adult clients (Note 1) • £518k adverse position on staffing and running costs (Note 2) **<u>Note 1</u>** Adult Clients currently projects a breakeven position. However it is important to note that the service continues to operate with a high degree of uncertainty due to the risks posed by potential further waves of coronavirus infections and also the consequences the pandemic will have around future potential demands on Mental Health provision. In addition to this will be the increase in demand on services in supporting the NHS in dealing with the backlog of patients waiting for treatments. Data on client activity will be reported in future monitoring reports. **Discharge to Assess** - estimates have been made to account for potential income from Trafford Clinical Commissioning Group (CCG) for discharge to assess services that are covered by the hospital discharge programme (HDP). This is for a maximum of 6 weeks from the date of discharge until 30 June 2021 and then for 4 weeks until the 30 September 2021. Current assumptions in the projection are that the HDP will cease on 30 September 2021. However requirements for these services will continue to the 31 March 2022 and estimated costs of £2m for this have been included in the projection. Not all of the discharge to assess costs will be met by the HDP due to those that go over 6 weeks and for those beds that are paid for on block but potentially not occupied. The Council and CCG have agreed a 50/50 risk share agreement to 30 September 2021 on these and £370k has been included as the estimated income. It should be noted that both these estimates again have the potential to vary should there be changes to the HDP scheme. **Contingency** - within the projection there is a contingency of £1.8m set aside for additional increases in demand/cost pressures throughout the rest of the financial year. **Savings** – to date £487k has been achieved through a combination of work undertaken during 2020/21 and its full year impact and new initiatives for 21/22. The remaining target for adult clients is currently anticipated to be achieved however continuous scrutiny in this area will

		be applied and therefore projections on deliverability of savings are subject to change. **<u>Note 2</u>** The current forecasts indicate there is an adverse variance of £518k which is due to the following: • £470k adverse variance on staffing due to additional resource requirements to respond to increased pressures on the service as a result of COVID-19 and due to exceptional circumstances within the Supported Living service; • £238k favourable variance on client equipment, repairs and maintenance due to the impact of COVID-19 and the low number of referrals being received; • £304k adverse variance due to projected underachievement of savings as a result of delays to changes in legislation and staffing pressures on the service; • £18k favourable on minor variances. **<u>Note 3</u>** In addition to this there are further estimated costs due to COVID-19 as outlined below which are met by additional income: • £1.967m which will be met by the CCG from their allocation given by NHSE for HDP; • £1.361m for infection control and Rapid Testing for care providers which will be met by government grant; • £451k for the clinically extremely vulnerable which will be met by government grant; • £348k for contain outbreak management which will be met by government grant; • £322k for self-isolation support which will be met by government grant.
Public Health	(665)	**Projected Outturn variance, £665k favourable** Currently there is a projected favourable position of £665k as a result of: • £654k favourable position on ‘business as usual’ staffing costs as the service continues to lead and support the contain outbreak management response to the pandemic; • £11k favourable position on other minor variations. Currently activity based budgets are projected to be break even, however there is the possibility that these may experience low levels of activity due to COVID-19 throughout all or part of the financial year.

		Projections will be revised accordingly when data is available with the likelihood of further underspends occurring. In addition to this there are further estimated costs of £2.522m due to COVID-19 for contain outbreak management and this will be met by a government grant.
Place	1,771	**Projected outturn variance £1.771m adverse.** **This includes gross COVID-19 pressures of £4.030m offset by £3.370m included in the approved budget/reserves – a net COVID-19 pressure of £660k which includes:** • COVID-19 related gross income losses are £3.785m, of which £1.470m is included in the approved budget and £1.7m earmarked in reserves relating to Leisure. This gives a net COVID-19 income pressure in the forecast outturn of £615k; • The gross COVID-19 related income losses include parking fees and fines £486k, property rentals £318k, outdoor media advertising £400k, planning fees £593k, licencing fees £80k, building control fees £61k, highways permits and grants £24k, street trading £50k, pest control £25k and trade waste £48k. There is also £1.7m in forecast support for ongoing trading deficits of the Trafford Leisure CIC due to the ongoing effects of the various COVID-19 restrictions, which will be funded from existing earmarked reserves. Trafford Leisure continue to work closely with the Council to monitor finances and mitigate these budget pressures as far as possible within the various operational restrictions, including successful bids for grant funding; • COVID-19 related gross expenditure pressures are £245k, of which £200k is included in the approved budget, giving a net pressure of £45k in the forecast outturn. The overall gross pressure includes £150k in additional waste disposal costs and £50k related to waste collection, £7k highways/grounds maintenance, £38k operational buildings; • There are also additional costs fully offset by additional specific COVID-19 grants of £305k Community Engagement and £325k for Public Protection/Economic Growth “pandemic contain” funding. **Other Forecast Variances £158k adverse including:** • Other non-COVID-19 pressures include £167k relating to property costs including those awaiting disposal or redevelopment, and £252k of One Trafford Partnership contract savings/income generation measures re-phased to later in the year. There is a shortfall in building control income £35k, which is offset by an underspend in staffing from vacancies. CCTV income is £35k below budget and there is a

		projected shortfall in income from parking £54k, taxi testing £60k and trading standards £12k. Projected additional income above budget includes Altair £120k and other rents £51k. Other net minor movements across all services total £11k underspent; • There is an overall staffing underspend of £92k relating to vacancies across the year (excluding the ringfenced Planning account), which is approximately 1.3% of the staffing budget; • The Planning service is a ringfenced account and has a forecast underspend of £183k in staffing and running costs which part offsets the COVID-19 income pressure for Planning application fees above; **Strategic Investment Programme £953k adverse:** • The Strategic Investment Property Portfolio will deliver a net benefit to the revenue budget in 2021/22 of £6.66m. This is £953k lower than budgeted due to economic factors affecting some of the income particularly from the town centre investments (see paragraph 36 for further details).
Strategy & Resources	215	**Projected outturn variance £215k adverse.** **This includes gross COVID-19 pressures of £745k offset by £481k included in the approved budget – a net COVID-19 pressure of £264k:** • Gross trading losses in the overall forecast outturn includes £276k in Catering, £107k in Cleaning and £297k in the Music Service. There is a forecast net loss of income from staff parking of £49k and £16k expected loss of SLA income; **Other Forecast Variances £49k favourable including:** • Staff costs are £134k less than budget across the Directorate based on actual vacancies across the whole year, which is 2.0% of the total staffing budget; • SLA income above budget £48k; • Other minor variances are net £7k adverse. These are offset by the budgeted Directorate-wide efficiency saving target of £126k, which is expected to be achieved in full.

Finance & Systems	238	**Projected outturn variance £238k adverse.** **Forecast COVID-19 Pressures £121k:** This relates to additional unplanned costs associated with ICT staff, equipment and systems directly related to the COVID-19 pandemic. There are also additional costs fully offset by additional specific COVID-19 grants totalling £437k in Exchequer Services and £66k in ICT. The Exchequer spend includes £208k Test and Trace and new burdens grants for administration for business rates £229k. **Other Forecast Variances £117k adverse:** • Staff costs are £83k less than budget across the Directorate based on actual and forecast vacancies for the whole year, which is 1% of the total staffing budget; • Non COVID-19 related running costs are underspent by £9k; • Income is £21k below budget excluding the COVID-19 grant income above, which includes minor reduced income from grants. These are offset by the budgeted Directorate-wide efficiency saving target of £188k.

Governance & Community Strategy	323	**Projected outturn variance £323k adverse.** **This includes gross forecast COVID-19 pressures of £434k offset by £240k included in the approved budget – a net COVID-19 pressure of £194k:** • Projected gross income losses due to COVID-19 are £334k and includes £211k relating to Sale Waterside Arts Centre, £23k for events including Flixton House, land charges £11k and Registrar's £38k. There is also a £51k loss of income expected from library lettings; • Cost pressures total £100k and relate to legal costs for fees and additional agency staff required due to the increase in caseload, which is in line with the approved budget assumption. **Other Forecast Variances £129k adverse:** • Forecast staff costs are £141k below budget across the Directorate, based on actual and forecast vacancies across the year (2.5% of the staff budget). This includes £125k in Legal Services and £16k in Arts and Culture; • Running costs forecast to be underspent by £28k, which includes a reduction in court fees in legal services; • There is a projected shortfall in income of £106k compared to budget excluding the COVID-19 pressures above, which includes £34k shortfall in capital fee income which is related to staff vacancies, £42k shortfall in traded services and £30k reduced grant income in Registrars. The above is offset by the budgeted Directorate-wide efficiency saving target of £192k.
Council-wide budgets	(100)	**Projected Outturn variance, £100k favourable** **Treasury Management** Income totalling £392k was forecasted to be received during 2021/22 from monies invested in Manchester Airport Group in 2020 by the Council along with the other 9 Greater Manchester LAs for the provision of a new car parking facility. As a result of the current COVID-19 pandemic, returns will not be forthcoming and it is envisaged that once the current restrictions on air travel are relaxed then an income stream from this project will start to be received. To reduce the impact this will have on the treasury management projected outturn for 2021/22, a contribution from the Council's COVID-19 contingency budget will be applied.

		Council-wide Contingencies **a) Pay Award** On 14 May 2021 the National Employers, who negotiate pay on behalf of local authorities, offered Council employees a pay increase of 1.50% from 1 April 2021. The cost to Trafford of this is estimated to be £0.98m. The 2021/22 budget already includes: • £165k for those public sector workers earning below the median wage of £24,000 who were "guaranteed a pay rise of at least £250" by the Chancellor in his spending review in November 2020, when he also announced a public sector pay freeze; • a net budget of £114k resulting from the outcome of the final costs to the Council of implementing the Voluntary Redundancy/Voluntary Severance, Voluntary Leave and 9-Day Fortnight schemes. The balance of the proposed 1.5% pay award of £700k would need to be met from within the general Council-wide contingency budget. This will leave of £300k in the contingency budget for other unknown pressures during the year. **b) Sales, Fees and Charges Compensation Grant** Council-wide holds the budget provision for the Sales, Fees and Charges Compensation Grant to recompense the council for COVID related income losses limited for the first quarter of 2020/21. Income losses during the first quarter are lower than budget subsequently resulting in a lower compensation grant estimated at £252k. This shortfall will be met from the COVID-19 contingency. **c) Greater Manchester Temporary Resting place** £40k potential COVID-19 related costs above budget. This shortfall will be met from the COVID-19 contingency. **d) COVID-19 Contingency (temporary)** The Council-wide contingency budget for 2021/22 includes £1.5m specifically for potential COVID-19 pressures. The current commitments against this allocation are as follows: • £392k for the Manchester Airport Group investment for the new car parking facility described above; • £252k for the latest projected loss from Sales, Fees & Charges compared to budgeted grant income; • £40k for the Trafford's projected share of the Local Temporary Resting Place (GM Mortuary Facility) in 2021/22.

		e) Savings Programme The savings from the Voluntary Redundancy/Voluntary Severance scheme of £919k over the two year period 2021/23 (£708k in 2021/22 and £211k in 2022/23) is projected to fall short by £50k. Also, the take up from the 9-day Fortnight scheme has been lower than expected and the saving of £60k will not be fully realised, leaving a shortfall of £50k. However, these savings shortfalls will be managed within the pay element of the Council-wide contingency budget, which includes an allowance to cover the reduced savings from the lower than expected take up of the Voluntary Leave Scheme in 2021/22, £100k compared to the budget of £250k.
Dedicated Schools Grant	811	There is an under spend on the schools block within the Growth Fund (a budget to support schools when they are required to provide extra places to meet basic need) of £176k and it is expected that this underspend will be added to the existing £739k Growth Fund Reserve. **High Needs Block (HNB)** The High Needs Block is over spending the budget by £402k, however, the budget was £585k more than the grant allocation received, which resulted in an equivalent deficit in the DSG reserve. The additional in year pressure will increase the estimated DSG reserve deficit by £987k. The over spend on the budget is due to the following: • £49k relating to Special Schools, due to funding 6 additional places and additional top-up costs; • £24k relating to Sensory Impairment, due to additional running costs and loss of income; • £175k additional expenditure on Education and Health Care Plans, due to an increase in demand and complexity; and • £301k on out of borough placement costs, due to increased demand and complexity of need. These overspends are offset by the following underspends: • £31k lower costs within the Behaviour & Attendance budget; • £92k lower tuition costs than budgeted; and • £24k lower costs of SEN Small Specialist Classes & Central budgets.

		An overspend was carried forward within the HNB from 2020/21 of £181k, leaving an overall deficit of £1.168m. A report on the HNB is being prepared in order to consult with schools and parents, which will provide options for longer term savings.

MTFP SAVINGS AND INCREASED INCOME

9. Given the financial pressures the Council continues to face, as identified in the Medium Term Financial Strategy, it is critical that the current savings programme is achieved in full in order to avoid recurrent shortfalls cascading into future years and increasing the budget gap.

10. The 2021/22 budget is based on the achievement of permanent base budget savings and increased income of £9.102m. A detailed review of the status of each saving has been undertaken and a classification has been made using a "traffic light" system to highlight schemes at risk of not being achieved. Whilst some savings will be achieved through one-off alternative means/mitigating actions in the current year, a status has also been included on the risk of non-delivery falling into 2022/23.

11. Details of the savings programme including the risk review and explanatory narrative can be found in Appendix 2 and a summary is as follows:

Table 3: Savings Programme Risk Assessment Summary - Impact in 2021/22

Category	Number of Schemes	% of Schemes	Budget (£000's)	Forecast (£000's)	Variance (£000's)
Red	17	27%	(1,626)	(1,020)	606
Amber	22	35%	(4,976)	(3,923)	1,053
Green	24	38%	(2,500)	(2,500)	0
Total	**63**	**100%**	**(9,102)**	**(7,443)**	**1,659**

The latest forecast shows that the programme is currently expected to deliver savings of £7.443m, which is £1.659m below target. 39 schemes are classified as either Red or Amber status, of which the largest shortfall of £0.953m is from the Investment Strategy programme (see para. 41).

Table 4: Savings Programme Risk Assessment Summary - Ongoing Impact in 2022/23

Category	Number of Schemes	Budget (£000's)
Red	9	(526)
Amber	25	(5,359)
Green	29	(3,217)
Total	**63**	(9,102)

Although it is too early in the year to estimate the ongoing impact of the potential non-delivery of savings in 2022/23, there are 34 schemes which are classed as having a Red or Amber status. As in the 2021/22 analysis, the Investment Strategy programme maintains its Red status. Other schemes classed at high risk are largely centered around uncertainty in predicting demand in children's and adults services.

In order to maintain robust challenge and focus attention on the delivery of the savings programme, the regular budget monitoring reports will be supplemented by monthly updates to the Corporate Leadership Team.

RESERVES

12. The balance (unaudited) brought forward as at 1 April 2021 of usable reserves was £200.94m, including schools and capital reserves. Details of the reserve balances and movements in year were last reported in the recent Period 12 outturn report for 2020/21 and there is no further update to report at this stage. It should be noted that a significant balance of £89.37m in Corporate Reserves (inc. General Reserve) is temporary in nature and largely relates to the balances of Government COVID-19 funding associated with rates relief and collection fund support which is fully committed in 2021/22 and 2022/23.

13. A full analysis of all reserve movements will be reported on a quarterly basis to the Executive starting with the Period 4 monitoring report.

COLLECTION FUND

Council Tax

14. During 2020/21 the challenges faced by COVID-19 placed considerable pressure on the Council Tax Collection Fund, largely related to a reduction in collection rates and an increase in Council Tax Support. The budget for 2021/2022 was set using assumptions that the impact of the pandemic would continue and an overall reduction of £3.24m was built in to reflecting higher take up of local council tax support, delays in new properties coming on line and lower collection rates.

15. In addition to the above budget assumptions, the discretionary Council Tax Hardship Scheme was extended for a further year, enabling all existing working age Council Tax Support (CTS) recipients registered as at 31st March 2021 to claim a discretionary Hardship award equivalent to the value of their 2021/2022 liability. The cost of this extension was met from an underspend from the Government sponsored hardship grant received in 2020/21.

16. Whilst estimates are difficult to predict at this stage in the year, it was reassuring that the 2020/2021 outturn was better than forecast at the time the 2021/2022 budget was set. Collection rates improved as the year progressed and this pattern has continued with collection rates up to May in line with collection rates in prepandemic years, which is a positive sign. Current estimates of hardship cases are broadly in line with budget. This has lead to the conclusion for this monitor that the estimated outturn for Council Tax will remain within budget. Due to the uncertainty in forecasting and the accuracy of projections, only quarterly updates for this budget will be given throughout the year.

Business Rates

17. The 2021/2022 budget included anticipated growth in retained business rates, related S31 grants and redistribution of prior year surpluses of £7.8m. Projecting business rates is by its nature complex and prone to variation, in addition the impact on COVID-19 has added further uncertainty to the accuracy of projections, therefore as with Council Tax, only quarterly updates will be given throughout the year.

18. In order to support businesses with the impacts of COVID-19, the Government provided various rate relief packages during 2020/21. This scheme has been extended into 2021/22 with 100% relief being given to retail, hospitality and Leisure sites until July 2021, from which date the level of relief will be reduced to 66% until March 2022. These reliefs, which are currently estimated at £82m, will result in an equivalent reduction in the rateable income paid into the Collection Fund and therefore a substantial deficit in the current year. However, as in 2020/21 this loss will be fully compensated via a Section 31 Grant paid into the Council's General Fund. In addition, further Government support is being offered to businesses via a discretionary scheme administered by the Council for other businesses falling outside of the 100% relief scheme, however details of the

scheme have yet to be finalised. Whilst the extenstion of such reliefs is welcomed news, it has added to the complexity of business rate monitoring.

19. The level of reliefs represents approximately 50% of the total rateable income with the remaining 50% largely relating to non retail sites. The ability of both retail and non retail businesses weathering the impact of COVID will be unknown for some time, adding to the uncertainty in forecasting rateable income for the year. However, as a broad estimate, an assumption was made that there would be a reduction in income from non-retail businesses of 5% over the year, this resulted in the budget for 2021/2022 being reduced by £3.49m.

20. The underlying Rateable Value (RV) provides a useful indication of the health of the rates baseline. In the financial 2020/21, there continued to be significant volatility in the rating system as a result of a pattern of properties being converted to residential settings as well as an increase in the number of successful check and challenges which was reflected in a reduced RV when setting the 2021/22 budget. As at May 2021, the RV is approximately in line with budget, which is a positive sign, however once again, the impact on the long term RV as a result of COVID-19 cannot be predicted at this stage.

21. The broad assumption in the Period 2 monitor, is that the estimated outturn for Business Rates will remain within budget.

Impact of COVID-19

22. The impact of the pandemic on the council's finances is anticipated to last for many years and the budget for 2021/2022 includes additional resources of £8.341m to help manage the continuing impact of the pandemic. Pressures were anticipated in client demand, lost income from our strategic investments in the Manchester Airport Group and from Sales, Fees and Charges. These were offset by Government backed support and use of reserves, based on assumptions at the time, that the pandemic would last for the first quarter of 2021/2022.

23. Due to the uncertainty of the impact of COVID-19 the forecasting of pressures was particularly difficult in 2020/2021 and this situation continues to be the case into the foreseeable future, given that the easing of the national lockdown has been delayed beyond the first quarter.

24. Estimated net pressures being felt in 2021/22 are included in the projections in the service areas and are currently anticipated at £4.73m above budget, although at this stage in the year and due to the uncertainty of the situation the forecast should be treated with caution.

25. The Council continues to provide regular monitoring returns to the Government Departments which will be used at a national level to inform the debate on whether additional resources will be required over the medium term.

CAPITAL PROGRAMME

Monitoring Arrangements

26. This is the first monitoring period of the financial year 2021/22, and so this report will be used to restate the capital budget for the period 2021/22 to 2023/24, which was originally approved in February 2021, based on the movements detailed below.

27. Further updates will be provided at P4, P8 and pre-outturn (P10) with the P8 budget being used as a base to set the next three year budget. These reports will also include an update on major schemes as appropriate.

28. The value of the indicative capital programme for 2021/22 to 2023/24 that was approved in February 2021 was £415.40m which includes £244.56m of Asset Investment strategy resources and £170.84m for the general capital programme.

General Programme 2021/24

29. Since the February 2021 approval the general capital programme has reduced by £4.98m to £165.86m. This decrease is due to a number of factors as detailed below;

    - £7.49m - Net increase due to re-profiling from 2020/21 of £7.49m, including £3.21m stated in the Outturn Report to Executive in June 2020 and £4.28m that was identified in reporting earlier in that year. More detail can be found in Appendix 3);
    - £1.68m - New SEND grant allocation 2021/22 advised from the DFE;
    - £400k - Increase in revenue contribution to support DFG support;
    - £1.35m - Increase in Capital Maintenance grant allocation for 2021/22 as advised from DFE and uplift in assumed grant level for following years;
    - £15.9m - Reduction in Mayors Cycling and Walking Challenge Fund. This reduction was a result of a prioritisation excise by GMCA for the first phase of funding following a previous over-programming of the available resources.

    The revised programme for the next three years by service area including the above variations to the approved programme is detailed below (Table 5);

Table 5: Capital Programme (Revised Programme 2021/22)	Overall Approved Programme £m	Overall Revised Programme £m	Variance £m
Service Analysis:			
Children's Services	34.62	37.72	3.10
Adult Social Care	11.36	11.65	0.29
Place	122.63	113.78	(8.85)
Governance & Community Strategy	0.06	0.14	0.08
Finance & Systems	2.17	2.57	0.40
General Programme Total	**170.84**	**165.86**	**(4.98)**

30. The above includes for additional expenditure of £40k in respect of statutory fire safety works at George H Carnell Leisure Centre not previously anticipated which will be financed from the approved Leisure Strategy budget, in Place.

31. The next Executive report will provide an update on status and progress of the programme and detail the forecast expenditure for the period 2021/22.

Resources 2021/24

32. The general capital programme is resourced by a combination of both internal and external funding and is detailed in the shown below (Table 6):

Table 6: Capital Programme Resources 2021/24	Original approved programme £m	Revised Programme £m	Variance £m
External:			
Grants	126.26	114.86	(11.40)
Contributions	5.50	8.73	3.23
Sub-total	**131.76**	**123.59**	**(8.17)**
Internal:			
Receipts requirement (A)	20.08	21.65	1.57
Borrowing	18.03	18.78	0.75
Reserves & revenue contributions	0.97	1.84	0.87
Sub-total	**39.08**	**42.27**	**3.19**
Total Resourcing	**170.84**	**165.86**	**(4.98)**
Capital Receipts:			
Required for 2020/21 funding	(3.72)	(3.38)	0.34
Land Sales Programme	5.17	8.08	2.91
Development Programme	17.72	15.75	(1.97)
Total Resourcing (B)	**19.17**	**20.45**	**1.28**
Deficit ()/Surplus In Receipts (B minus A)	**(0.91)**	**(1.20)**	**(0.29)**

33. Since the budget was approved there have been a number of additional pressures on the assumptions made in the Land Sales and Development Programme, these have increased the deficit of capital receipts to support the approved capital programme by £0.29m giving a revised deficit of £1.20m over the three year programme. The revised programme reflects the re-designation of two sites, with a combined value of £2m, from development sites to straight land sales. The P4 update will provide details around the level of receipts available to support the 2021/22 forecast expenditure.

34. Any deficit in the programme will need to be managed, and may result in additional borrowing and associated revenue costs not currently assumed within the budget. If these arise these will need to be financed from within the Treasury Management budget. The Council will look to mitigate any cost pressures throughout the year through;

- Revision of the capital programme with schemes being removed, reduced or rephrased;
- Review developments to maximise returns whilst still meeting the Council’s wider strategic objectives. This review would also look at the appropriateness of proposed levels of affordable housing, levels of sustainability and any provision of community facilities;
- Identification of additional sites to contribute additional receipts to support the programme.

Any significant changes will be reported to the Executive in the monitoring reports for decisions as appropriate.

Asset Investment Fund

35. In February 2021, CIPFA issued a consultation on some significant changes to the Prudential Code, which is a legal framework covering investments and borrowing activity. The revisions were aimed at managing the level of risk in relation to commercial investments, following concerns raised with regard to some high profile investments made by a number of local authorities. The most significant of the changes stated that authorities must not borrow to fund solely yield generating investments. The first stage of the consultation process is now complete and the revised code is expected to be released in December 2021. The Council's Investment Strategy remains fully compliant with the revisions to the code.

36. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board to date have a total committed cost of £379.73m. The facility agreements at The Crescent (£44.26m) and phase one of the Hut Group (£30.20m) were repaid in 2020/21, and phase two of the Hut Group (£32.25m) was repaid in June 2021. This means the balance of the approved £500m which is available for further investment is £164.53m (Table 7 below).

37. These investments were budgeted to generate a net revenue benefit in 2021/22 of £7.61m. The forecast net income, however, is £4.4m lower, at £3.1m. The Council has reviewed this position and put in place mitigations, which have increase the net income position to £6.66m, a deficit of £0.95m compared to budget. Key variances and mitigations are set out below:

    - The 2021/22 budget assumed additional net income of £3m from schemes that were yet to be committed to. This figure represented the recycling of funds from schemes that had expired, such as the Crescent. Of this £3m, £0.54m has been secured through new investments at the Hut Group and the Castle Irwell, leaving a remaining target of £2.45m. As part of the income shortfall mitigation, the Council has reviewed schemes currently in its pipeline, but not yet brought forward, for likelihood and benefit. From that review a prudent income forecast of £1.2m has been included against those schemes in 2021/22;
    - The Hut Group have informed the Council of their intention to delay the start of work on their new office accommodation. This will postpone the drawdown of the agreed facility until 2022/23, which will cause a pressure in 2021/22 of £0.63m. To mitigate against this shortfall, the Council will draw down from the Risk Reserve to smooth the variance, with the reserve topped back up from the anticipated delayed income benefit in future years;
    - Lower returns to the value of £0.85m are anticipated on a number of debt facilities which are linked to variable interest rates;
    - A shortfall is forecast in returns from the Council's three joint ventures with Bruntwood of £0.69m, required to cover the Council's borrowing costs on the acquisition of the town centre assets in Stretford and Altrincham. This shortfall

is a result of reduced trading income as the sites recover from the impact of COVID-19 on the retail sector;

- The pressures above have been partly offset by forecasted additional income of £0.19m due to a faster draw on the Castle Irwell debt facility;
- The forecast contribution to the Risk Reserve in 2021/22 is £1.65m. The reserve level at the start of the year was £5.98m. This level of reserve is currently considered to be sufficient in relation to the immediate risks that the portfolio is exposed to. The Council will, therefore, not make any further contributions in 2021/22, and the £1.65m will instead be used as part of the mitigation of the forecasted income pressures.

Table 7: Asset Investment Fund	Prior Years £m	Repayments £m	Commitment £m	Total £m
Total Investment Fund				***500.00***
Property Purchase:				
Sonova House, Warrington	12.17	-	-	12.17
DSG, Preston	17.39	-	-	17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84	-	-	10.84
The Fort, Wigan	13.93	-	-	13.93
Sainsbury's, Altrincham	25.59	-	-	25.59
Sub Total	**79.92**	**-**	**-**	**79.92**
Property Development:				
Sale Magistrates Court	4.80	-	-	4.80
Brown Street, Hale	6.79	-	0.64	7.98
K Site, Stretford Equity	11.00	-	1.25	12.25
Former sorting office, Lacy Street, Stretford	0.87	-	0.09	0.96
Care Home Purchase	2.23	-	-	2.23
Various Development Sites	0.43	-	-	0.43
Sub Total	**26.12**	**-**	**1.98**	**28.10**
Equity:				
Stretford Mall, Equity	8.82	-	-	8.82
Stamford Quarter, Equity	16.69	-	-	16.69
Sub Total	**25.51**	**-**	**-**	**25.51**
Development Debt:				
Bruntwood; K site	10.90		1.35	12.25
Bruntwood Shopping Centre	25.57	-	-	25.57
CIS Building, Manchester	60.00	-	-	60.00
The Hut Group	62.45	(62.45)	67.50	67.50
Castle Irwell, Salford	11.28	-	7.72	19.00
Sub Total	**170.20**	**(62.45)**	**76.57**	**184.32**
Total Capital Investment	**301.75**	**(62.45)**	**78.55**	**317.85**
Albert Estate Investment	17.62		-	17.62
Total Investment	**319.37**	**(62.45)**	**78.55**	**335.47**
Balance available				**164.53**

Update on Investment Strategy

38. Property Developments are currently at a number of differing stages within the life of the schemes, Currently there is one scheme nearing completion (Brown Street) one with approved planning (Sale Magistrates) and a number under

development (Tamworth and Jubilee Centre). The following provides a brief update on these schemes;

Brown Street

A revised completion date has now been given as early September 2021, with a number of factors including the impact of COVID-19 on staffing levels on site and more recently the availability of some building materials, which has been widely reported within the media.

This time delay along with other cost increases has given rise to additional cost pressures that we have been advised of by the developers Novo all of which are still under review. The current potential increase in costs from previously assumed level is approximately £1.0m, which if realised would have an impact on the funding of the general capital programme which will need to be managed.

Sale Magistrates

A formal planning application was submitted and approved on 11 March 2021. The scheme is to deliver 84 properties with a minimum of 25% affordable housing. Work is still being undertaken to create the right mix for development with the scheme awaiting formal approval to progress to full design stage. Achieving a balanced mix of affordable housing above the minimum will potentially have an impact on the anticipated return for the scheme but work is continuing to still achieve the target development return of £3.0m plus land value, which is an IRR of 13%;

Tamworth

This scheme is being developed in an equal partnership with Trafford Housing Trust once each party have contributed their own land holdings on the site. The scheme is expected to deliver in the region of 157 properties with the mix of affordable housing not yet finalised, but is expected to exceed the planning policy mix. It is also anticipated that the scheme will deliver a high level of sustainability and exceed minimum requirements of affordable housing.

Jubilee Centre

The architect has been appointed for this scheme, with the rest of the design team being appointed shortly, after which it is anticipated that consultation will start, including with planning. Once this has been completed, the financial forecasts will be further reviewed against the currently assumed return of £1.5m, an IRR of 15%. Any changes will be reported to the Executive in the Capital Monitoring reports accordingly.

Issues / Risks

39. A key risk is the ability to deliver the revised capital programme in 2021/22, and this will continue to be closely monitored and reported throughout the year and as any significant issues may arise.

40. In addition, there is the risk that the level of Capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the

capital programme. A prudent approach to estimating these asset receipts and development returns will continue to be taken with only receipts that have a significant level of certainty being included in the resource forecasts.

Recommendations

41. It is recommended that that the Executive:

- request Council to approve an increase to the net Revenue Budget of £168k to £179.472m as detailed in paragraph 2 above;
- note the updated positions on the revenue budget, collection fund and capital programme.

Other Options

No Applicable.

Consultation

Not Applicable

Reasons for Recommendation

The Council is requested to approve an increase to the net Revenue Budget of £168k to £179.472m, as a result of a minor late change in the financial settlement relating to resources to support the Public Health budget. The Council is required to formally approve any change to the net Revenue Budget.

Finance Officer Clearance ……*GB*…………
Legal Officer Clearance ………*JLF*………

DIRECTOR'S SIGNATURE …… G. Bentley ……

Appendix 1

Service Review/Virements	Children's (£000's)	Adults (£000's)	Place (£000's)	Strategy & Resources (£000's)	Finance & Systems (£000's)	Governance & Community Strategy (£000's)	Council -wide (£000's)	Total (£000's)
Budget Report Feb 21	**43,002**	**65,222**	**30,311 ***	**5,442**	**7,741**	**6,669**	**20,917***	**179,304**
Virements:								
Public Health Grant							168	168
New Head of Leisure post			85				(85)	0
Street Lighting saving removed and funded as a temporary virement from Leaders Special Projects budget in 2021/22			70	(70)				0
Strategic Services Review		43	124	211		(378)		0
Principal Community Cohesion & Equalities officer post		(55)		55				0
Re-alignment of Contractor fees budget			9	(9)				0
Total movements	**0**	**(12)**	**288**	**187**	**0**	**(378)**	**83**	**168**
Period 2 Outturn Report	**43,002**	**65,210**	**30,599**	**5,629**	**7,741**	**6,291**	**21,000**	**179,472**

* Includes £80k agreed at Budget Council in February 2021 for the removal of the City of Trees Programme saving, which is to be met from Council-wide Contingency

Appendix 2

Theme/Title	Service Area	Status(New /Existing)	Budget 2021/22 £000's	Projection 2021/22 £000's	Variance 2021/22 £000's	Description of Saving	Financial RAG 21/22	Financial RAG 22/23	Financial RAG comments
Income Proposals from previous years									
Traded Services	Central	Existing	(281)	(281)	0	Traded Services income inflation increase	AMBER	AMBER	Subject to covid pressure - included in MTFP.
New Investment Income	Place	Existing	2,824	2,824	0	Effect of previous year's Investment Strategy income dropping out	GREEN	GREEN	
TOTAL			**2,543**	**2,543**	**0**				
Savings Proposals									
Savings carried forward from 2020/21:-									
Person Centred - Reshaping	Adults	Existing	(301)	(301)	0	Continuation and roll out of the let's talk and right care for you approach to promote independence and support better outcomes	AMBER	AMBER	This continues to be rolled out but is dependent upon the level and types of activity during the year.
Liberty Protection Safeguards (LPS)/Portal - Reshaping	Adults	Existing	(201)	0	201	The implementation of the LPS scheme and a whole system portal which will drive through	RED	AMBER	This saving is dependent upon changes in legislation which have been delayed until April 22.

						efficiencies and costs savings.			
Homecare Pilot	Adults	Existing	(256)	(256)	0	A number of pilots which will trial new ways of working, supporting positive outcomes for service users with financial benefits for the Council	AMBER	AMBER	This continues to be rolled out and has achieved £204k to date but is dependent upon further activity during the year.
Market Management	Adults	Existing	(68)	(68)	0	Pursuing alternative purchasing arrangements with providers.	AMBER	AMBER	These are currently being pursued.
Supported Living	Adults	Existing	(123)	(123)	0	To maximise the current service capacity.	AMBER	AMBER	This is subject to an on going review.
New Savings in 2021/22:-									
Person Centred reshaping - Mental health and learning disability	Adults	New	(500)	(500)	0	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.	AMBER	AMBER	This is being reshaped but is dependent upon the level and types of activity during the year.

Learning Disabilities - supported accommodation	Adults	New	(173)	(173)	0	Retender the learning disability supported living accommodation commissioned within Trafford, on a patch basis.	AMBER	AMBER	This is subject to the agreements reached in the contracts which will be known later in the financial year.
Learning Disabilities - Develop an assessment facility (Shawe Road)	Adults	New	(30)	(30)	0	The reconfiguration of Shawe Road into an emergency accommodation and assessment unit.	AMBER	AMBER	The reconfiguration for Shawe Road is still underway.
Care Market - DtA	Adults	New	(172)	(172)	0	Retender of the discharge to assess (DtA) beds	AMBER	AMBER	Although beds have not been secured at the rate anticipated the costs of these for the first 6 months will be reimbursed through the hospital discharge programme.
Care Market – extra care housing	Adults	New	(10)	(10)	0	To develop the extra care housing options, utilising technology, to support people living with dementia for longer in these settings.	AMBER	AMBER	This is currently being developed.
Care – 1:1 hourly rate	Adults	New	(10)	(10)	0	Alignment of the hourly rate for 1:1 hours provided	AMBER	AMBER	This is currently being aligned.
Home Care – SaMS	Adults	New	(187)	(187)	0	Retender and reconfiguration of the stabilise and	GREEN	GREEN	Achieved.

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						make safe (SaMS) service			
Home Care – rapid discharge	Adults	New	(36)	(36)	0	Reconfiguration of the rapid discharge service	AMBER	AMBER	This is currently being reconfigured.
Digital front door	Adults	New	(30)	(30)	0	Drive through efficiencies and savings as the digital portal is launched at the front door.	AMBER	AMBER	This is currently underway.
Care at home	Adults	New	(150)	(47)	103	Remodelling of the care at home services	RED	AMBER	The remodelling of this service will take place later this year and therefore this year is based on keeping vacancies open. At the present time this is difficult to do with the pressures being faced in the service.
Community Enhanced Care (CEC)	Adults	New	(150)	(150)	0	Remodelling of the CEC service via the new rapid support services and SAMS.	GREEN	GREEN	Achieved.
General Procurement Savings Target	Adults	New	(24)	(24)	0	Generation of savings on contracts.	GREEN	GREEN	Achieved.
Modernisation of Children's Service	Children	New	(524)	(524)	0	Redesign of Children's Social Care to ensure that the service is organised in the most efficient way that supports effective practice.	GREEN	AMBER	Although the redesign of the service will not take place until later in the year, there are underspends on this budget due to the delays. The permanency of these savings will be reviewed

									throughout the year as the service redesign takes place.
Business Systems	Children	New	(56)	(56)	0	Re-modelling and realignment of Business support within Children's Services	GREEN	GREEN	Achieved.
Home to School Transport	Children	New	(48)	(30)	18	Removal/amendment of the discretionary criteria on home to school transport with the re-introduction of a charging policy.	RED	GREEN	Due to implementation not taking place until September 21, only 2 terms will be achieved.
Children Placements	Children	New	(1,500)	(1,500)	0	A review of demand and placements for looked after children.	AMBER	AMBER	This review is taking place and is dependent upon the level of demand and types of placements during the year.
General Procurement Savings Target	Children	New	(18)	(18)	0	Generation of savings on contracts.	GREEN	GREEN	Achieved.
LED street lighting – extend to remaining stock	Place	New	(25)	(25)	0	Energy saving from replacing lanterns on cast iron and decorative columns with LED (including replacement of columns where required)	AMBER	AMBER	Potential part year risk due to capital required but will manage within overall energy budget in 2021/22

Property Estates review	Place	New	(220)	(70)	150	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	RED	AMBER	Numerous proposals being reviewed and will be a part year saving only in 2021/22.
Business rates review	Place	New	(50)	(50)	0	Review rateable value of Council estate	RED	AMBER	External advisors appointed. Returns are potentially higher but timing is a key risk.
Parking charges realignment	Place	New	(64)	(64)	0	Increase charges in villages to align with town centres.	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
Amended parking tariffs - town centres	Place	New	(136)	(136)	0	A range of charging options assessed for amending the current parking charges in town centres.	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
Other Parking Income - Additional Enforcement	Place	New	(10)	(10)	0	Additional enforcement will generate a higher net income from fines	GREEN	GREEN	

Charges to capital – operational services client team	Place	New	(150)	(150)	0	Allocation of relevant staff costs which are supporting capital schemes (creates a revenue saving but increases pressure on capital budgets).	GREEN	GREEN	
New investment income	Place	New	(3,000)	(2,047)	953	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.	AMBER	RED	See narrative in Capital Monitor.
Major events recovery of support services costs	Place	New	(207)	(207)	0	Holders of major events to pay for all associated support services, for example street cleansing, traffic management.	RED	AMBER	Timing is a key risk to the saving but which will be mtitigated within existing budgets for 2021/22.
Amey call centre telephony operating hours reduced in line with Council contact centre	Place	New	(24)	(24)	0	Saving includes 9-5 access only	GREEN	GREEN	

Energy savings from decarbonisation programme across property estate	Place	New	(75)	(75)	0	Decarbonisation of buildings programme underway including use of external funding.	GREEN	AMBER	Timing is a key risk to the saving but which will be mtitigated within existing budgets for 2021/22.
Move to wildflower / good verge guide throughout the Borough.	Place	New	(95)	(95)	0	Positive bio-diversity impact. Some cutting will still take place to maintain sightlines (e.g. for highways).	RED	RED	Still under review regarding implementation. Timing is a key risk to the saving but which will be mtitigated within existing budgets for 2021/22.
Grass cutting review	Place	New	(67)	(67)	0	Grass cutting: Move the cut frequency to 21 days	RED	RED	As above
20% of greenspaces moved to conservation areas	Place	New	(36)	(36)	0	Reduced maintenance in specified areas	RED	RED	As above
Cease Night Scouting of Streetlights	Place	New	(9)	(9)	0	Cease provision of all Night Scouting Services - defects reported by residents through the normal means on the main arterial routes.	GREEN	GREEN	

Pay inflation	Place	New	(50)	(50)	0	Pay freeze for staff on LG terms and conditions in line with national pay award	RED	RED	NJC pay award still to be agreed but will put saving at risk if above budget assumptions.
Reduce weed spray from 2 to 1 per annum	Place	New	(20)	(20)	0	Saving in operational delivery of spraying of weeds	GREEN	GREEN	
Change missed bin response timeframes	Place	New	(50)	(50)	0	Review timeframes for returning to justified missed bins from 24hrs to next working day / 48hrs	GREEN	GREEN	
Renegotiate contract performance targets in high cost areas and change in specification of the Amey contract as part of the 7year review	Place	New	(102)	0	102	Saving in operational costs e.g. out of hours call out, street lighting response times etc.	RED	RED	7 year process is ongoing and proposals are yet to be formally agreed.
Miscellaneous Licence fees	Place	New	(10)	(10)	0	Improved cost recovery relating to licence fees.	GREEN	GREEN	
Place Directorate/Strategic Services and Vacancy Review	Place	New	(250)	(250)	0	Various measures around staffing structures	AMBER	GREEN	Timing of restructure is a risk but vacancies will also offset any shortfall in 2021/22.
Planning and Development	Place	New	(222)	(222)	0	Use of increased planning fee income to cover salary costs in the strategic planning service.	AMBER	AMBER	Subject to ongoing covid pressures and effects on demand.

Remove Free After 3 Car Parking	Place	New	(50)	(50)	0	Remove free Christmas parking after 3pm – additional income	RED	GREEN	Subject to ongoing covid pressures – provision included in approved budget.
General Procurement Savings Target	Place	New	(45)	(45)	0	Generation of savings on contracts.	AMBER	AMBER	Contracts under review, including utilities.
Review Financial Management Service	Finance and Systems	New	(358)	(358)	0	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.	GREEN	GREEN	
Exchequer Services - robotics and system modernisation	Finance and Systems	New	(300)	(300)	0	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.	GREEN	GREEN	
Review ICT Service - contract and licencing reductions	Finance and Systems	New	(197)	(197)	0	Review of current ICT contracts and licences	GREEN	GREEN	

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General Procurement Savings Target	Finance and Systems	New	(3)	(3)	0	Generation of savings on contracts.	GREEN	GREEN	
Business support – shared services	Strategy and Resources	New	(150)	(118)	32	Review administrative support with a view to exploring shared services, maximising efficiency and potential withdrawal of vacancies.	RED	AMBER	Review is ongoing –timing is a key risk to the saving being fully achieved in 2021/22.
Reduce Training Budget by 33%	Strategy and Resources	New	(75)	(75)	0	To undertake mandatory and essential training only for a period of 2 years.	GREEN	GREEN	
Review of Directorate vacancies	Strategy and Resources	New	(35)	(35)	0	Managing vacancies within the Directorate to maximise savings.	GREEN	GREEN	
General Procurement Savings Target	Strategy and Resources	New	(2)	(2)	0	Generation of savings on contracts.	GREEN	GREEN	

Contact Centre - review opening hours	Governance and Community Strategy	New	(115)	(115)	0	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.	GREEN	GREEN	
General Procurement Savings Target	Governance and Community Strategy	New	(22)	(22)	0	Generation of savings on contracts.	GREEN	GREEN	
Voluntary Redundancy/Severance Scheme	Council-wide	New	(708)	(658)	50	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 the impact on ability to	AMBER	GREEN	Shortfall in total saving across 21/22 and 22/23 of £50k to be met from within the pay costs elements of the Councilwide Contingency budget

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						deliver services, as well as cost implications (e.g. redundancy and pension strain).			
General Procurement Savings Target	Council-wide	New	(86)	(86)	0	Generation of savings on contracts.	GREEN	GREEN	
9 day fortnight - voluntary	Council-wide	New	(60)	(10)	50	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.	AMBER	GREEN	Shortfall of £50k to be met from within the pay costs elements of the Councilwide Contingency budget
TOTAL VALUE OF SAVINGS PROPOSALS			**(11,645)**	**(9,986)**	**1,659**				
TOTAL SAVINGS AND INCOME PROPOSALS			**(9,102)**	**(7,443)**	**1,659**				

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Appendix 3

	Re-profiling of Capital Programme from 2020/21	**£000's**
Children's Services		
Schools		
	Basic Need	(855)
	Capital Maintenance Grant	997
	Devolved Formula Capital	(55)
	Schools Access Initiative Programme	40
	Schools - SEND Capital Grant	(279)
Children's Services		
	Foster Carers - Accommodation improvements	142
	Capital Innovation Fund : Sanyu Centre	2
	Youth Services : Street Talk Mobile Unit	37
	Liquid Logic - Children's & Delegation Portals	42
Adult Social Care		
	LDD Assessment Unit - Shawe View, Flixton	3
	Replacement SAP/CRM Softbox	8
	Disabled Facility Grants	(136)
	Liberty Protection Safeguards (Liquidlogic updates)	23
Place		
REGENERATION & STRATEGIC PLANNING		
	9/11 Market Street, Altrincham – Redevelopment	239
	Business Loan Scheme	100
	Town Centres Loans Fund	88
	Future High Street Fund	200
	Altrincham Town Centre : Public Realm Works	52
	Stretford Town Centre : Public Realm Works	94
	Greater Manchester Full-Fibre Initiative	339
	Manchester Airport - Project Mere	11
	Trafford Waters, Trafford Park - Infrastructure	140
Corporate Landlord		
	Public Sector De-Carbonisation Programme	(136)
	Trafford Town Hall - Heating and cooling system	
	Public Building Repairs	214
	DDA Compliance Programme	118
Leisure and Sport		
	Leisure Strategy	26
	Turn Moss Playing Fields - Development	169
Highways		
	Traffic & Transport Total	

	Integrated Transport Schemes	303
	Emergency Active Travel - Tranche Two	605
	Mayors Challenge Fund	812
	Cycling schemes	166
	Residents Parking Schemes	150
	Structural Maintenance Total	
	Highways Structural Maintenance	846
	Street Lighting Total	
	Street Lighting	7
	GM Clean Air Plan - Column Replacements for ANPR	131
	Bridge Assessments & Strengthening Total	
	Bridge Assessments & Strengthening	379
	Other Highways Projects Total	
	Carrington Junction Improvement Scheme/Relief Road	996
Bereavement Services		30
Environmental Services and Green Space		
	Play Area Refurbishments	64
	Parks Infrastructure	169
Parking Services		60
Housing Services		
	Assistance to Owner Occupiers	23
	Housing Standards / Empty Property Initiatives	28
	Affordable Housing Fund : S.106 Funded Programme	423
Community Safety		
	CCTV Transformation Programme - Phase 2	141
	CCTV Cameras - Fly-tipping Prevention	60
Governance & Community Strategy		
	Waterside Arts Centre - building refurb	74
	New Timperley Library - ICT requirements	5
Finance & Systems		
	Various ICT related projects	403
	Total Reprofiling of Schemes from 2020/21	**7,498**

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Agenda Item 10

TRAFFORD COUNCIL

Report to:	**Accounts & Audit Committee 22nd July 2021** **Executive 26th July 2021** **Council Meeting 28th July 2021**
Report for:	**Information**
Report of:	**The Executive Member for Finance and Governance and the Director of Finance and Systems**

Treasury Management Annual Performance 2020/21 Report

Summary

This report outlines the key treasury management activities undertaken during 2020/21 as follows:

- All legislative and regulatory requirements, including all treasury management prudential indicators have been complied with;
- The average level of external debt and interest rate payable for 2020/21 was £385.5m and 2.57% and this compares to £296.2m & 2.90% in 2019/20;
- The average level of treasury investments for 2020/21 was £76.9m with a rate of return of 0.76% compared with 2019/20 when the equivalent figures was £98.2m and 1.12% respectively;
- A £5.142m adverse variance on the Treasury Management budget was incurred. This was due to the impact of COVID-19 had on the economy resulting in the MAG Dividend of £5.597m not being received. In addition lower interest rates reduced investment income by £169k however additional income from strategic investments of £624k helped to reduce the impact.

Recommendations

That the Accounts & Audit Committee note the treasury management activities undertaken in 2020/21 and recommend that both Executive and Council also note the report.

Contact person for background papers:
Graham Perkins – Senior Accountant - Extension: 4017

Background papers: None

Relationship Corporate Priorities	Value for Money
Relationship to GM Policy or Strategy Framework	Not applicable
Financial	The net outturn for treasury management was an adverse movement of £5.1m and details of this are provided at paragraph 10.1.
Legal Implications:	Treasury Management activities are subject to requirements detailed in legislation, MHCLG guidance, CIPFA Prudential Code and Treasury Management Code of Practice. The report sets out details of compliance in respect of these requirements.
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 Management activity is without risk and the Council's in-house 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

During 2020/21, the Council achieved compliance of its legislative and regulatory requirements via the following activities:

Economic position (Section 2)

- Worldwide economic growth shrank and all governments debt increased substanially in order to keep their respective economies afloat in response to the COVID-19 pandemic.
- The MPC maintained Bank Rate at 0.10% and provided a further £450bn of QE taking this to £895bn since 2008.
- A Brexit trade deal was finally agreed in December 2020.
- Huge financial support to businesses was given by Government in the form of cheap loans, grants, rate reliefs and furlough payments.

Debt (Section 5)

- Total loan debt rose from £377.3m as at 31.03.2020 to £380.1m by 31.03.2021 a minor increase of £2.8m comprising of:
  - New loans totalling £111.4m - £9.7m taken from the PWLB and £101.7m from Local Authorities – loans taken to fund the capital programme - details of these can be found at paragraph 5.13,
  - Repayment of loans totalling £108.6m.
  - Statutory borrowing limit (the authorised limit), was not breached.
- Loan interest totalling £9.9m was paid of which £4.6m was wholly funded from rental income received from the Council's regeneration programme.
- Average rate of interest payable was 2.57% in 2020/21 and compared to 2.90% in 2019/20 a fall of 0.33%.
- Level of under-borrowing was £43.4m at 31.03.2021 which represents an increase of £3.4m from the 31.03.20 closing position of £40.0m.

Investments (Section 6)

- 2020/21 continued the challenging investment environment of previous years, namely low investment returns. The prospect of negative interest rates does appear to be fading.
- Total level of investments fell from £106.0m 31.03.2020 to £97.3m at 31.03.2021 a movement of £8.6m due to monies being used to fund spend.
- The Rate of Return for all investments in 2020/21 was 0.76% which is £0.1m below budget and 0.83% or £0.62m above the recognised performance indicator of 7-day LIBID which was -0.07%.
- Weighted average life of investments at 31.03.21 was 45 days or 1.25 months excluding all long term investments.
- All investments were repaid on time without issue and undertaken in accordance with the approved strategy.

Prudential Indicators and limits (Section 8 and Appendix E)

- No breaches to any of these limits occurred.

1. BACKGROUND

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

1.2 For the financial year 2020/21, the Accounts & Audit Committee together with the Executive and Council received the following three reports:

- annual treasury management strategy for the year ahead (issued February 2020);
- mid-year update report (issued November / December 2020);
- annual outturn report describing the activity undertaken (July 2021 this report).

1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members

1.4 It is confirmed that in accordance with the requirement of the Code, prior scrutiny of all the above treasury management reports has been undertaken by the Accounts & Audit Committee before they were reported to the Executive and Council.

1.5 Figures in this report are based on the actual amounts borrowed and invested and as such will differ from those stated in the final accounts which are shown in compliance with International Financial Reporting Standards.

1.6 For reference a list of abbreviations used within the report has been provided and can be found in Appendix F.

1.7 This report comprises of the following sections:

- Major Economic Headlines (Section 2);
- Interest Rates (Section 3);
- Treasury Position (Section 4);
- Borrowing Position (Section 5);
- Investment Position (Section 6);
- Related Treasury Issues (Section 7);
- Prudential and Performance indicators (Section 8);
- Outlook 2021/22(Section 9)
- 2020/21 Summary Outturn position (Section 10)
- Appendices including details of abbreviations used in the report.

2. MAJOR ECONOMIC HEADLINES

2.1 A brief summary of the main events which occurred during 2020/21 are highlighted below for reference;

General

- During 2020 and as a result of the COVID-19 pandemic world growth went into a sharp recession due to reduced demand for goods. Throughout the pandemic, big increases in most governments debt levels have been incurred as a result of massive fiscal support being provided to their respective economies. It remains therefore very important that bond yields (interest rates) stay low while debt to GDP ratios slowly subside under the impact of economic growth thereby ensuring that debt servicing costs remain manageable.

UK

- The first national lockdown in late March 2020 did huge damage to the economy, far worse than the financial crisis of 2008/09. Whilst a short second lockdown in November did relatively little damage, by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways so less damage to the economy was incurred.

- The arrival of vaccines in November 2020 and the way in which the UK has implemented a fast programme of vaccination promises a potential return to a new normal life during the second half of 2021.

- During the pandemic the Government undertook swift action to provide huge financial support to businesses by way of cheap loans and grants, rate relief for properties in the retail sector as well as paying for workers to be placed on furlough. This support however has resulted in the Government's budget deficit escalating with the Debt to GDP ratio reaching around 100%. The Budget on 3rd March 2021 implemented substantial corporation tax rises from 19% to 23% to take effect in 2023 for the following three years. As a result of this action the government's debt is now more sensitive to interest rate rises and there is more incentive for it to promote the Bank Rate staying low.

- The MPC maintained Bank Rate at 0.10%, the lowest level it has been recorded at since being introduced. Financial markets were concerned that the Bank Rate could go to a negative rate however this was firmly discounted at the MPC meeting in February 2021 as a result of commercial banks being unable to implement negative rates (mortgage and saving rates) for at least six months. As it is expected that the economy will be making a strong recovery by this time negative rates would no longer be needed. In addition to this, the Bank of England provided a £200bn programme of QE in March 2020 with further increases to this being provided in June of £100bn and £150bn during November taking the total of QE provided since 2008 to £895bn. It is currently forecasted that no movements in Bank Rate are expected to occur during the next couple of years.

- The UK economy saw its GDP fall by 9.9% or £216bn in 2020 however it is currently expected to reverse this loss and recover to its pre-pandemic level of economic activity during quarter 1 of 2022.

- Inflation has been well under 2% during 2020/21 and whilst it is expected to briefly peak at just over 2% towards the end of 2021 this is seen as a temporary short lived factor and so is not a concern to the MPC.

- A Brexit Trade deal was finally agreed on 24th December 2020 which eliminated a significant downside risk for the UK economy however in January there was much disruption to trade as form filling proved to be a formidable barrier to trade however this seems to have eased somewhat since then.

- Unemployment rate was estimated at 4.9% in March 2021, 0.9 percentage points higher than a year earlier but 0.1 percentage points lower than the previous quarter

USA

- The US economy fell by 3.5% or $500.6bn in 2020 as a result of the pandemic, the largest fall in 74 years.
- Democrats won the presidential election in November 2020 and now have control of both the Congress and Senate, although power is more limited in the latter. A stimulus package of $1.9trn was passed in March 2021 on top of the previous $900bn fiscal deal in late December. These financial rescue packages together with the vaccine rollout proceeding swiftly will promote a rapid easing of restrictions and strong economic recovery during 2021. In addition a further $2trn fiscal stimulus package aimed at renewing infrastructure over the next decade is likely to be approved in 2021.

EU

- Both the roll out and take up of the COVID-19 vaccines has been disappointingly slow at a time when many countries are experiencing a sharp rise in cases leading to severe restrictions or lockdowns being implemented during March 2021. As a consequence of this the economic recovery will now be pro-longed and a return to pre-pandemic levels is expected in the second half of 2022.
- GDP fell in 2020 by 7.4% with inflation being well under 2% during 2020/21. The ECB did not cut its main bank rate of -0.5% further into negative territory and embarked on a major expansion of its PEPP operations (QE) of providing cheap loans to banks in March and December 2020 which currently total €1,850bn.

Japan

- In response to 3 rounds of government fiscal support, relative success in containing the virus without draconian measures so far and the roll out of vaccines gathering momentum in 2021, should help to ensure that a strong recovery will take place in 2021 and get it back to pre-virus levels by Q3.

China

- After a rigorous effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year and this has enabled China to recover all of its losses. 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.

3. INTEREST RATES

3.1 Within the 2020/21 Treasury Management Strategy, a forecast for interest rates was provided which indicated that minor increases in rates would occur during the year. As a result of the COVID-19 pandemic these increases did not occur with interest rates instead falling to their lowest levels since records began as highlighted in the table below.

	2020/21	1 April 2020	31 March 2021	2020/21
	Forecast Average	Actual	Actual	Actual Average
	%	%	%	%
Bank Rate	0.81	0.10	0.10	0.10
Investment Rates				
3 month	0.85	0.45	0.03	0.02
1 Year	1.15	0.71	0.12	0.17
Loan Rates				
5 Year	2.50	1.93	1.18	1.50
25 Year	3.48	2.57	2.19	2.32
50 Year	3.30	2.32	1.99	2.13

3.2 Loan interest rates, primarily PWLB rates are determined by using the corresponding gilt yield (UK Government bonds) with H.M. Treasury then adding a specified margin. H.M. Treasury imposed without any prior warning on 9th October 2019, an additional 1% margin over gilts to all PWLB period rates which saw the cost of borrowing go up overnight by £10k for every £m borrowed. In 2020/21 the PWLB undertook a consultation with local authorities and on 25th November 2020, the Chancellor announced that in response to this exercise the 1% margin imposed on 9th October 2019 was to be reversed.

3.3 There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%.

3.4 Investment returns which had been low during 2019/20, plunged further during 2020/21 to near zero or even into negative territory as a result of the Covid-19 pandemic. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would start the year at 0.75% before rising to end 2020/21 at 1.00%. This forecast was invalidated by the Covid-19 pandemic resulting in the M.P.C. cutting Bank Rate in March 2020 first to 0.25% and then to 0.10%. A more detailed analysis detailing how investment rates moved during the course of 2020/21 is provided for reference at Appendix A;

4. TREASURY POSITION

4.1 The Council's Treasury Management in-house team actively ensure that:

- All transactions are carried out in accordance with the current Scheme of Delegation,
- All borrowing has been carried out in accordance with the Council's current Debt Strategy and Prudential Indicators (Authorised Limits and Operational boundary),
- All investments placed have been done so in accordance with the criteria stipulated within the current Investment strategy,
- Security for investments and the management of risks within all treasury management activities is maintained,
- Access to funds is available at all times enabling all payments to be made on time preserving the Council's reputation and
- Procedures and controls to achieve these objectives are in place and that these are reported to members as detailed in the background section and through officer activity as highlighted in the annual Audit and Assurance report.

4.2 The table below shows the loan and investment positions at the beginning and end of 2020/21 for reference:

	31 March 2021		31 March 2020	
	Principal (£m)	Avg. Int. Rate %	Principal (£m)	Avg. Int. Rate %
DEBT				
-PWLB	316.6	2.51	322.1	2.55
-Government Loans - Salix	0.8	0.0	2.2	0.0
-Market	62.7	2.65	53.0	3.58
Total debt	***380.1***	**2.53**	***377.3***	**2.68**
CFR (to finance past capital expenditure)	423.5		417.3	
Over/ (under) borrowing	***(43.4)***		***(40.0)***	
INVESTMENTS				
- Instant access	25.0	0.03	32.8	0.52
- Call account	10.4	0.03	2.5	0.10
- Term deposit	39.5	0.17	48.3	1.03
- CCLA	4.8	4.51	4.8	4.90
- Asset Investment programme (AIP)	17.6	n/a	17.6	**n/a**
Total investments	***97.3***	**0.99**	***106.0***	**1.48**

4.3 Whilst the table at paragraph 4.2 details the position as at the beginning and end of 2020/21 the average position for 2020/21 & 2019/20 was as follows:

	2020/21		2019/20	
	Principal	Interest Rate	Principal	Interest Rate
Average Debt	£385.5m	2.57%	£296.2m	2.90%
Average Investment *	£76.9m	0.76%	£98.2m	1.12%

* Excludes Asset Investments

5. BORROWING POSITION

5.1 As highlighted in paragraph 4.1 above, part of the Council's treasury management remit is to address any potential borrowing needed to be taken in order to fund the capital expenditure programme. This may result in funds being borrowed by the in-house treasury management team from external bodies, such as the Government, through the PWLB, the money markets or utilising temporary cash resources which the Council may have.

5.2 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This represents capital spend, not yet paid for by revenue or other capital resources, incurred from current and prior years' activities reflecting the level of the Council's indebtedness.

5.3 During 2020-21, the Council maintained an under-borrowed position as highlighted in the table at paragraph 4.2 which means that the capital borrowing needed was not fully funded with new loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns fell to historically low levels and minimising counterparty risk on placing investments also needed to be considered.

5.4 To safeguard the Council's finances, the level of CFR is not allowed to rise indefinitely and statutory controls are in place to ensure that any borrowing costs incurred are charged to revenue over the useful life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision (MRP) and this reduces the CFR and effectively is a repayment of borrowing. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

5.5 The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts) or
- charging more than the statutory revenue charge MRP each year through a Voluntary Repayment Provision (VRP).

5.6 The Council's 2020/21 MRP Policy, (as required by MHCLG Guidance), was approved by Members as part of the Treasury Management Strategy report for 2020/21 in February 2020.

5.7 The Council's CFR includes PFI and any leasing schemes held on the balance sheet, which increase the overall borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

5.8 During 2020/21 the Council borrowed £9.67m from the PWLB to fund new long term capital expenditure incurred in the year and this was taken in conjunction with the information obtained from the Council's advisors LG. This borrowing was taken at competitive rates of interest thereby ensuring value for money to the local taxpayers was achieved and details of this loan is provided at paragraph 5.13 below for reference.

5.9 In addition to this long-term borrowing the Council also undertook additional borrowing (up to 1 year) to fund its short term capital funding requirements with loans being obtained from other local authorities via the money market. Funding of this nature was undertaken on 15 separate occasions totalling £101.7m at a total cost of £0.16m. As at 31st March 2021 £26.7m of this debt was outstanding and this will be fully repaid by the due date of 30th September 2021. Whilst the use of an overdraft facility provided by the Council's bank is available this is an expensive form of borrowing at 4% over bank rate and would have resulted in interest costs of £1.18m, an increase of £1.02m, had this option been used instead of short term borrowing.

5.10 As a result of the action outlined in paragraphs 5.8 and 5.9, the policy adopted in previous years of applying cash supporting the Council's reserves, balances and cash flow was also applied in 2020/21 and as a consequence of this, the level of under borrowing rose marginally from £40.0m as at 31st March 2020 to £43.4m at 31 March 2021. This action was undertaken in conjunction with advice obtained from LG and offers a prudent approach due to the low level of investment returns available when compared to borrowing rates.

5.11 The Director of Finance and Systems can confirm that during 2020/21 the Council's level of gross external borrowing did not exceed its CFR thereby ensuring its long term borrowing levels are prudent, only taken for capital purposes and not used to support revenue expenditure.

5.12 During the year no rescheduling of the Council's existing debt was carried out due to the unfavourable breakage costs (premium) involved.

5.13 From the table at paragraph 4.2 it can be seen that the level of external debt increased during 2020/21 from the opening position of £377.3m to close at £380.1m and this was as a result of the following transactions;

Lender	Principal – New	Principal – (Repayment)	Average Interest rate	Notes
Long Term				
PWLB (July 20)	£9.7m (40yrs)		2.34%	Loans taken to fund capital programme scheme
PWLB		£(15.2)m	3.33%	Natural maturity.
SALIX Finance		£(1.4)m	0.000%	Loan used to part fund the LED Street Lighting Programme.
Sub total	**£9.7m**	**£(16.6)m**		
Short Term				
Various Local Authorities	£101.7m (under 1 yr)		0.33%	Loans taken to fund capital investment in regeneration activities
Various Local Authorities		£(92.0)m	0.66%	Natural maturity
Sub total	**£101.7m**	**£(92.0)m**		
Grand total	**£111.4m**	**£(108.6)m**		

5.14 From the total debt outstanding of £380.1m, £0.6m is administered on behalf of Greater Manchester Probation Service which leaves £379.5m in respect of the Council's own long term requirement and a maturity profile of the Council's debt can be found at Appendix B & C for reference.

5.15 Gross loan interest paid during 2020/21 totalled £9.904m and of this £4.602m was funded from applying a proportion of the Council's regeneration programme rental income. The balance of £5.302m was incurred within the MTFP budget provision

5.16 During 2020/21 the Director of Finance and Systems continued to monitor interest rate movements in the financial markets and caution was adopted with the treasury operations.

5.17 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure and whilst this would have caused a temporary increase in cash balances it would have incurred a revenue cost due to the difference between higher borrowing costs compared to lower investment returns.

5.18 In March 2020 the Government announced there was to be a consultation exercise involving all Councils looking at how the PWLB operated. Responses to this were issued to the Government by the Council and in addition to the point described at paragraph 3.2 with regards to interest rates it also announced that any local authority which had intended to purchase assets for yield in its three year capital programme would not be eligible to borrow funds from PWLB.

6. INVESTMENT POSITION

6.1 The Council's investment policy is governed by the MHCLG guidance which has been implemented within the annual investment strategy approved by Council in February 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

6.2 Using this information the Council's in-house treasury management team is able to produce an approved lending list in order to ensure investments are only placed with low risk institutions. Funds are invested for a range of periods reflecting cash flow requirements together with counterparty limits as set out in the approved investment strategy ensuring that an excessive level of funds are not placed in a single counterparty.

6.3 The Director of Finance and Systems can confirm that;

- during the year all investment activity conformed to the approved strategy,
- the approved limits within the Annual Investment Strategy were not breached,
- the Council had no liquidity difficulties and
- in-line with previous years, security and liquidity of its investments remained the overall priorities followed by optimum return (yield) consummate with this approach.

6.4 In 2020/21 the Council maintained an average balance of £71.9m of internally managed funds (this figure excludes £5m placed in the Property Fund managed externally by CCLA group) earning an average rate of return of 0.46% which generated £331k in investment interest. This return was £97k below the agreed budget figure of £428k and 0.53% or £375k above the performance indicator of the average 7-day LIBID rate of -0.07%.

6.5 With regards to the Council's long term investments, in 2015, £5m was placed into the CCLA Property Fund for a minimum period of 5 years which after entry costs had been deducted of £0.3m, enabled 1,643,872 units to be purchased in the fund. At 31 March 2020 the value of these units, were £4.86m but due to the impact COVID-19 had on the UK commercial property market fell to £4.65m in August before recovering to end the year £4.83m at 31 March 2021, a minor decrease of £0.03m.

6.6 The outlook for this fund is currently that the steady growth incurred from August 2020 is set to continue in 2021/22 and beyond.

6.7 In response to the implementation in 2018/19 of IFRS 9 into the CIPFA Code of Practice on Local Authority Accounting, any movement in valuation would normally have to be taken and reflected in full to the Council's revenue account. As a consequence of this change to the CIPFA Code of Practice the MHCLG put in place a 5 year statutory override effective from 1 April 2018. The Council will use this override facility to account for any changes in the value of this investment during this period thereby avoiding any adverse movements being taken to the revenue account in full during the year they occurred.

6.8 After the expiry of this override any future potential adverse movements to the Council's revenue account arising from this investment will be offset from a corresponding contribution from the Investment Smoothing Reserve.

6.9 Annualised returns generated from the CCLA property fund in 2020/21 (gross of fees on the original value invested) were 4.71% and this compares with that achieved in 2019/20 of 4.90%.

6.10 When the rates of return for both short and long term investments are combined, this produces an average level invested of £76.9m, generating a rate of return of 0.76% worth £0.57m which is £0.1m below budget and 0.83% or £0.62m above the performance indicator of the average 7-day LIBID rate of -0.07%.

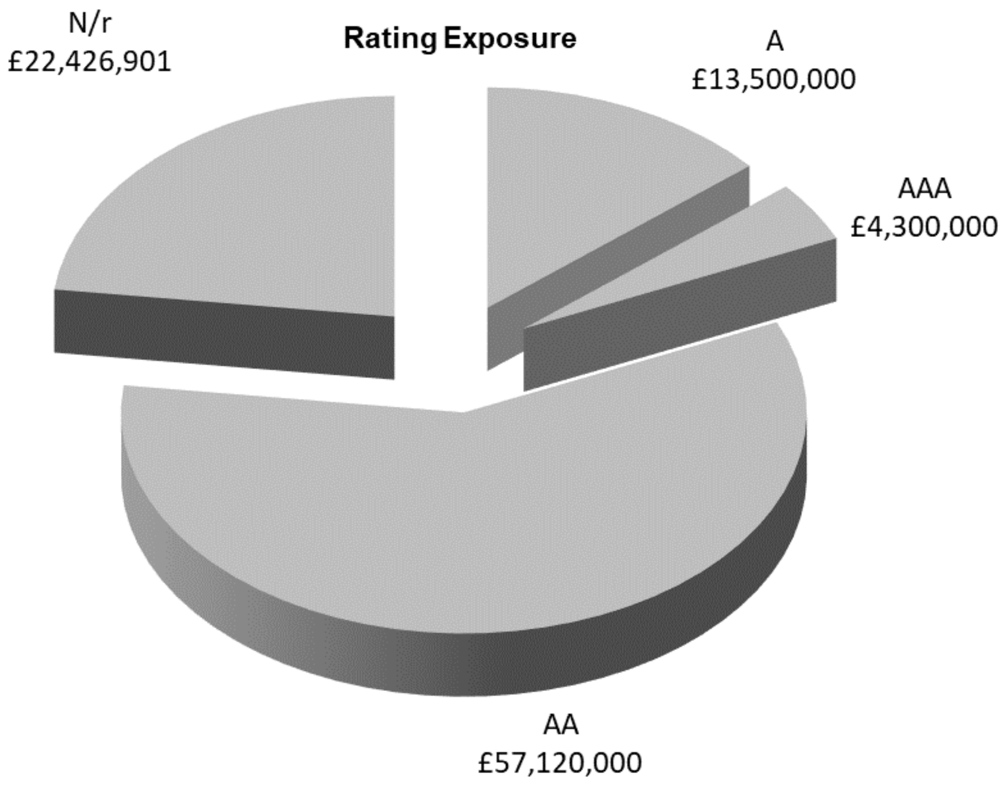
6.11 In addition to the £5m CCLA investment, the Council in August 2019 undertook a further long term investment when it entered into a £17.6m 5 year loan facility agreement with Queens Holding Limited secured on 4 prominent income producing properties known as Albert Estate within Manchester City Centre. Due to the coronavirus outbreak, rental turnover temporarily reduced, however, the borrower has continued to pay interest in full every quarter. Refurbishment work of one the buildings was completed during 2020/21, with the borrower investing £1.7m into the asset. This refurbishment work has increased the value cover, and security, of the Council's loan.

6.12 During the climate of extremely low investment interest rates the ability to generate a significant level of return without exposing the Council's funds to high levels of risk remains challenging. Whenever new opportunities to generate additional investment income become known, these are thoroughly investigated in order to ensure that they will be suitable for the Council to pursue without committing it to any unnecessary risk.

6.13 The Council's main bank account with Barclays, is non-interest bearing and consequently if no investments were undertaken by the in-house team, the Council would lose the opportunity to generate £0.33m of income.

6.14 Levels of funds available to be invested on a daily temporary basis are subject to a number of factors such as timing in the form of monies being received ahead of spend requirements and progress on the Capital Programme.

6.15 The graph below provides a breakdown of the Council's investments placed as at 31 March 2021 by long term credit rating and further information detailing the make-up of this can be found at Appendix C & D



7. RELATED TREASURY ISSUES

7.1 Member training – In accordance with the Code, Members are responsible for ensuring effective scrutiny of the treasury management strategy and policies takes place. In order to be able to do so effectively a Member training session was provided by the Council's advisors LG and in-house staff to Members of the Accounts and Audit Committee on 21st January 2021 via the Teams facility.

7.2 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.

7.3 Asset Investment Strategy - During 2017/18 the Council introduced a programme to acquire and invest in suitable assets which will help deliver corporate objectives and priorities. Any transactions made under this strategy are made to support policy related activities. These transactions are therefore considered outside the treasury management of purely financial investments however their implementation will have an impact on the Council's cash flow.

8. PRUDENTIAL AND PERFORMANCE INDICATORS

8.1 It is a statutory duty for the Council to determine and keep under review the Council's Prudential Indicators as approved within the Treasury Management Strategy for 2020/21.

8.2 During the year ended 31 March 2021, the Council operated within these indicators and these are shown in Appendix E for reference.

9. OUTLOOK 2021/22

9.1 The economic impact of the COVID-19 pandemic will continue to be felt for a while throughout the world however signs are now emerging that recovery back to pre-pandemic levels is starting to take place.

9.2 In response to the successful rollout of the UK's COVID-19 vaccine inoculation programme, the OECD forecasts that its economy will grow by 7.2% in 2021, the fastest rate since 1941, after a 9.8% contraction in 2020 – the worst in almost 300 years. This rate of growth compares to 0.3% for the euro area and 6.5% for US and the outlook for global economic growth is currently expected to hit 5.6% taking back to pre-pandemic levels by the end of 2021.

9.3 For 2022 the OECD has also upgraded the UK's growth forecast to 4.7%, however there remains significant risks on this including a slower vaccine roll-out and the possibility of the emergence of new more dangerous variants of COVID-19.

9.4 The UK government's fiscal watchdog, the OBR, forecasts that unemployment will peak at 6.5% (2.2 million) at the end of 2021 instead of the 11.9% predicted July 2020.

9.5 During 2020 CPI inflation fell well below the Government's target rate of 2.0%, (0.5% in the fourth quarter of 2020) as a result of Covid-19. Whilst it is still too early to say if last year's low inflation scenario was as a result of lower levels of consumer expenditure, it is likely that this year's higher inflation figures are just a correction to this situation.

9.6 As a result of these forecasts, financial implications for Treasury Management will continue to exist primarily as a result of lower investment returns due to historical low levels of interest rates. Continual monitoring of the Council's cash flow requirements with any remedial action being undertaken if required as soon as possible will ensure that any potential adverse impact is kept to a minimum.

9.7 The Council's revenue returns from properties bought through its Strategic Asset Investment Fund have generated a net benefit to the revenue budget in 2020/21 of £6.37m and contributions have been made to the Investment Strategy Risk Reserve of £2.08m. Net investment returns have come under pressure over the course of the last twelve months as a result of the economic impact of Covid-19 and returns were £1.06m less than those budgeted.

9.8 Forecasting with any certainty what the annual outturn is likely to be in 2021/22 will continue to be a challenge however a forecast of what the outturn is expected to be will continue to be provided to Members as part of the bi-monthly revenue monitoring updates. To mitigate any negative effect the Council's revenue account may encounter during the year the Treasury Management Smoothing Reserve will be applied.

10. 2020/21 SUMMARY OUTTURN POSITION

10.1 Activities undertaken as part of the treasury management function are subject to many factors beyond the control of the Council impacting on actual performance e.g. worldwide economic, political and health (COVID-19) events and interest rate movements. The table below reflects the summarised outturn position compared to that originally forecasted for reference;

Treasury	Budget £000	Outturn £000	Variance £000
DEBT			
Loan Interest	5,087	5,211	124
MRP	5,283	5,326	43
PFI Interest & Premium	961	928	(33)
Sub-total	**11,331**	**11,465**	**134**
INVESTMENTS			
Investment Interest & other net interest receipts	(1,395)	(1,317)	78
MAH Ltd – Share dividend Loan income	 (5,597) (2,168)	 0 (2,953)	 5,597 (785)
Sub-total	**(9,160)**	**(4,270)**	**4,890**
RESERVES			
Contribution to / (from) Interest Smoothing Reserve	(553)	(481)	72
Sub-total	**(553)**	**(481)**	**72**
TOTAL	**1,618**	**6,714**	**5,096**

Non-Treasury items	Budget £000	Outturn £000	Variance £000
EXPENDITURE			
Loan Interest	4,476	4,602	126
Loss of Investment interest	791	790	(1)
MRP	2,156	2,241	85
Sub-total	**7,423**	**7,633**	**210**
RECHARGES			
Sub-total	**(7,423)**	**(7,633)**	**(210)**
TOTAL	**0**	**0**	**0**

Note: The above figures reflect;

- All associated debt servicing costs in respect to the Councils Asset Investment Programme are self-financing i.e. paid for from the income stream generated from the investment;
- Restrictions placed on the aviation sector due to the COVID-19 virus has resulted in the planned share dividend not being received.

10.2 The application of the Interest Smoothing Reserve will, should it be needed over the forthcoming years, be applied to finance future cash implications arising from:-

- Potential adverse changes in investment interest rates,
- Short term temporary borrowing funding requirements and
- Non-treasury management activities which have an impact on cash flows.

Other Options

This report is a mandatory report which has been produced in order to comply with Financial Regulations and relevant legislation and provides an overview of transactions undertaken during 2020/21. There are no other options to consider.

Consultation

There are no consultation requirements in respect of this report.

Reasons for Recommendation

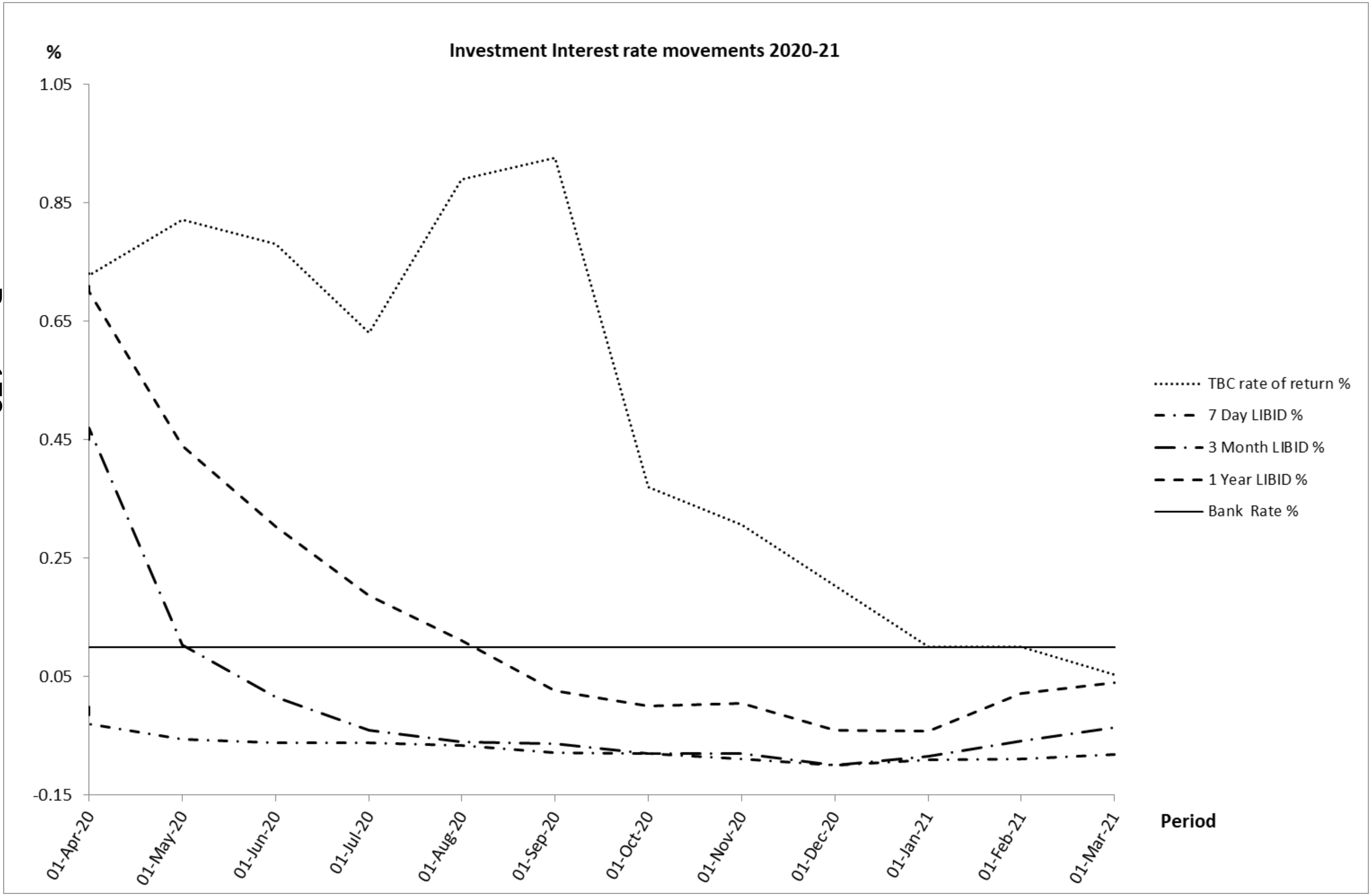
The report is a mandatory report which has been produced in order to comply with the requirements of the Council's Financial Procedure Rules which incorporate the requirements of both the CIPFA Prudential Code for Capital Finance and the CIPFA Code of Practice on Treasury Management.

Finance Officer Clearance **PC**

Legal Officer Clearance **DS**

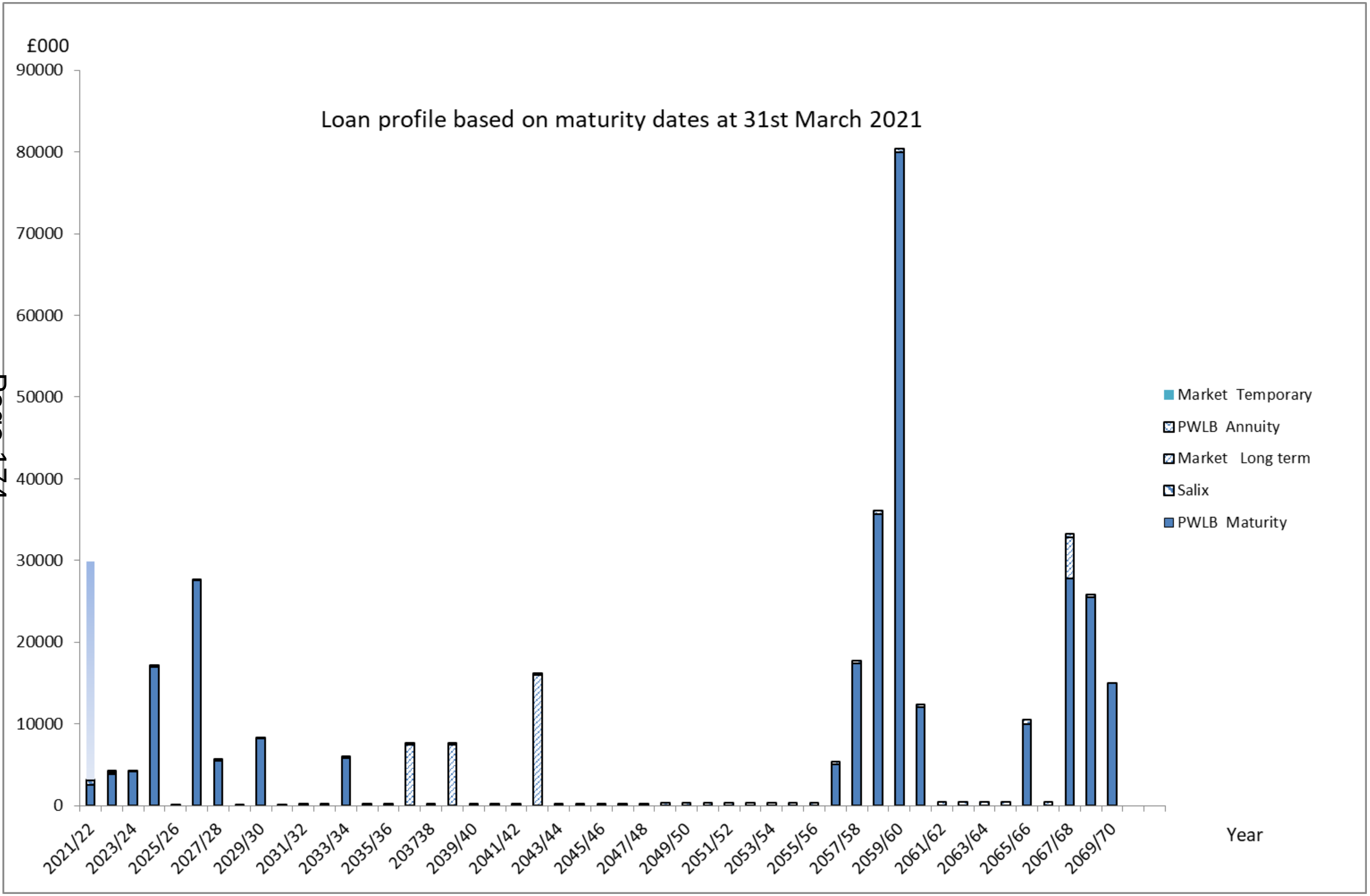
CORPORATE DIRECTOR'S SIGNATURE G. Bentley

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



Investment Interest rate movements 2020-21
%
1.05
0.85
0.65
0.45
0.25
0.05
-0.15
01-Apr-20
01-May-20
01-Jun-20
01-Jul-20
01-Aug-20
01-Sep-20
01-Oct-20
01-Nov-20
01-Dec-20
01-Jan-21
01-Feb-21
01-Mar-21
Period
TBC rate of return %
7 Day LIBID %
3 Month LIBID %
1 Year LIBID %
Bank Rate %

Appendix A


£000
Loan profile based on maturity dates at 31st March 2021
90000
80000
70000
60000
50000
40000
30000
20000
10000
0
Market Temporary
PWLB Annuity
Market Long term
Salix
PWLB Maturity
2021/22
2023/24
2025/26
2027/28
2029/30
2031/32
2033/34
2035/36
203738
2039/40
2041/42
2043/44
2045/46
2047/48
2049/50
2051/52
2053/54
2055/56
2057/58
2059/60
2061/62
2063/64
2065/66
2067/68
2069/70
Year

Appendix C

Maturity Profile

Debt portfolio:

	31 March 2021 (£m)	31 March 2020 (£m)
Under 12 months	29.9	33.5
12 months and within 24 months	4.3	3.2
24 months and within 5 years	21.6	25.7
5 years and within 10 years	42.1	42.1
10 years and above	282.2	272.8
Total	**380.1**	**377.3**

Investment portfolio:

	31 March 2021 (£m)	31 March 2020 (£m)
Instant Access	25.0	32.8
Up to 3 Months	31.5	22.8
3 to 6 Months	13.4	15.5
6 to 9 Months	0	7.5
9 to 12 months	5.0	5.0
Over 1 year	22.4	22.4
Total	**97.3**	**106.0**

Appendix D

Breakdown of Investments

Counterparty	Amount (30 Sept 2020) £	Amount (31 March 2021) £	Long Term Credit Rating
Money Market Fund			
Aberdeen	6,860,000	2,000,000	AAA
CCLA	0	8,250,000	AAA
Federated Investors	3,050,000	14,100,000	AAA
Invesco Aim	0	700,000	AAA
Sub total	*9,910,000*	*25,050,000*	
Notice Accounts			
Lloyds 32	0	10,000,000	A
Lloyds 95	2,370,000	370,000	A
Sub total	*2,370,000*	*10,370,000*	
Term Deposit			
Ashford Borough Council	0	2,500,000	AA
Australia and New Zealand Bank	0	5,500,000	AA
Brentwood Council	2,000,000	5,000,000	AA
Close Brothers Bank	8,000,000	2,500,000	A
Eastleigh Borough Council	0	10,000,000	AA
Flintshire County Council	0	6,000,000	AA
Medway Council	3,000,000	0	AA
Moray Council	5,000,000	0	AA
North Lanarkshire Council	0	3,000,000	AA
South Ayrshire Council	5,000,000	0	AA
Stockport Borough Council	5,000,000	0	AA
Warrington Borough Council	0	5,000,000	AA
Sub total	*28,000,000*	*39,500,000*	
Property Funds			
Church Commissioners Local Authority	4,659,226	4,826,901	Not rated
Sub total	*4,659,226*	*4,826,901*	
Other			
Asset Investment Programme	17,600,000	17,600,000	Not rated
Sub total	*17,600,000*	*17,600,000*	
Total	**62,539,226**	**97,346,901**	

The above table shows the level of investments placed as at 31 March 2021 and 30 September 2020, the last time Members were provided with this information.

Appendix E

Prudential Indicators for 2020/21

Indicator	Indicator set by Council	Actual
Authorised Borrowing Limit Maximum level of external debt, including other long term liabilities (PFI & leases) undertaken by the authority including any temporary borrowing - this is a statutory limit under Section 3(1) of the Local Government Act 2003.	£690.0m	£384.6m
Operational Boundary Calculated on a similar basis as the authorised limit but represents the expected level of external debt & other long term liabilities (PFI & leases) excluding any temporary borrowing – this is not a limit.	£675.5m	£384.6m
Upper limits on fixed interest rates **Maximum** limit of net fixed interest rate exposure - debt less investment	£12.3m	£8.7m
Upper limits on variable interest rates **Maximum** limit of net variable interest rate exposure – debt less investment	£2.0m	£0.6m
Gross Debt and the Capital Financing Requirement – this reflects that over the medium term, debt will only be taken for capital purposes. During 2020/21 the Director of Finance and Systems can confirm that this indicator was complied with.		
Maturity structure of fixed rate borrowing These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.		
Under 1 year (this includes the next call date for Market loans)	40%	12%
1 year to 2 years	40%	1%
2 years to 5 years	40%	6%
5 years to 10 years	40%	11%
10 years to 20 years	40%	2%
20 years to 30 years	40%	5%
30 years to 40 years	70%	40%
40 years and above	90%	23%
Upper Limit for sums invested for over 1 year – these limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment.	£110m	£54.4m

Performance Indicators for 2020/21

Indicator	Target	Actual
Security – potential default rate of the Council's investment portfolio based on default rates from the 3 main credit rating agencies – inclusion is recommended by CIPFA.	Max 0.05%	Max 0.006% (31 March 2021)
Liquidity – investments available within 1 week notice	£5m min.	Achieved
Liquidity – Weighted Average Life of investments	6 months	1.25 months (31 March 2021)
Yield – Investment interest return to exceed 7 day **L**ondon **I**nterbank **BID** rate (exclude CCLA)	Average 7 day LIBID -0.07%	Average rate of return for 2020/21 was 0.46%
Origin of investments placed - maximum investments to be directly placed with non-UK counterparties.	UK institutions 100% Non UK institutions 40%	Min 96% Max 4%

ABBREVIATIONS USED IN THIS REPORT

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CCLA: Church Commissioners Local Authority - manage investments for charities, religious organisations and the public sector

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies which meet annually to discuss issues such as global economic governance, international security and energy policy consisting of United States, Canada, France, Germany, Italy, Japan and the United Kingdom.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets.

IFRS 9: is an International Financial Reporting Standard (**IFRS**) published by the International Accounting Standards Board (IASB). It addresses the accounting for financial instruments and contains three main topics: classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

LG: Link Group – independent organisation which provides advice and guidance on all treasury matters including government legislation.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

MAH Ltd: Manchester Airport Holdings Limited - is a holding company which is owned by the ten metropolitan borough councils of Greater Manchester and an Australian investment fund IFM Investors.

MHCLG: the Ministry of Housing, Communities and Local Government -the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision -a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

MTFP: A Medium Term Financial Plan is a key part of the Council's Policy and Budget Framework and sets out the strategic approach to the management of its finances.

OBR: Office for Budget Responsibility is a non-departmental public body funded by the UK Treasury that the UK government established to provide independent economic forecasts and independent analysis of the public finances

OECD: Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 37 member countries, founded in 1961 to stimulate economic progress and world trade

PEPP: Pandemic emergency purchase programme is the ECB's monetary policy measure initiated in March 2020 which is a temporary asset purchase programme of private and public sector securities.

PFI: Private Finance Initiative is a way of financing public sector projects through the private sector.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: Quantitative Easing - is a monetary policy whereby a central bank (e.g. Bank of England) buys government bonds or other financial assets in order to inject money into the economy to expand economic activity.

UK: United Kingdom.

US: United States of America.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition)

TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**26 July 2021**
Report for:	**Information**
Report of:	**Executive Member for Covid-19 Recovery and Reform**

Report Title

Inclusive Economy Recovery Plan and Brexit and Covid- 19: An Economic Assessment for Trafford – Updates

Summary

To address the challenges of the Covid pandemic and the need to steer recovery, the Trafford Inclusive Economy Recovery Plan (TIERP) was approved by the Executive in February 2021. It identifies the specific actions required to ensure effective economic recovery and the delivery of a more inclusive economy in Trafford with a Build Back Better approach. Linked to the Trafford Inclusive Economy Recovery Plan, Ekosgen were appointed in January 2021 to assess the effects of Brexit and the Covid pandemic on the economy of the borough.

Recommendations

It is recommended that the Executive:

(i) Notes the update on progress to deliver the Trafford Inclusive Economy Plan and receives a further update in January 2022.

(ii) Notes the findings of the Brexit and Covid-19: An Economic Impact Assessment for Trafford study and the recommendations identified.

Contact person for access to background papers and further information:

Name: Stephen James
Head of Growth, Communities and Housing
Extension: 4330

Background Papers: None

Appendices:
Appendix 1 - Trafford Inclusive Economy Recovery Plan Update
Appendix 2 – Brexit and Covid-19 An Economic Impact Assessment for Trafford (April 2021)
Appendix 3 - Glossary

Relationship to Policy Framework/Corporate Priorities	The Trafford Inclusive Economy Recovery Plan (TIERP) supports the Council's Corporate Priorities including delivery for the priorities of 'Health and Wellbeing' 'Successful and Thriving Places', 'Building Quality Affordable and Social Housing' and 'Green and Connected'. The Plan sits under, and is a key part in the delivery of, the Corporate Recovery Strategy.
Relationship to GM Policy or Strategy Framework	At a Greater Manchester level, the Trafford Inclusive Economy Recovery Plan supports the growth ambitions articulated within the GM Strategy, GM LEP Economic Vision, GM Local Industrial Strategy 2019, GM's Build Back Better priorities and the emerging sub-regional plan to cover the nine local authorities in GM.
Financial	No direct financial implications arising from the report as delivery will be within the existing Service budget. The estimated effects of changing economic conditions on the Council's overall finances are also included in the Council's Medium Term Financial Plan and reported to Executive in the regular budget monitoring reports throughout the financial year.
Legal Implications:	No legal implications
Equality/Diversity Implications	Planning and delivery of projects will ensure compliance with the Council's Corporate Equalities Strategy 2021-2025 to understand clearly how different groups may be impacted, and what mitigation or proactive steps need to be taken.
Sustainability Implications	The TIERP is consistent with and will support delivery of the Council's Carbon Neutral Action Plan 2020 and the aims and objectives relating to the Council's Climate Emergency declaration.
Carbon Reduction	The TIERP contains measures to support the reduction of carbon emissions in the borough
Resource Implications e.g., Staffing / ICT / Assets	Existing resources will 1support the delivery of the Plan and related activity across all the partners.
Risk Management Implications	Risk to delivery of the interventions detailed within any new project and plans and will be monitored and updated as required.
Health & Wellbeing Implications	The activity detailed within the TIERP will contribute to improving the health and wellbeing across the borough through helping to support a more inclusive economy.
Health and Safety Implications	None as a consequence of this report.

1.0 Background

1.1 To set out a comprehensive roadmap for steering the economy of the borough through recovering from the Covid pandemic, the Executive approved the Trafford Inclusive Economy Recovery Plan (TIERP) in February 2021. The Plan sets out a detailed list of actions covering nine priority themes to be delivered by the Council in partnership with stakeholders (see Appendix 1).

1.2 In addition and directly linked to the TIERP, Ekosgen consultants were appointed to reassess the Brexit: An Economic Impact Assessment for Trafford 2019 study in light of the UK's withdrawal deal from the EU coupled with assessing the effects of the Covid pandemic on the local economy. Their findings, Brexit and Covid-19 An Economic Impact Assessment for Trafford is found in Appendix 2.

2.0 Trafford Inclusive Economy Recovery Plan Update

2.1 The TIERP was produced in consultation with the Inclusive Economy Board and the Executive Members for Housing and Regeneration, Covid-19 Recovery and Reform, and Communities and Partnerships and approved in February 2021. The Plan identifies a comprehensive list of actions/initiatives against nine priority themes to help steer the economy of the borough through the recovery phase. The priority themes are as follows:

- Business Support and Sustainable Job Creation
- Transition Preparedness/ Trading Outside of the EU
- Green Economy and Sustainable Job Creation
- Sustainable Jobs and Skills for Growth for Local Residents
- Inward Investment and Sustainable Job Creation
- Funding and Growth
- Strategic Sites Development and Job Creation
- Improved Town Centres for Residents and Businesses
- Increase Visitor Economy

2.2 Appendix 1 provides an update on each of the actions/initiatives and provides a RAG rating (red, amber and green) as a quick reference guide to show progress against each. Even though the focus has been on dealing with the Covid pandemic and supporting residents and businesses through this difficult period, progress has been made in delivering the TIERP and this will be accelerated going forward, particularly when the current Covid restrictions are eased further.

2.3 Delivery of the TIERP will be the focus of the recently established Inclusive Economy and Communities Team that's sits within the Growth, Housing and Communities Service. However, the Plan can only be delivered in partnership with a wide range of public, private and VCFSE stakeholders and these have been, and will continue to be, engaged throughout the Plan's timeframe. For example, further positive collaboration with the Trafford Youth Employment Task Force Group, the Adult Education Board and the Poverty Action Group has ensured that all activity within the TIERP is aligned to the Council's Corporate Priorities, and other strategies.

2.4 Regular updates on the TIERP will be made to the Inclusive Economy Board that sits under the Trafford Partnership, which will have a strategic role in steering and monitoring the Plan's implementation. In addition updates will be provided to the Covid Recovery and Renewal Group. It is proposed that the Executive receives a further update on the Plan in January 2022. It is worth noting that Plan is a ‘live’ document and maybe updated/amended over time as priorities and issues to address the recovery change.

3.0 Brexit and Covid-19 An Economic Impact Assessment for Trafford

3.1 The Economic Impact Assessment (EIA) provides a detailed analysis on the potential economic impact of Brexit and Covid-19 on Trafford. The EIA has been a largely desk based piece of research however the Council’s cross-departmental Transition Preparedness Group fully inputted into its production.

3.2 Impact of Brexit and Covid 19

Overview of the impact of Brexit UK

While the UK left the EU single market and customs union on 31st December 2020 in the midst of a global pandemic, it is likely that it will be some time before the full impacts of Brexit are felt. The UK has avoided the no deal scenario which would have had an immediate and serious effect across the economy. The Institute of Fiscal Studies (IFS) estimate in 2021 the UK economy will be 2.1% smaller than if the UK remained in the single market and customs union, while the consensus is that the UK economy will be 5% lower in 2030, compared to remaining as an EU member.

Covid-19 Impact to UK

Given the profound impact the Covid-19 pandemic is having on the economy, it is essential to consider the dual effects Covid-19 and Brexit in the short and medium term. This is likely to result in an immediate increase in unemployment and more challenging conditions for many businesses in both the service and industrial economy. The Covid-19 pandemic has caused a traumatic shock to the whole economy, with output declining by around 10% in 2020, more than twice the decline in 2009. Covid-19 is having differential effects across the country, largely due to differences in health, social and economic conditions, including the sectoral mix of local economies, in addition to varying levels of restrictions places have been under.

Hospitality, tourism, transport and arts and entertainment are the most exposed sectors in relation to economic impact of Covid-19. Covid-19 is expected to have some longer-term impacts, with more people choosing to work at home in the long-term, impacting upon city centres. As a result of the Covid-19 pandemic alongside Brexit a period of sizeable economic adjustment is likely to follow.

3.3 A Changed Trafford Economic Landscape

3.4 Prior to Covid-19 pandemic Trafford had low unemployment and strong growth forecasts, it had one of the strongest economies in Greater Manchester. However significant numbers of businesses and jobs are in sectors which have been impacted by Covid-19 restrictions, where the full effects will become clear as Government support measures unwind, and it also has a number of sectors/companies at risk from the negative effects of Brexit.

Labour Market, Unemployment and Skills

The changes in migration rules could reduce the number of EU nationals living and working in Trafford, and who are particularly important for the certain sectors including: banking and finance, retail, restaurants and hotels; manufacturing; and health and social care.

Impact on Communities
Covid-19 has emphasised and exacerbated economic, social and health inequalities which exist. Claimant count by ward for February 2021, shows that levels of employment reflect the typical pattern of deprivation in Trafford with unemployment concentrated in the north of the borough, towards the centre of Manchester, while the south of the borough towards Cheshire tends to have lower prevalence of unemployment.

Sectoral Impact
The sectors most at risk from Brexit are manufacturing companies involved in exporting and importing, and those which require a high skilled workforce including the health and care sector. Section 6 of the EIA provides a detailed look at each of following sectors: Health and social care, manufacturing, finance and insurance.

Impact on Businesses
Covid-19 has had a significant impact on businesses across the economy with hospitality and leisure and tourism most severely impacted. Early intelligence suggests that the emerging issues with regard to Brexit are concentrated within those companies involved in exports and imports and adapting to new arrangements.

Implications for Trade and Access to Markets
The EIA highlights impact on exports and imports, there are estimated to be at least 500 businesses in Trafford involved in exporting to the EU, accounting for 4% of the business base and at least 700 companies import from the EU, accounting for 6% of the business base. They are now being affected by increased paperwork and processing time at borders.

Fall in Business Investments and Foreign Direct Investment
Both Brexit and Covid 19 have led to a fall in investment. As a result of Covid-19 IFS research suggests business investment fell by 16.5% in 2020 and will grow by 4.1% in 2021 before recovering strongly in 2022 and 2023. Estimates suggest around 90 companies in Trafford are foreign owned, and leaving the EU may lead to their relocations over the medium term or companies prioritising European facilities for re-investment

3.5 Trafford – Summary of Economic Impacts and Economic Outlook

- Trafford's economy is estimated to have shrunk by 10% in 2020.
- There is likely to be over 9,000 claimants of unemployment related benefits by the end of 2021, an uplift of 5,500 since the start of the pandemic.
- 40% of jobs losses in the hospitality industry with a number of bars, restaurants and cafes not reopening in 2021, as well as a fall in employment within the accommodation sector.
- 20% of job losses will come from the retail sector.
- The remaining 40% will be across a range of other services including transport, media and tech companies and other business services, with many companies resizing in light of a changing economic environment.
- Covid-19 will have serious consequences for low-income households and vulnerable groups, including families and children.
- The forecasts suggest GVA in Trafford will not recover to pre-Covid levels until 2023.

3.6 The above statistics paint a bleak outlook but the EIA does identify opportunities for the local economy, businesses and residents:

- Shared Prosperity, Levelling Up and the Community Renewal Fund provide Trafford with the potential for locally based actions, business support measures and training and employment support actions, which can help to aid the economic recovery, support local businesses and address skill shortages including through supporting those who have lost their jobs as a result of the Covid-19 pandemic to reskill and find employment.
- Economic opportunities of ‘onshoring’ with a greater focus now on the UKs supply chains and the need to reduce dependence on overseas supply.
- A potential increase in European and foreign companies establishing a UK base and production facility to serve the UK market. There is an opportunity to promote Trafford as a UK distribution and production base for foreign companies targeting UK markets.
- New trade deals (in the medium term) opening new markets.
- Green Recovery – there is expected to be an additional 700,000 jobs created in low-carbon sectors by 2030. NESTA highlights the opportunity to reskill those who have become unemployed following the pandemic for the green economy, including residential retrofitting. The Liverpool City Region Freeport, which encompasses Port Salford in Greater Manchester, could provide an opportunity for businesses to grow, boost international trade and support the development of manufacturing capabilities.

3.7 EIA Conclusion and Recommendations

3.8 Trafford benefits from a strong economy and being an attractive investment location for many sectors which will drive economic recovery. Linking swift responses to medium term opportunities will be fundamental to an improved recovery and increase in new job opportunities. The key areas of focus and recommendations identified in the EIA are:

Skills and Employment

- Council and partners should encourage people to remain in education and training and increasing their skills related to in-demand occupations would help those impacted to adapt to a subdued labour market and ensure that training related funding prioritises the Health and Social Care sector and careers within the Green Economy.

Businesses and Employment

- Monitor the new arrangements for banking and financial services as well as the arrangements for mutual recognition of professional qualifications.

Inward Investment

- Promote Trafford as a UK distribution and production base for companies targeting UK market.

Funding

- Develop successful propositions for various funds for locally based actions, business support measures and training and employment support actions to support the economic recovery, support local businesses and address skill shortages in order to address the combined impacts of Brexit and Covid-19.

Key Priorities

- Trafford should continue to align with Greater Manchester's strategic plans *to "Build back a better, fairer and greener economy"*.
- Trafford should support a green recovery
- Trafford should tackle inequalities and maximise social value.

3.9 The above recommendations and key priorities have been incorporated into the TIERP. The Transition Preparedness Group will also review the recommendations with respect to utilisation of the Brexit preparedness grant monies.

4.0 Wider Corporate Links

4.1 The Trafford Inclusive Economy Recovery Plan is consistent with the Council's Corporate Plan and the Council's other policies and strategies, including the Poverty Strategy and the Carbon Neutral Action Plan. Production of the Brexit and Covid-19 An Economic Impact Assessment for Trafford is an action identified in the TIERP and its recommendations have been incorporated into it. The TIERP also sits under, and is a key element in, the delivery of the Corporate Recovery Strategy. At a GM level, it will support the growth ambitions articulated within the GM Strategy, GM LEP Economic Vision, GM LIS and emerging sub-regional plan for the nine GM local authorities.

5.0 Other Options

5.1 Other options are not to progress the recommendations identified in the Economic Impact Assessment and not to continue delivery of the TIERP. Steering the recovery and dealing with the effects of Brexit and the Covid pandemic is vital to the Council, businesses and residents. Therefore a clear and deliverable Plan is necessary to provide the strategic approach for the Council its corporate objectives, prioritise resources and deliver a more inclusive economy.

6.0 Consultation

6.1 The Inclusive Economy Recovery Plan was produced in consultation with the Inclusive Economic Board and the Executive Members for Covid-19 Recovery and Reform, Housing and Regeneration, and Communities and Partnerships. The Trafford Recovery and Renewal Group and Inclusive Economic Board/Trafford Partnership will receive regular updates on delivery of the Plan. The Brexit and Covid-19 An Economic Impact Assessment for Trafford was produced in partnership with the Council's Transition Preparedness Group.

7.0 Reasons for Recommendation

7.1 The Executive is asked to note progress on delivering the Trafford Inclusive Economy Recovery Plan and the findings of the Brexit and Covid-19: An Economic Impact Assessment for Trafford so that a comprehensive and co-ordinated approach for economic recovery and a more inclusive economy in Trafford is delivered.

Key Decision *(as defined in the Constitution)*: No
If Key Decision, has 28-day notice been given? No

Finance Officer Clearance *(type in initials)……PC*
Legal Officer Clearance *(type in initials)……TR*

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

APPENDIX 1 - TRAFFORD INCLUSIVE ECONOMY RECOVERY PLAN

Issue	Actions	Timescale	Corporate Plan Priority	Lead Officer	Update	RAG Rating
Business Support and Sustainable Job Creation						
Maintain and grow further close contact with the business community	Close working with GM Business Growth Hub, GM Chamber, Altrincham and Sale Chamber, and FSB in relation to sharing and distributing information, organising events, seminars etc	Ongoing	Successful and Thriving Places	Allison Brierley	Quarterly meetings established. Next one to take place 28th June. SLA to be agreed	Amber
	Close working with Public Health Team to provide up to date advice and guidance for businesses.	Ongoing		Allison Brierley	Twice weekly meetings taking place.	Green
	Information Officers/Covid Support Officers to maintain regular contact with businesses in town centres to provide advice, support and gain feedback.	July 2020 to March 2021		Mark Bamford	> Information Officers were deployed from July 2020 through to the end of March 2021. > The officers were funded by RHSS until Nov 2020 and then by the Compliance and Enforcement Grant. > The Officers supported businesses and the public, and relaying messages from Environmental Health.	Green

	Initiate business support drop in sessions at the Town hall/ online with partners to offer business support and signpost to further areas of help and training.	By end September 2021		Allison Brierley	Second round of sessions launched w/c 21st of June 2020. First round of drop-ins generated 10 1-2-1 bookings (Oct - Nov 2020)	Green
	Initiate diagnostic follow up with grant recipients to promote access to other support mechanisms, monitor progress and identify any businesses in distress.	By end September 2021		Allison Brierley	Establish what other surveys have been completed to avoid duplication. Initial discussion framework established.	Amber
	In line with Government guidance provide financial support to the business community through the design, delivery and administration of the Trafford Additional Restrictions Grant Scheme.	By end July 2021	Successful and Thriving Places	Allison Brierley	Circa £7m provided in grant funding to 779 Trafford businesses. Final payments to be made by end of July 2021	Green
	Establish a Business Leadership Forum as mechanism to increase the Council’s understanding of the business environment with a view to informing future strategic decision making. Consider adopting a sector based approach.	By end September 2021		Allison Brierley	To link with outcome of Leader’s Lounge review.	Red
Significant changes in local economy as a result of COVID affecting many of Trafford’s businesses	Survey of local businesses to gain up to date information on the impacts, key issues, support required in longer-term.	By end September 2021	Successful and Thriving Places	Allison Brierley	Survey timeframe to be determined in light of lockdown. Initial questions identified.	Red

Significant number of businesses saddled with debt	Review the Trafford Small Business Loan Fund to assess whether it is now fit for purpose and meets gaps in support available and recommend alternative if required.	By end October 2021	Successful and Thriving Places	Allison Brierley/Elaine Wood	Review commenced	**Red**
	Prioritise available funding to incentivise innovation, SMEs, ‘greener’ independents and low carbon industries.	From March 2021 onwards	Successful and Thriving Places	Allison Brierley	Ongoing and linked to above	**Amber**
Increasing number of business closures	Work with agents and property owners to develop a co-ordinated approach to sharing information on forthcoming vacancies	By end June 2021	Successful and Thriving Places	Allison Brierley/Mark Bamford	Establish process to facilitate	**Red**
	Produce a specific pack of information for agents/Owners on available support and business advice to attract new businesses.	By end September 2021	Successful and Thriving Places	Mark Bamford/Allison Brierley/Linda Roy	> Brief to Marketing agencies to produce generic piece on what makes Trafford special. > Potential to use the Welcome Back Fund to help facilitate this.	**Amber**
Gap in support for people self-employed for less than 12 months	Work with partners, including Enterprising You / Business Growth Hub, to provide access to support available.	By end June 2021	Targeted Support	Allison Brierley/Nidi Etim/Becci Page	Partners engaged to develop actions to address gaps in current support.	**Amber**

Limited support available for start-up firms which are largely ineligible for the support packages available.	Establish a business start-up network in Trafford to provide networking and support to new start ups	By end December 2021	Successful and Thriving Places/Targeted Support/Supporting Trafford residents when they need it most	Nidi Etim/Becci Page	Working with TESPN and community support orgs. To secure funding to establish Network and provide support.	Amber
Grow the support for VCFSE organisations	Use the results of the GM State of the VCFSE Sector survey to inform approach and response.	By end July 2021	Successful and Thriving Places	Allison Brierley	Report anticipated from Salford University end June	Amber
	Utilise Social Value offer from Virgin Media as part of their Full fibre contract to offer volunteering support to local community initiatives	By end March 2021	Green and Connected	Nidi Etim	Ongoing liaising with volunteering support at St Johns and other community hubs	Green
Facilitate closer relationships between companies in key sectors	Establishing a pilot sector group for Food and Drink Manufacturing companies in Trafford	By end October 2021	Successful and Thriving Places	Allison Brierley	Explore larger Food manufacturing supporting smaller food manufactures.	Red
Transition Preparedness						
Understand the impact of the UK's transition from the EU in January 2021	Commission review of Trafford Brexit Impact Assessment following agreement on the Trade deal between the UK and EU	January 2021	Successful and Thriving Places	Stephen James/Transition Preparedness Group	Review produced and update on findings to July Executive.	Amber

	Continue to monitor impacts on local businesses in partnership with GMCA and other business representative organisations	Feb 2021 onwards		Allison Brierley	Attendance at GMCA Economic Resilience Group and Growth Company meetings to share information/monitoring	Green
	Monitor the new arrangements for banking and financial services as well as the arrangements for mutual recognition of professional qualifications.	From July 2021 onwards		Stephen James/Transition Preparedness Group	Ekosgen Impact Assessment recommendation	Red
Minimise the impact of the end of ERDF programme and future funding changes	Track and take advantage of new Single Prosperity Fund	From Jan 2021 onwards	Successful and Thriving Places	Mark Bamford	> Existing ERDF programmes still in place however must be complete by the end of 2023.(https://www.gov.uk/government/publications/draft-european-regional-development-fund-operational-programme-2014-to-2020); continue to monitor. > The UK Shared Prosperity Fund is due to be launched in 2022 meanwhile the UK Community Renewal Fund is in place to help local areas prepare for this (https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus). This is being managed by GMCA in Gtr Mcr.	Amber
Implications on the Council	Continue to lead the Transition Impact Group and review the Transition Preparedness Plan.	By end Dec 2021	Successful and Thriving Places	Stephen James/Mark Bamford	Regular meetings continue.	Green
Green Economy and Sustainable Job Creation						

Take advantage of opportunities to grow this sector	Support the delivery of the Climate Change Action Plan and explore opportunities for attracting ‘green’ businesses, including exploring opportunity for Trafford Park as a geographical cluster.	From Sept 2020 onwards	Green and Connected	Allison Brierley/Nidi Etim	Forms part of Future Trafford Park bid drafted to secure Evergreen funding - liaising with GMCA to finalise	**Amber**
	Work closely with the Carbon Neutral and Climate Change Commission to support the reduction in carbon emissions and to share best practice and emerging technologies.	From Jan 2021 onwards	Green and Connected	Allison Brierley/Nidi Etim	Linked to determining Business alliance/other models for effectively engaging businesses.	**Red**
	Support adoption, promotion and communication of the Carbon Neutral Framework Model across the business community, particularly in relation to stakeholder engagement including promotional campaigns.	From Dec 2020 onwards	Green and Connected	Allison Brierley/Comms	Business communications plan to be produced using social media, business bulletin etc. to communicate key messages, activity and opportunities for engagement across the business community.	**Red**
	Establish Council Business Alliance Model through existing groups e.g. Trafford Park Business Network and Town Centre Partnerships to allow businesses to share best practice and experience. Include sustainability leads where these exist.	By end June 2021	Green and Connected	Allison Brierley	ToR produced - options being considered.	**Amber**

Actively encourage sign up to the Growth Hub's Green Business Pledge. This is free to sign up to, and gives businesses some ideas of actions they can take to reduce their environmental impact and grow their business. Businesses who sign up will receive a certificate they can use to promote their green credentials www.green-growth.org.uk/pledge	From Dec 2020 onwards	Successful and Thriving Places/Green and Connected	Allison Brierley	Promoted actively with Business through social media/Bulletin.	**Red**
Engage with identified sectoral partners and potential support organisations e.g. Business Growth Hub and Groundwork in identified clusters of Trafford Park, Civic Quarter, Trafford Centre Rectangle, and Town Centres.	From Jan 2021 onwards	Green and Connected	Allison Brierley	Initial engagement with key stakeholders taken place, further engagement to follow.	**Amber**
Work with TfGM to promote initiatives such as the Travel Choices for businesses that aims to promote cycling by offering one to one travel advice and sustainable travel plans for businesses as well as providing free Metrolink travel for apprentices	From Jan 2021 onwards	Green and Connected	Allison Brierley/Nidi Etim	Liaison to take place with TfGM to determine full range of support available. Forms part of future Trafford Park bid drafted to secure Evergreen funding. Promotion of offer to apprentices and employers.	**Red**

Support implementation of EV charging points throughout the borough and potential at key business locations such as Trafford Park.	From Sept 2020 onwards	Green and Connected	Adrian Fisher/Stephen James	Funding proposal to secure specialist consultant support drafted.	Amber
Assess the strength of the green economy in Trafford, and its supply chain, in partnership with MIDAS, to determine an approach to promoting the borough and securing inward investment.	By end June 2021	Green and Connected	Stephen James	Ekosgen Impact Assessment recommendation/Recovery Plan complementary to GMCA strategies	Amber
Continue to align with Greater Manchester's strategic plans to "Build Back a better, fairer and greener economy" and support a green recovery.	From July 2021 onwards	Green and Connected	Stephen James	Recovery Plan and Carbon Neutral Action Plan produced to complement GM strategic plans.	Green
Continue to monitor Government policy around the development of freeports and review the opportunity to encourage the use of non-carbon forms of transport in key sectors such as logistics	From Dec 2020 onwards	Green and Connected	Adrian Fisher/Stephen James.	Continued liaison with GMCA over implications of the policy.	Amber
Promote Green Supply Chain Management and use of Manchester Ship Canal and Bridgewater canal for sustainable movement of goods and materials.	From Dec 2020 onwards	Successful and Thriving Places	Adrian Fisher/Stephen James.	Approach to be determined with stakeholders	Red

	Support the development of the new Liquid Air Battery and associated supply chain and sectoral growth benefits	Sept 2020 onwards	Green and Connected	Stephen James.	MOU in place with public/private sector partners and project group meeting taken place.	Amber
Sustainable Jobs and Skills Growth for Local Residents						
Support unemployed residents	Work with TEES partners to coordinate employment support at a local level to those who need it: *Production of a weekly jobs and opportunities bulletin detailing sources of employment support	From July 2020 onwards	Successful and Thriving Places	Nidi Etim/Becci Page	Bulletin distributed weekly to over 2000 local residents with local job centres uploading this to customer journals. Skills Outreach Officer to continue to produce the Bulletin.	Green
	*Promote details of upskilling opportunities through the Skills for the Unemployed and Skills for the Workforce programmes	From March 2021	Targeted Support/Successful and Thriving Places	Nidi Etim/Becci Page/Rachel Kemp	Skills Brochure completed and distributed to 6 most disadvantaged Wards. Skills Information Officer organising skills advice drop in sessions in community locations	Green
Support employers during/once furlough scheme ends	Establish business engagement to develop intelligence to gain early warning for local businesses in trouble and offer redundancy support to help affected staff reskill and gain help to secure alternative work	Ongoing	Successful and Thriving Places	Nidi Etim	Occurs when early intelligence is gleaned from team or employers themselves. Larger redundancies supported through DWP national employer teams.	Amber
	Targeted support to employers in construction working in Trafford through the local coordination of job and training opportunities available	Ongoing	Targeted Support	Nidi Etim	Construction Subgroup active virtually. New Chair for the group being sought.	Amber

Promote Adult Education training and support local residents with the skills and equipment to access online courses, particularly disadvantaged groups	Secure funding through the AEB LA grant programme to deliver against the themes of alleviating barriers to adult education, digital inclusion, digital connectivity, and ESOL (English as a Second Language).	By end Nov 2020	Successful and Thriving Places/Children and Young People	Nidi Etim/Becci Page	Funding successfully drawn down to fund Skills Information Officer, ESOL Coordinator, Digital Volunteer Coordinator and Laptop Loan scheme. All up and running.	Green
	Recruit a Skills Outreach Information Officer to promote adult skills training to residents using drop ins in community venues and non-digital methods including the production of a skills/ employment support brochure to be delivered to every household in Trafford promoting courses and sources of help				Rachel Kemp recruited to post Nov 2020. Skills Brochure produced and distributed to residents in most deprived wards and through networks. Funding applied for to extend contract to 31st March 2022 to enable support for people coming out of furlough and expand service to businesses	Green
					Drop in sessions commenced 14th June 2021.	Amber
	Set up a smart tablet/ laptop loan scheme for residents to borrow digital kit through the libraries where they don't have access to technology	By end March 2021	Targeted Support/Supporting Residents When They Need It Most	Nidi Etim/Simon Davis/ Riz Hafejzi	Laptop loan scheme up and running being coordinated through Trafford Library service - to date 126 loans to 53 people with highest takeup so far being in Broadheath and Stretford areas.	Green

	Recruit a Digital Volunteer Coordinator to manage the loan scheme and recruit and train a team of digital volunteers to provide support for residents accessing kit to help them use it and get online	By end Oct 2020	Supporting Residents when they need it most	Nidi Etim/ Simon Davis	Holly Wade recruited to role Nov 2020. Now upskilling Digital volunteers.	Green
	Recruit an ESOL coordinator to extend the services of Manchester's ESOL advice centre to Trafford; promoting ESOL, managing waiting lists and coordinating support (to be delivered through Trafford College's ESOL team)	By end Feb 2021	Green and Connected	Nidi Etim	Steph Carter recruited to role May 2021 working with Trafford College. Starting series of drop in sessions in June.	Green
Work with partners to increase employment opportunities available for residents who were disadvantaged in the labour market prior to COVID-19 and. For those with physical and learning disabilities. Work to ensure that young people do not become disengaged in the pursuit of a career.	Establish a Trafford Pledge Youth Employment Task Force with TEES partners and employers to address high levels of youth unemployment using DWP's Kickstart initiative to incentivise employers to take on young people into jobs and apprenticeships	By end Nov 2020	Successful and Thriving Places	Nidi Etim/Becci Page	Task force established with meetings every two months ongoing. Ensuring Kickstart opportunities in Trafford are promoted to young people and they are receiving wraparound employability support.	Green

Encourage people to remain in education and training and increase their skills related to in-demand occupations would help those impacted to adapt to a subdued labour market and ensure that training related funding prioritises the Health and Social Care sector and careers within the Green Economy.	Ongoing	Targeted Support/Successful and Thriving Places	Nidi Etim/Becci Page	Ekosgen Impact Assessment recommendation/priority for TEES. Being taken forward through the AEB skills group and new Green Economy Skills group.	Amber
Work with Centre for Ageing Better and GMCA to pilot new ways to support over 50's into employment	By end March 2021	Children and Young People	Nidi Etim/Becci Page	Funding applied for to test one concept recommended by Humanly. Ongoing with DWP.	Amber
Increase knowledge of Access to Work provision for disabled employees and jobseekers	Ongoing	Targeted Support/Supporting Residents When They Need It Most	Nidi Etim/Becci Page	Focus area for TEES to address barriers.	Green
Work with TEES partners to identify barriers for disabled residents and residents with learning difficulties seeking employment and devise actions to address those barriers.	From April 2021 onwards		Nidi Etim/Becci Page	Ongoing work through the Employment Sub-group. Funding applied for to engage with and provide support to SEND young people who are NEET and not accessing Kickstart and other employment opportunities .	Amber

	Support GMCA's programme for apprentices who are made redundant and help to secure alternative employment to complete their apprenticeship	Ongoing		Nidi Etim/Becci Page	Supported through close liaison with GMCA / good working relationships.	Amber
	Utilise GM levy matchmaking service to support the creation of new apprenticeships in priority sector of health and social care, construction, digital and Green Economy.	From Oct 2020 onwards		Nidi Etim/ Becci Page	Working with HR to write a Policy paper to support Trafford businesses in key sectors wirh a focus on Health & Social Care	Amber
Aspiration to re-skill and up-skill workforce into new / emerging sectors as some sectors shrink	Help employment and skills building up a more tailored skills programme based on local employer needs and local further and higher educational offer - supported through the new ESF Skills for Growth programme aimed at filling the gaps for employers in different sectors	From March 2021 onwards	Successful and Thriving Places	Nidi Etim	Taken forward through the AEB skills group Working closely with Trafford College, UA92, DWP and employers. Funding applied for to continue and expand the role of the Skills Information Officer to provide skills information to school career advisers.	Amber
	Identify forthcoming new employment opportunities through inward investment/ expansion and diversification to upskill residents ready for the new job opportunities e.g., Saica, Therme, construction	Ongoing	Successful and Thriving Places	Nidi Etim	Support commenced with advice for Saica and dialogue with Therme.	Amber

	Research details of job roles needed in growing sectors, e.g., digital, green economy etc, and qualifications/ skills needed and provide details to Career's advisers, Connexions advisers working in schools to promote opportunities to young people before they finalise their career decisions.	Ongoing	Green and Connected	Nidi Etim	Green economy working Group established with representation from UA92, Trafford College, Groundwork and DWP . First meeting taken place in June.	Amber
	Encourage employers to use SWAPs (the Department's Sector Based Work Academy Programme) to upskill local residents.	Ongoing		Becci Page	Sector Work based academy being put in place for Bruntwood and others as required.	Amber
Support delivery of the Trafford Poverty Strategy prioritising reduction and prevention over alleviation	Support creation of a Poverty Action Group in Trafford to coordinate and deliver the Trafford Poverty Strategy	From Dec 2020 onwards	Targeted Support	Nidi Etim/ Allison Brierley	Partner meetings chaired by Cllr Whitham every two months.	Green
	Work with providers and employers to improve the quality and provision of further education and apprenticeships	From Dec 2020 onwards	Targeted Support	Nidi Etim/Allison Brierley	Re engaged with UA92 - Digital degree apprenticeships due to start in January 2022.	Amber
	Support Real Living Wage employment, secure and flexible work and productive and healthy workplaces.	From Jan 2021 onwards	Targeted Support	Nidi Etim/Allison Brierley	Ongoing work to promote.	Amber

	Work with GMCA to expand the Good Employment Charter as initial way to drive development of a Living Wage City Region; encourage inclusivity and diversity in company leadership; and ensure employers have mental health and wellbeing support in place.	From Jan 2021 onwards	Targeted Support	Nidi Etim/Allison Brierley	Ongoing work and support to GMCA to achieve. Promoted to Trafford employers through the Trafford Pledge.	Amber
	Work with GMCA and other partners to ensure local residents benefit from the green economy through training and skills opportunities and taking advantage of jobs growth in this sector.	From Jan 2021 onwards	Targeted Support	Nidi Etim/Allison Brierley	Green Economy Working Group established with representation from UA92, Trafford College, Groundwork and DWP - first meeting held in June.	Amber
	Continue to tackle inequalities and maximise Community Wealth Building	ongoing	Targeted Support	Nidi Etim/Allison Brierley	Ekosgen Impact Assessment recommendation/activity identified above	Amber
Inward Investment and Sustainable Job Creation						
Increased promotion of Trafford as an investment location	Develop an 'SLA' with MIDAS to agree approach for better co-ordination and the exchange of up to date information.	By end Sept 2021	Successful and Thriving Places	Allison Brierley/Mark Bamford	Meeting arranged with MIDAS to establish SLA.	Amber
	Promote Trafford as a UK distribution and production base for companies targeting UK market.	From July 2021 onwards	Successful and Thriving Places	Mark Bamford/Allison Brierley	Ekosgen Impact Assessment recommendation/work to commence.	Red

Updated marketing material to drive overall awareness of Trafford offer	Review and update Trafford Investment Guide and review website/social media platforms	By end October 2021	Successful and Thriving Places	Mark Bamford/Allison Brierley	Funding proposal drafted to commence work.	Amber
Support and drive delivery of the GM LEP Economic Vision	Work with GMCA and GM LEP to deliver the Building a Greater Manchester, Making a Greater ritain economic vision providing a blueprint for building a fairer, greener and growing economy	From July 2021 onwards	Successful and Thriving Places/Green and Connected	Mark Bamford	Ongoing liaison and working with GMCA.	Amber
	Develop an implementation plan to attract research, development investment and drive innovation.	From July 2021 onwards	Successful and Thriving Places/Green and Connected	Mark Bamford	Work to commence as per timescale.	Amber
Funding and Growth						
Potential for reduced Business Rates revenue and lower growth in Council Tax	Work with Finance and Exchequer Services to better track financial position and better assess work to increase business and residential growth	From March 2021 onwards	Successful and Thriving Places	Stephen James	Meeting to be arranged with Exchequer Services.	Red
Attract further funding to support growth by showing diversity of Trafford offer.	Track all available funding and bid for new funding where appropriate including Brownfield Land Fund, HIF, Growth Deal, Single Prosperity Fund etc.	Ongoing	Successful and Thriving Places	Stephen James/Mark Bamford	Ongoing work to bid/support bids for external funding. Levelling Up Fund Round 2 to be next focus.	Amber

	Develop successful propositions for various funds for locally based actions, business support measures and training and employment support actions to support the economic recovery, support local businesses and address skill shortages in order to address the combined impacts of Brexit and Covid-19.	Ongoing		Stephen James/Mark Bamford	Ekosgen Impact Assessment recommendation/Ongoing work to bid/support bids for external funding.	Amber
Strategic Sites Development and Job Creation						
Ensure a sustainable future for Trafford Park	Produce Trafford Park Action Plan to set out strategy for future promotion and identify interventions required to ensure long term sustainability/viability of a major economic asset.	By end October 2021	Successful and Thriving Places	Adrian Fisher/Stephen James	Forms part of Future Trafford Park bid drafted for Evergreen funding.	Amber
	Create a ‘Trafford Green Energy Park’ an area of Trafford Park as a ‘green district’ focussed on attracting low carbon renewable industries through a review of the Trafford Park Strategy and the revitalisation and evolution of the Park.	From March 2021 onwards	Green and Connected	Adrian Fisher/Stephen James	Forms part of Future Trafford Park bid drafted for Evergreen funding	Amber
Trafford City	Support delivery of Therme and Trafford Waters opportunities and raise awareness throughout the borough.	From September 2020 onwards	Successful and Thriving Places	Stephen James/Nidi etim	Ongoing work and opportunities for local jobs/apprenticeships/training etc. to be identified.	Amber
	Understand long term future of Intu Trafford Centre	From Sept 2020 onwards	Successful and Thriving Places	Adrian Fisher	Ongoing liaison with new owners.	Amber

Carrington	Support preparation of the funding strategy for the delivery of enabling infrastructure, including the Carrington Relief Road.	From Sept 2020 to March 2023	Successful and Thriving Places	Adrian Fisher/Mark Riorden	Ongoing review of costings and funding packages for the Relief Road in partnership with HIMOR, Homes England and TfGM.	Amber
	Support the delivery of Future Carrington site and wider regeneration of Partington, Carrington and Sale West.	From 2022 to 2037	Building Quality, Affordable and Social Housing	Adrian Fisher/Stephen James	Linked to Places for Everyone adoption timeframe. Ongoing liaison with landowners taking place.	Amber
Timperley Wedge	Support delivery of the Timperley Wedge site to support significant housing and employment growth, including increased links to Manchester Airport	From 2022 to 2037	Successful and Thriving Places/Building Quality, Affordable and Social Housing	Adrian Fisher/Stephen James	Linked to Places for Everyone adoption timeframe. Ongoing liaison with landowners taking place.	Amber
Trafford Civic Quarter	Support preparation of the Trafford Civic Quarter AAP.	From Sept 2020 to Jan 2022	Successful and Thriving Places	Ruth Cook/Stephen James	Work ongoing to produce the AAP	Amber
	Support delivery of the Trafford Civic Quarter AAP to support significant housing and employment growth, including maximising impact of assets such as UA92 and Lancashire Cricket Club.	From Jan 2022 onwards	Building Quality, Affordable and Social Housing	Ruth Cook/Stephen James	Linked to production and adoption of AAP.	Amber
Stretford Regeneration	Support preparation of the Stretford Area Action Plan (APP)	From Sept 2020 to Sept 2022	Successful and Thriving Places	Stephen James	Work ongoing to produce the AAP.	Amber

	Support the delivery of the Stretford AAP to achieve wholescale regeneration of the town	From Sept 2022 onwards	Building Quality, Affordable and Social Housing	Stephen James	Linked to production and adoption of AAP.	Amber
	Deliver and monitor the Future High Streets Fund once bid confirmed to support the regeneration of Stretford.	Oct 2020 to Dec 2023	Successful and Thriving Places	Stephen James	c£17M funding secured and project manager appointed.	Amber
Sustainable jobs and opportunities for local residents	Ensure that all development schemes have a social value benefit for local residents in terms of training, apprenticeships and job opportunities for all	Ongoing	Targeted Support/Supporting Residents When They Need It Most/Successful and Thriving Places	Nidi Etim/Becci Page	Social Value Plan produced and Internal Project Group to be established.	Amber
HS2	Work with HS2 to identify construction and other job opportunities and measures/initiatives for all local residents to take advantage of them.	From end 2021 onwards	Successful and Thriving Places	Stephen James/Nidi Etim/Becci Page	Liaison with HS2 ongoing.	Amber
	Develop an action plan with HS2 to future proof all local residents having the skills needed to access jobs.	By June 2022	Successful and Thriving Places	Stephen James/Nidi Etim/Becci Page	Linked to above.	Amber
Improved Town Centres for Residents and Businesses						

Minimise the significant impact on Town Centre businesses during lockdown	Implementation of the Reopening the High Streets Action Plan, delivery of communications to businesses and the visiting public, and social distancing interventions (including floor stencils, signage and highways adjustments	From July 2020 ongoing	Successful and Thriving Places	Mark Bamford	Initiatives are being delivered, and to date have included: - floor messaging - lamppost mounted messaging, - Information Officers, - Leaflets, posters etc. providing information for businesses - temporary highways adaptations (e.g. temp TRO), including new TROs in Goose Green and on Moss Lane and extending the TRO around Altrincham Market. Welcome Back Fund proposals have been drafted to deliver interventions through to March 2022.	**Green**

Drive town centre business engagement	Lead Information Officer role in the Town centres to deliver up to date guidance, advice, overall support and understand any trends in feedback.	July 2020 to October 2020	Successful and Thriving Businesses	Mark Bamford	Funded by the Reopening High Streets Safely Fund - Information Officers were deployed in town and district centres,visiting 9 key locations on a daily/weekly basis. Officers were deployed between 1st July 2020 and the 7th November 2020. Information Officers supported high street and town centre businesses, ensuring compliance with restrictions and being Covid-19 Secure.	Green
	Support safe growth in the night-time economy and the licensing/police liaison work to achieve this	July 2020 onwards	Successful and Thriving Places	Mark Bamford	Purple Flag award status included in the draft Welcome Back Fund proposals. Altrincham Unlmited are launching Purple Flag in Altrincham in autumn	Amber

Launch Covid Support Officers in the town centres and other retail centres to promote Covid safe measures for businesses and residents.	November 2020 to May 2021	Successful and Thriving Places	Mark Bamford	Covid-19 Support Officers were funded by the Compliance & Enforcement Grant and deployed across Trafford following the end of the Information Officers (funded by Reopening High Streets Safely fund). Officers were deployed between 16th November 2020 and the 31st May 2021. Due to the nature of the funding the Support Officers were able to work with businesses across Trafford (not just on the high street) and with members of the public. Officers role was to help ensure compliance with Covid-19 interventions/regulations and they worked with Environmental and Public Health, supporting some of their activities. . > The officer contract finished at the end of May when the Compliance and Enforcement Grant funding was fully spent	Green
Establish Town Centres contact database to facilitate increased engagement with local businesses	By September 2021	Successful and Thriving Places	Mark Bamford	Work to commence	Red
Increase engagement through targeted use of social media	Ongoing	Successful and Thriving Places	Mark Bamford	Work to commence	Red

	Survey of Town Centres businesses to better understand issues, needs and support required	By end June 2021	Successful and Thriving Places	Mark Bamford	Work to commence. Factored into the Welcome Back Fund proposals.	**Red**
Town Centre Performance	Utilise partner organisations to gain better insight on footfall, state of the market etc.	Ongoing	Successful and Thriving Places	Mark Bamford	Currently, footfall data for Altrincham, Sale and Stretford is shared with the Council by Altrincham Unlimited, Stanley Square Shopping Centre and Bruntwood.	**Amber**
	Work closely with Exchequer Service to set up a 'red flag' system to secure data on missed payments to identify trends and where businesses may be struggling	By September 2021	Successful and Thriving Places	Mark Bamford	Work to commence by timeframe.	**Red**
Innovate to attract and support new businesses and create jobs	Review Town Centres Business Loan scheme to assess whether it is fit for purpose to meet business needs and the regeneration of the town centres	By end September 2021	Successful and Thriving Places	Allison Brierley/Elaine Wood	Work on review commenced	**Amber**
	Produce a specific pack of information to support businesses moving into the Town Centres	By end October 2021	Successful and Thriving Places	Mark Bamford	Included in the draft Welcome Back Fund proposals.	**Amber**

Improve accessibility in the Town Centres for all	Produce and adopt new Highways Policy to reduce obstacles on the high street (e.g. A boards)	By end Dec 2021	Successful and Thriving Places	Mark Bamford	Work with Highways department. Draft policy been drafted - next steps to be agreed.	Red
	Produce accessibility action plan	By end September 2021	Successful and Thriving Places	Mark Bamford	Survey of public on how use town centres, issues etc to be produced.	Red
	Utilise funding from the Mayor's Cycling and Walking Challenge fund to improve access in and around the Town Centres (e.g. Urmston pilot work)	Ongoing	Green and Connected	Mark Bamford/Amey	Consultation exercises been undertaken to inform proposals. Collaborating with TFGM.	Amber
Improve the overall environment of the Town Centres for all to enjoy	Implement next Phases of Altrincham public realm improvements including George Street, Stamford New Road, Market Street, Regent Road, Moss Lane (programme in development).	Ongoing	Successful and Thriving Places	Mark Bamford	Design works underway. Consultation delayed due to Covid restrictions and local elections - timeframe to be set and agreed.	Amber
	Secure public realm improvements for Sale through the Sale-Sale Moor-Sale Waterpark MCF scheme	By 2023	Successful and Thriving Places/Green and Connected	Mark Bamford/Amey	Explore via Mayor's Challenge Fund	Red
	Work with Community Safety Team to implement Public Spaces Protection Orders in town centres experiencing issues with buskers, beggars and other anti-social behaviour.	Ongoing	Successful and Thriving Places	Mark Bamford	Options being identified. A Buskers Code of Conduct has been produced by the Community Safety Team and subsequently consulted on.	Amber

Collaborate with key partners to secure improvements in the Town Centres	Continue to support the work of the Altrincham BID following successful re-ballot	Ongoing	Successful and Thriving Places	Stephen James/Mark Bamford	BID Board meetings attended and support provided to new BID manager.	Green
	Support the work of the new private sector led Sale Regeneration Group including being part of Governance, Marketing and Economy sub-groups	From July 2020 onwards	Successful and Thriving Places	Stephen James/Mark Bamford	Sub-groups attended and supported.	Amber
	Support the work of the Urmston Town Partnership and promotional activity for the Town Centre	By end March 2021	Successful and Thriving Places	Mark Bamford	Sec 106 funded work completed. The project was to promote Urmston town centre. Key activity:. - Social media activity promoting Urmston businesses - Events, including Christmas activity and Manchester Food Festival fringe activity - Promotions around Easter, Mother's Day, Valentines Day etc. - Establishment of the Love Urmston brand Social media campaign to support 'welcome back' delivered.	Green
Improve marketing of the Town Centres to drive footfall and income	Develop a strategy to better promote the Town Centres in partnership with private sector and Marketing Manchester	By October 2021	Successful and Thriving Places	Mark Bamford	Brief produced and conversations are ongoing with Marketing Manchester. Potential to fund through the Welcome Back Fund.	Amber

Work with pace to bring forward town centre development sites	Work with Council Development Team, Bruntwood JV and private developers to bring forward development sites such as the regeneration of Stretford and identify potential public sector funding support.	Ongoing	Successful and Thriving Places	Mark Bamford	Regular, weekly meetings in place regarding the redevelopment of Stretford Mall.	Amber
	Work closely with The Square Shopping Centre in Sale to support their re-development plans for the site	Ongoing	Successful and Thriving Places	Mark Bamford	Relationships established with owners, ongoing liaison on support needs.	Amber
Consider role and function of District and Local Centres	Adopt Place Plans for Sale Moor and Hale and explore opportunities for securing resources to implement identified actions	From Sept 2020 onwards	Successful and Thriving Places	Mark Bamford	Place Plans produced and further consultation to take place.	Amber
Increase Visitor Economy						
Support recovery of Traffords visitor attractions	Continue to lead the ‘Driving the Trafford Visitor Economy’ group of key stakeholders to support and increase the visitor economy.	June 2021 onwards	Successful and Thriving Places	Allison Brierley	Forward plan of meetings to be confirmed and recovery focused meeting to be arranged.	Amber
	Support the implementation of the Cultural Strategy to increase visitors into the borough	From April 2021 onwards	Successful and Thriving Places	Allison Brierley	Strategy to be produced.	Red

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Brexit and Covid-19: An Economic Impact Assessment for Trafford

April 2021

Contents

Executive Summary

Trafford, along with the rest of the UK, is facing two key challenges – the Covid-19 pandemic and the UK's departure from the European Union. The dual effects of Covid-19 and Brexit are likely to continue to have a significant impact upon Trafford's economy in the short and medium run and is likely to result in an immediate increase in unemployment and more challenging conditions for many businesses in both the service and industrial economy.

Prior to Covid-19 pandemic Trafford had low unemployment and strong growth forecasts, it had one of the strongest economies in Greater Manchester. Trafford is now likely to see a significant increase in the number of unemployed residents as Government support measures unwind, the majority of which will be younger people.

Young people are likely to be affected by their high representation in sectors such as hospitality and leisure, and companies postponing recruitment in 2020 and 2021 to determine the extent to which the recovery supports new recruitment.

Covid-19 will have serious consequences for low income households and vulnerable groups, including families and children falling further behind as a result of long periods of online home learning. Research has highlighted the impact of Covid-19 restrictions on lower income households.

Trafford also has a number of sectors/companies at risk from the negative effects of Brexit. With nearly a half of UK exports and imports of manufactured goods going to, and coming from, the EU and a number of manufacturing sub-sectors are at risk including automotive, transport equipment, chemicals and chemical products and textiles (accounting for 28% of Trafford's manufacturing sector). In addition the need for the NHS and care sector to recruit a large number of international workers each year to meet demand, provides an additional risk as relocation to the UK becomes less attractive to EU citizens.

There is a consensus that Brexit will lead to:

- A reduction in exports while leaving the Single Market will not impact upon the ability of companies in Trafford to export, the non-tariff barriers are likely to reduce levels of trade relative to the current position;
- A reduction in re-investment by international companies which have used a UK base to export to EU markets;
- Reduction in the attractiveness of Trafford and Greater Manchester as a place to invest and re-invest for exporting to EU markets, relative to other cities and regions in the EU.
- More positively, a potential increase in European companies establishing a UK base and production facility to serve the UK market.

Summary of Economic Impacts

- **Trafford's economy** is estimated to have **shrank by 10% in 2020**, with GVA in Trafford unlikely to recover to pre-Covid levels until 2023.
- There is likely to be **over 9,000 claimants** of unemployment related benefits by the end of 2021, an uplift of 5,500 since the start of the pandemic.
- 40% of jobs losses in the **hospitality industry** with a number of bars, restaurants and cafes not reopening in 2021, as well as a fall in employment within the accommodation sector.
- 20% of job losses will come from the **retail sector** with a number of shops not reopening as restrictions are lifted in 2021.
- The remaining 40% will be across a range of other services including transport, media and tech companies and other business services, with many companies resizing in light of a changing economic environment.

Key Recommendations

While the immediacy of the challenges outweigh the opportunities, Trafford benefits from a strong economy and an investment attractive location for many of the sectors which will drive the economic recovery. Trafford Council and partners' will need to act quickly with mitigating measures to ensure longer term prosperity. Linking immediate responses to medium term opportunities will be central to a speedy economic recovery and increasing new job opportunities in 2022 and 2023. The key areas of focus and recommendations are:

- **Skills and Employment:** Encourage people to remain in education and training and increase their skills related to in-demand occupations would help those impacted to adapt to a subdued labour market. The scale of the challenge will fully emerge later in 2021 as Government job support measures end. Ensure training related funding prioritises the Health and Social Care sector, and increased information, advice and guidance is provided to attract more people to take up health and care employment opportunities.
- **Businesses and Employment:** Monitor the new arrangements for banking and financial services as well as the arrangements for mutual recognition of professional qualifications.
- **Inward Investment:** Promote Trafford as a UK distribution and production base for companies targeting UK market.
- **Funding:** Develop successful propositions for various funds for locally based actions, business support measures and training and employment support actions to support the economic recovery, support local businesses and address skill shortages in order to address the combined impacts of Brexit and Covid-19, including Shared Prosperity, Levelling Up and the Community Renewal Fund.

Key Priorities

As the economy recovers there is an opportunity for Trafford to rebuild the economy in a fairer and more environmentally conscious way, aligning with Greater Manchester's strategic plans *to "build back a better, fairer and greener economy"*. This includes:

- **Supporting a Green Recovery:** There is the potential to support a greener recovery and Greater Manchester's mission to achieve carbon neutrality by 2038. The low carbon economy provides a significant opportunity to create jobs including by supporting projects that involve retrofitting buildings, green transport and the related training programmes. NESTA highlights the opportunity to reskill those who have become unemployed following the pandemic for the green economy, including residential retrofitting. Estimates suggest around 60,000 homes would need to be retrofitted each year in Greater Manchester to meet its targets, creating significant demand for accredited Green Homes Grants (GHG) installers.
- **Tackling Inequalities:** There is a need to tackle social and health inequalities, which act as a constraint to growth and influence quality of life and deprivation among communities. Key interventions include: action to ensure young people are able to gain the qualifications, skills and capabilities to take up training and employment opportunities; ensuring targeted support is in place for those with health issues, including mental health, to bring people back into training and employment; support for those who need multiple interventions before they are ready to take up training and employment opportunities. In addition, the physical regeneration of deprived areas can play an important part in raising aspirations and increasing community confidence. The council have an important role to play in reducing social and health inequalities.
- **Maximizing Social Value:** There is potential to increase social value activities and leverage more benefits for residents and businesses, provide supported employment places for residents in areas of high deprivation and provide a new range of actions to support young people. Greater Manchester has committed to undertaking a refresh of the existing Greater Manchester Social Value Framework and new social value policy for GMCA and its partners operating at a GM footprint, including guidance for commissioning and procurement in the light of the Covid-19 pandemic. There is an opportunity for Trafford Council and partners to strengthen their social value activities and expectations when procuring goods and services. In addition, there is a growing commitment in the private sector to increase their Corporate Social Responsibility actions, presenting another opportunity for Trafford to increase social value activities.

1 Introduction and Context

Purpose of the Report

This paper has been prepared to assess the potential economic implications of Brexit for the borough of Trafford now that the UK has secured a free trade agreement with the European Union (EU) and has left the common market. This will provide an update to the Brexit Impact Assessment report completed January 2019 for Trafford Council, although given the ongoing Covid-19 pandemic, this report will also assess the dual effects of Covid-19 and Brexit on the economy.

Brexit

On June 23rd, 2016, Britain voted in a referendum to leave the European Union. In 2017 Article 50 was triggered marking the two-year countdown until the UK was meant to leave the EU although the date was later extended. In 2020 the European Union (Withdrawal Agreement) Act 2020 became law and on 31st January 2020 the UK officially left the European Union and entered the transition period. On 24th December 2020 The Brexit deal – the EU-UK Trade and Cooperation Agreement, (TCA) – was secured and on the 31st December 2020 the transition period ended and the UK left the EU single market and customs union.

The Brexit Trade Deal

The key elements of the TCA (Brexit deal) which came into effect on 31st December 2020 are detailed below.

Trade in Goods	• 100% tariff liberalisation, whereby no tariffs or quotas on the movement of goods between the UK and the EU. The agreement also includes provisions to support trade in services. • In terms of rules of origin UK firms have to certify the origin of their exports to qualify for tariff-free access to the EU. There are limits on what proportion of goods can be assembled from parts made overseas to qualify for tariff-free access.
Financial Services	• There is little clarity for financial services, although the TCA includes joint declaration to support enhanced cooperation on financial oversight and an agreement to try and reach a memorandum of understanding by March 2021.
Dispute Settlement	• No role for the European Court of Justice in settling trade disputes which must be negotiated between the EU and the UK.
Standards	• The EU and UK have committed to upholding their environmental, social, labor and tax transparency standards with a re-balancing mechanism which allows both the EU and UK to be able to retaliate with tariffs if standards diverge too much.
Professional Qualifications	• There will no longer be automatic mutual recognition of professional qualifications (MRPQs) although the TCA sets out aims to establish a process in which regulators and industry bodies can work with each other to establish MRPQs in the future.
New Immigration System	• From the 1st of January 2021, the UK implemented a points-based immigration system that prioritises employment, skills and experience rather than a geographic area, this ends the free movement of people between the UK and the EU. This is explored in further detail in Chapter 4.
State Aid	• The TCA ends the EU State Aid regime, although the UK needs to create a body to oversee its own subsidy control regime
Data	• Data flows between the European Union and United Kingdom can continue as before for a maximum of six months, or until the European Union agrees to a data adequacy decision (expected to be finalised in early 2021). Personal data shipped to the UK during this interim period “shall not be considered as transfer to a third country” by the EU.
Law Enforcement	• There will be cooperation between UK and EU law-enforcement agencies, particularly as part of investigations into terrorism and serious crime, including with the exchange of DNA, fingerprint and airline passenger information, but the UK loses membership in Europol and Eurojust

Overview of the impact of Brexit

While the UK left the EU single market and customs union on 31st December 2020 in the midst of a global pandemic, it is likely that it will be some time before the full impacts of Brexit are visible and the full consequences of Brexit are likely to take a number of years to be fully felt.

Brexit has been over-shadowed by Covid-19, with the lockdown affecting various parts of the economy, and significant uncertainty over the ending of restrictions and the speed of the economic recovery. As a result, it is difficult to determine the early economic impact of Brexit.

The UK has avoided the no deal scenario which would have had an immediate and serious effect across the economy, although forecasts suggest that Brexit will reduce the economy by 1%-2% in the short term. The Institute of Fiscal Studies (IFS) estimate in 2021 the UK economy will be 2.1% smaller than if the UK remained in the single market and customs union, while the consensus is that the UK economy will be 5% lower in 2030, compared to remaining as an EU member. Brexit is likely to lead to a reduction in traded goods and services, with implications for some parts of manufacturing and the effect on finance/business services will be determined by the final arrangements, which have yet to be agreed.

Covid-19

Given the profound impact the Covid-19 pandemic is having on the economy, it is essential to consider the dual effects Covid-19 and Brexit in the short and medium term. This is likely to result in an immediate increase in unemployment and more challenging conditions for many businesses in both the service and industrial economy.

The Covid-19 pandemic has caused a traumatic shock to the whole economy, with output declining by around 10% in 2020, more than twice the decline in 2009. The impacts are likely to deepen many of the socio-economic challenges already being faced by some communities, although various protection measures and home working have reduced the immediate impact on many sectors. Covid-19 is having differential effects across the country, largely due to differences in health, social and economic conditions, including the sectoral mix of local economies, in addition to varying levels of restrictions places have been under. Hospitality, tourism, transport and arts and entertainment are the most exposed sectors in relation to economic impact of Covid-19.

Oxford Economic produced the expected regional impacts of Covid-19, published by ICAEW in May 2020. The research suggests in the North West, the largest job losses will have been in accommodation and food services (circa. -35,000) followed by wholesale and retail trade (c. -27,000) and manufacturing (c. -21,000), while GVA is expected to have declined by almost 8%.

One consequence of Covid-19 has been to increase unemployment and significantly increase the numbers of people looking for employment, which may mitigate the loss of the pool of EU citizens taking up lower paid jobs in some sectors. Covid-19 is expected to have some longer-term impacts, with more people choosing to work at home in the long-term, impacting upon city centres.[1]

As a result of the Covid-19 pandemic alongside Brexit a period of sizeable economic adjustment is likely to follow.

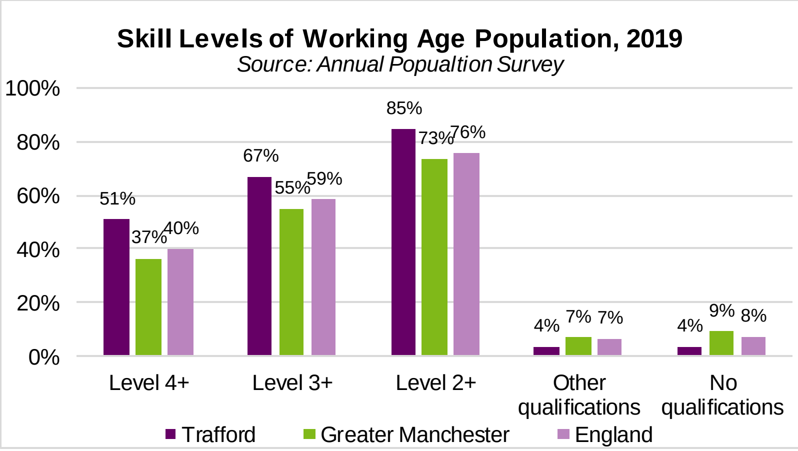
[1] IFS Green Budget: October 2020

2 Overview of Trafford's Economy

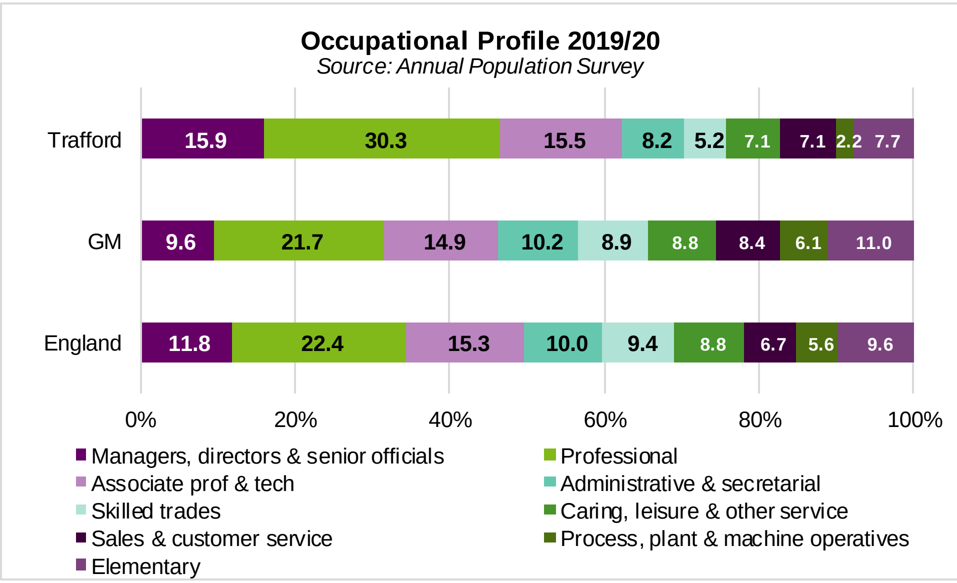
Trafford has a strong and diverse economy, with a population of 237,354, accounting for 8.4% of Greater Manchester's population, and a workforce of 156,000 people, accounting for 11.2% of total employment in Greater Manchester.

A Highly Skilled Population

The population is highly skilled. As of 2019 50.9% of the working age population were skilled to Level 4 and above, significantly above the Greater Manchester (36.6%) and national (40.0%) averages. In addition, a much lower share holds no formal qualifications, with just 3.8% of working age residents compared to 9.4% across the wider sub-region and 7.5% nationally.



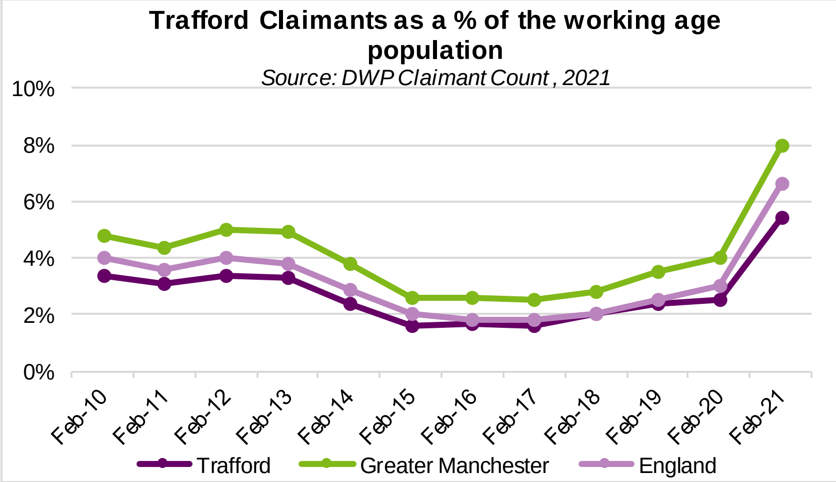
Trafford's occupational profile reveals there is a relatively large share of its residents working in skilled occupations. In the year ending September 2020, professional occupations (30.3%) accounted for the largest share of the working population in Trafford, a notably larger share than across Greater Manchester (21.7%) and nationally (22.4%), indicative of the large professional, scientific and technical employment and business base. Managers, directors and senior officials were the second largest occupational group, accounting for 15.9% of working residents compared to 9.6% across the sub-region and 11.8% nationally.



Low Unemployment

In the five years prior to the Covid-19 pandemic Trafford has been characterised by low unemployment, typically falling below the Greater Manchester and England average. In the year ending September 2020, unemployment remained below the sub-regional and national level at 3.7% compared to 5.3% across Greater Manchester and 4.4% nationally, although this does not capture the full impacts of Covid-19 on unemployment.

The Claimant Count, which captures people claiming Job Seekers Allowance (JSA) and those who are claiming the unemployment related elements of Universal Credit (UC), provides a more up to date picture of unemployment. Over the past ten years the proportion of claimants in the working age population has been consistently never been above the Greater Manchester and England levels.[2]

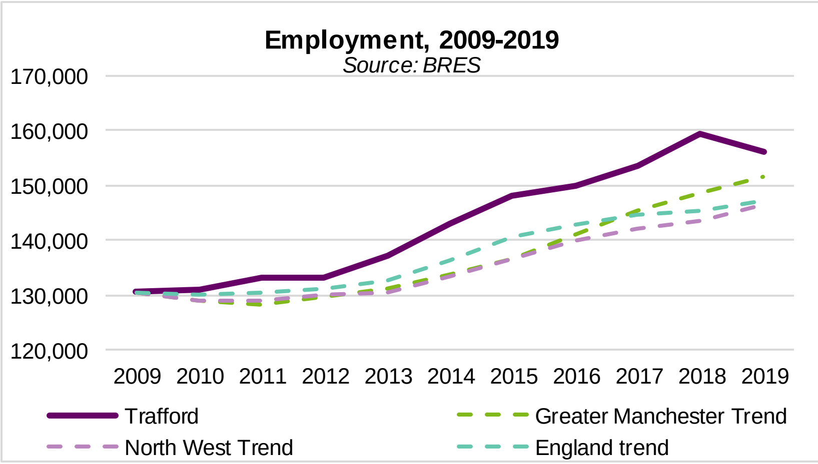


In February 2021 there were 7,485 claimants in Trafford accounting for 5.4% of the working age population, a ten year high for Trafford, although it still falls below the Greater Manchester (8.0%) England (6.6%) levels.

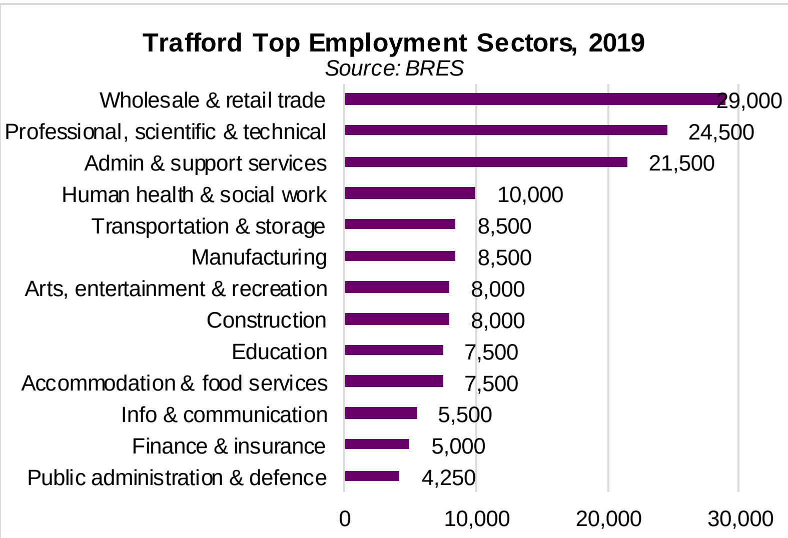
A Strong Service-led Employment Base

In 2019, 156,000 people worked in Trafford, accounting for 11.2% of total employment in Greater Manchester.

Since 2009 an additional 25,500 jobs have been created in Trafford, an uplift of 19.5% a faster rate of growth then seen across Greater Manchester as a whole (16.0%) and nationally (12.8%).

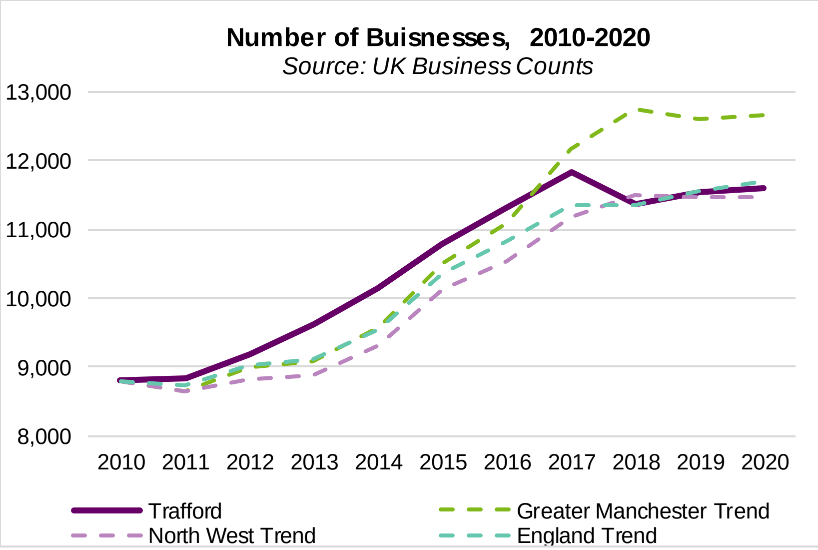


Employment in Trafford is concentrated in wholesale and retail trade; professional, scientific, and technical services; and administrative and support service activities which together account for 48.1% of employment in Trafford, compared to 36.2% in Greater Manchester. Trafford has a relatively large professional, scientific, and technical activities base, which has more than doubled in the past decade, and now accounts for 18% of Greater Manchester's total employment in the sector. The arts, entertainment and recreation sector is also overrepresented in the area, accounting for 5.1% of employment compared to 2.4% across the sub-region and 2.5% nationally.



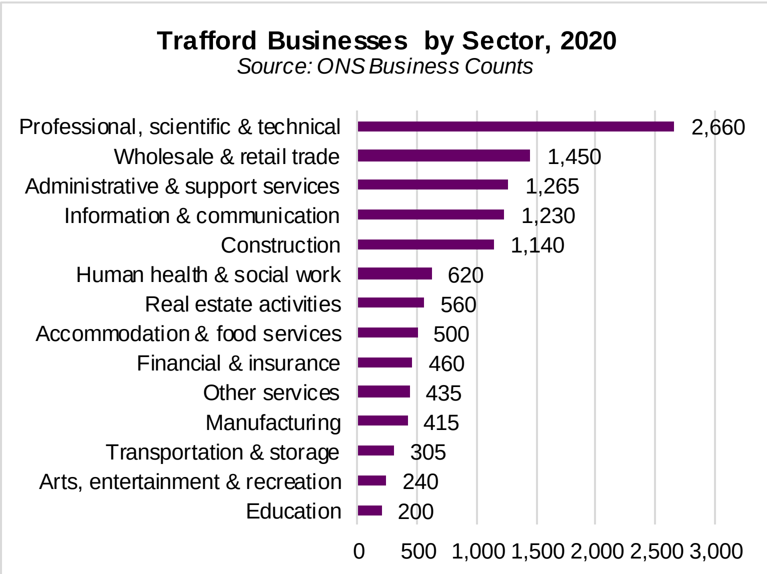
[2] With the exception of 2018 where the Claimant Count as a proportion of the working age population was 2.0% in Trafford and England.

A Diverse Business Base



As of 2020, there were 11,595 businesses operating in Trafford, accounting for 11.1% of the Greater Manchester business base.

Between 2010 and 2020, there has been an uplift of 2,790 businesses, 31.7%, a slower rate of growth than across Greater Manchester, 43.9%, largely driven by rapid growth in Manchester, and marginally below the national uplift (33.0%).



Looking at the business base in Trafford by sector reveals businesses are concentrated in service industries in addition to construction. Trafford has a strong professional, scientific, and technical business base with 2,660; accounting for more than 1 in 5 businesses in the Trafford area (22.9%), compared to 16% across Greater Manchester and 17.5% nationally. Over the past decade the number of professional, scientific and technical businesses has grown by 1,000, and uplift of over 60%. Trafford also has a concentration of information and communication businesses, with 1,230 businesses accounting for 10.6% of the business base compared to 6.1% in Greater Manchester and 8.7% across the country (minus London). Trafford accounts for 18% of ICT businesses in Greater Manchester.

Key employment locations in Trafford include Trafford Park and Trafford City. Trafford Park is one of the largest and most successful industrial estates in Europe, with over 9 million m^2 of business space, supporting an estimated 1,330 businesses and 35,000 jobs, 11.5% of Trafford's business base and 22.4% of the workforce, with global brands including Manchester United, Kellogg's, L'Oréal, Adidas, Amazon, Unilever, Cargill, ITV and Procter & Gamble. Trafford City hosts a range of leisure, retail and food and drink offers, including The Trafford Centre, employing around 17,600 people (11.3% of the Trafford workforce).

A Changed Economic Landscape

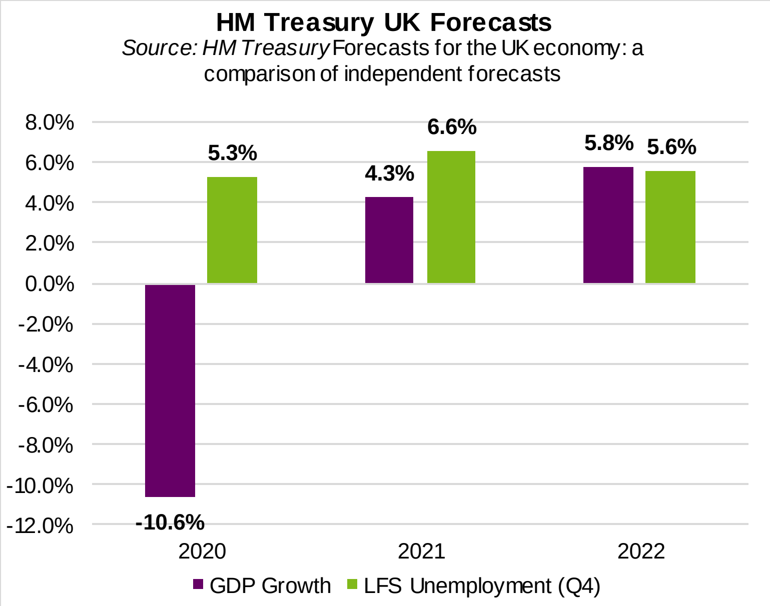
Prior to Covid-19 pandemic Trafford had low unemployment and strong growth forecasts, it had one of the strongest economies in Greater Manchester. However significant numbers of businesses and jobs are in sectors which have been impacted by Covid-19 restrictions, where the full effects will become clear as Government support measures unwind and it also has a number of sectors/companies at risk from the negative effects of Brexit.

3 Economic Outlook

Short Term Economic Outlook

Covid-19 has caused a significant shock to the economy. Recent HM Treasury reports which compare a range of independent forecasts suggest that in 2020 output declined sharply by 10.6% as a result of the Covid-19 pandemic but is expected to grow in 2021 and 2022. However the economic recovery in 2021 is highly dependent on the pandemic.

While the uncertainty around Brexit between 2016 and 2019 is likely to have dampened growth, the biggest impact from leaving the EU is expected to materialise in 2021 and 2022 impacting upon the scale of economic recovery post-Covid.



Unemployment is expected to rise in 2021 as the furlough support ends and many businesses re-open with fewer staff. These forecasts suggest the unemployment rate will be 6.6% in quarter four of 2021.

This implies policy support will continue to be needed over the next couple of years the support people and businesses to recover.

Longer Term Impacts

Due to the profound economic fallout from Covid-19, output is not likely to return to 2019 levels before 2023. Covid-19 in the long term may lead to some economic activity moving out of major urban centers, and the shift to permanent and flexible home-working may lead to a reduced demand for commercial office space, while some of the retail impacts and the acceleration of online shopping and home delivery may further impact on town and city centres.

The IFS anticipate output to remain 4.5–5.0% below its 2016–19 trajectory in 2024, with 1-1.5% of this impact due to the UK's exit from the single market and customs union.

The consensus is that the UK economy will be between 4-6% smaller in 2030 as a result of leaving the Single Market and Customs Union. The key reasons cited for this are:

- A reduction in trade – mainly as a result of significant non-tariff barriers to trade covered in Chapter 6;
- A reduction in migration – due to changes in immigration policy and the attractiveness of the UK as a place to work, covered in more detail in Chapter 5;
- A fall in foreign direct investment – covered in Chapter 6; and
- A reduction in collaboration in research.

Trafford Economic Outlook

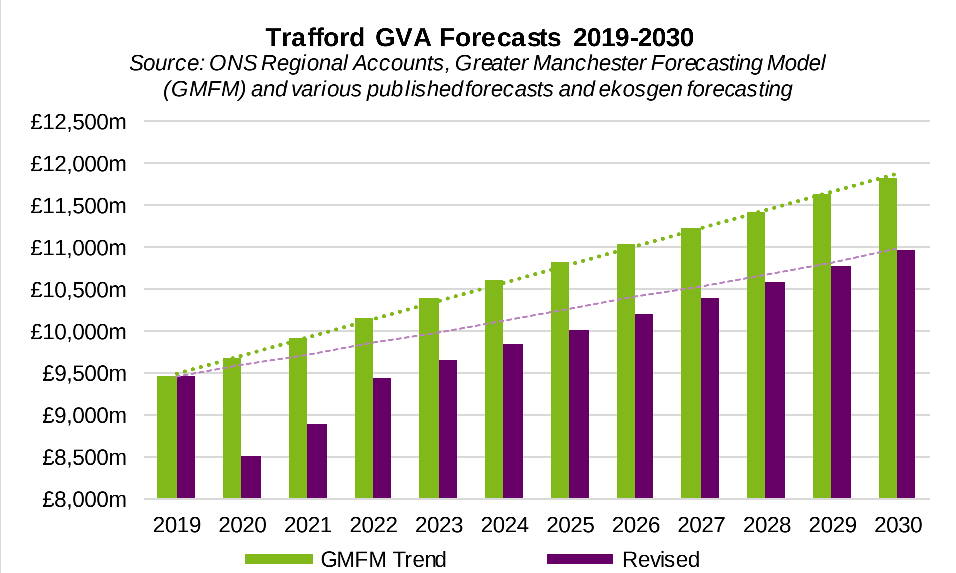
Prior to Covid-19 pandemic Trafford had low unemployment and strong growth forecasts. Trafford is now likely to see a significant increase in the number of unemployed residents as Government support measures unwind, the majority of which will be younger people.

Young people are likely to be affected by their high representation in sectors such as hospitality and leisure, and companies postponing recruitment in 2020 and 2021 to determine the extent to which the recovery supports new recruitment.

Covid-19 will have serious consequences for low income households and vulnerable groups, including families and children falling further behind as a result of long periods of online home learning. Research has highlighted the impact of Covid-19 restrictions on lower income households.

Forecasts have been informed by Oxford Economics research in a House of Commons Briefing Paper in December 2020, HM Treasury comparisons of 20 new forecasts in January 2021, Bank of England, Greater Manchester Forecasting Model, and ONS data.

The chart below shows the pre-Covid forecasts from the Greater Manchester Forecasting Model (GMFM) and the revised forecasts drawing on various published forecasts. The forecasts suggest GVA in Trafford will not recover to pre-Covid levels until 2023.



The 2022 and 2023 forecasts indicate an economy with lower levels of employment and the loss of output, compared to the pre-Covid trend, highlighting the long-term loss of economic momentum.

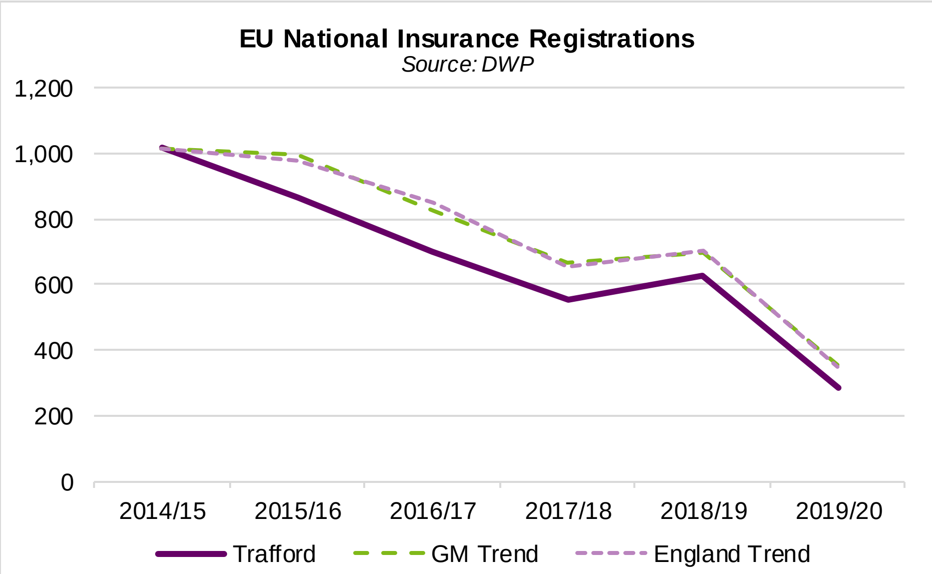
4 Labour Market, Unemployment and Skills

EU Migration prior to Brexit

In 2019/20, approximately 9,000 (3.8%) of Trafford's population are EU nationals, below the proportion across Greater Manchester (4.4%) and nationally (5.6%).[3] In the year ending September 2020, 285 national insurance numbers were issued to EU applicants in Trafford, down from 624 the year before, highlighting the impact of Covid-19.[4]

The number of EU nationals entering the country and registering for National Insurance numbers has been falling for a number of years following the EU referendum in 2016. Between 2016 and 2019 the number of National Insurance registrations to EU nationals entering the country fell by 28%, similar to the decline in Greater Manchester and Trafford.

This drop in EU nationals has immediate and long-term implications for certain sectors of the economy.



Sectoral impacts, as a result of restricting the freedom of movement following Brexit, are likely to depend on the share of EU-born migrants in each sector as well as local skills shortages in UK-born citizens and the level of unemployment. An estimated 6,000 jobs in Trafford belong to EU nationals. A reduced flow of EU nationals who work in Trafford is important for the sectors which employ a large proportion and number of EU citizens including: hospitality, transport, manufacturing, business admin, retail, professional, scientific and technical and construction.

Prior to Brexit the arrangements to extend existing EU residents long term status appears to have avoided any exodus – although the new immigration policy is likely to have a significant impact upon future migration. In total, 4.6m people have been granted the right to remain in the UK under the EU settlement scheme, considerably higher than the pre-Brexit estimate of 3.1m EU citizens. This estimate appears to have seriously undercounted EU citizens' role in the UK economy. Applications under the new arrangements are allowed up until June 2021 and the final number is expected to pass 5m.

New immigration system

Prior to the introduction of the new immigration system, the UK launched an EU Settlement Scheme that allows EU and EEA citizens who live in the UK to remain without needing to apply for additional visas or become subject to the new points based system. All workers from EEA nations who are already resident in the UK have until 30th June 2021 to apply for the EU Settlement Scheme which will guarantee their right to work in the UK indefinitely.

[3] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/populationoftheunitedkingdombycountryofbirthandnationality
[4] Department of Work and Pensions (DWP)

On 1st of January a points-based immigration system was adopted based on the skills or job shortage within the UK and the appropriate qualifications and skills of the application. This system includes a 'Skilled Workers route' which requires that people obtain 70 points, of which 50 come from the mandatory criteria of having:

- a job offer from a licenced sponsor.
- a job offer which is at, or above, the minimum skill level of an RQF Level 3 (A-level) or equivalent.
- spoken English of an acceptable standard.

A further 20 'tradeable' points might also be drawn from a combination of a worker's salary, a job in shortage occupation (as designated by the Migration Advisory Committee), or their possession of a relevant PhD.

There is no automatic mutual recognition of professional qualifications, however, and while a framework is laid out to allow professional bodies to move in this direction. It may take some time before all relevant occupations are covered.

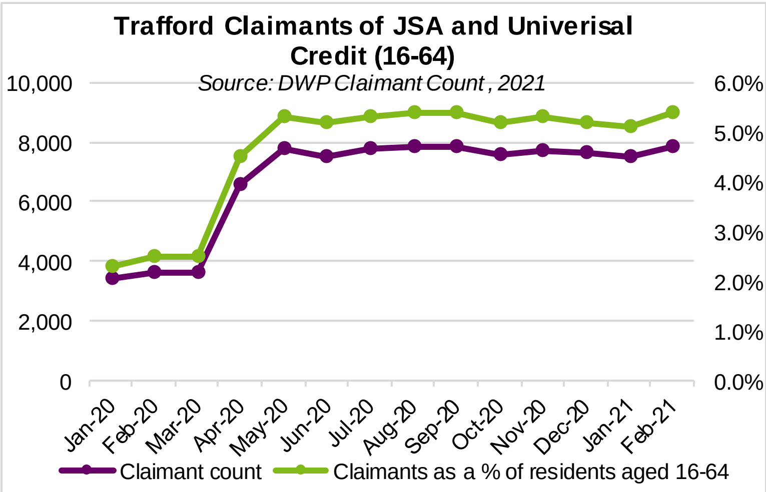
The changes in migration rules could reduce the number of EU nationals living and working in Trafford, and are particularly important for the sectors including: banking and finance; retail, restaurants and hotels; manufacturing; and health and social care, and some of these sectors need lower paid/lower skilled staff, in addition to higher skilled recruits. A reduction of EU migrants working in the health and social care sector could impact the ability for Trafford to deliver vital children and adult health and social care services in the future. A priority should be focussing on attracting and retaining staff in this sector as well as identifying any current or future skills shortages and policies to target them.

In order to address long term recruitment of the health and care workforce, Greater Manchester and the Local Authority should make the case for the Shared Prosperity Fund to replace current EU funding invested in training and skills development. Consideration should be given to ensuring training related funding prioritises the Health and Social Care sector, as well as manufacturing and industry. This is likely to deepen some of the skills shortages.

Covid-19 impacts on unemployment

The Claimant Count captures people claiming Job Seekers Allowance (JSA) and those who are claiming the unemployment related elements of Universal Credit (UC) and provides a comprehensive and up to date view of unemployment levels.

In February 2021 there were 7,810 claimants of JSA and unemployment related UC in Trafford accounting for 5.4% of the working age population up from 3,615 claimants and just 2.5% of working age residents in March – a 116% growth.



Covid-19 has disproportionately affected employment amongst young people, of which there will have been a cohort leaving education and entering the labour market in the past year who have been unable to secure employment. Young people also typically have a high representation in sectors such as hospitality and leisure which have been severely impacted by Covid-19 lockdowns and travel restrictions. Between March 2020 and February 2021 the claimant count amongst those aged 16-24 has grown by 121% in Trafford (compared to 116% across all ages) with this cohort now accounting for almost 20% of all claimants. This is likely to increase as large numbers complete their education in 2021 and look for employment.

The latest Coronavirus Job Retention Scheme Statistics (January 2021, reporting figures as of 31st December) show there were 13,100 people furloughed and a take up rate of 12% in Trafford, equal to

8.4% of employment compared to 11.1% in Greater Manchester and 11.5% nationally, down from 26,100 furloughed as of 31st May 2020 (16.7% of the employment base). The Coronavirus Job Retention Scheme (CJRS) has been extended until the end of September 2021, however concerns remain that as support comes to an end, redundancy and unemployment levels will rise.

The impact of Covid-19 has hit the self-employed particularly hard. The latest figures for the Self-Employment Income Support Scheme (SEISS) to the 31st December show there were a total of 5,300 claims made in Trafford, equating to £14.4 million being claimed, with a take up rate of 58%.

In total some 18,400 jobs in Trafford and 230,000 across Greater Manchester are being assisted by Government support. It is unclear how many will be lost when Government support ends, which suggests that the full job losses from Covid-19 will only be clear at the end of 2021.

Unemployment is likely to increase further in the summer/autumn of 2021 as the furlough support ends and many businesses re-open with fewer staff.

HM Treasury published comparison of independent forecasts suggest the unemployment rate could reach 6.6% by Q4 of 2021, with estimates ranging from 4.6% to 8.0%.[5]

As with the UK as a whole, unemployment in Trafford is likely to continue to rise in 2021, with the potential for there to be over 9,000 claimants of unemployment related benefits and over 6.2% of the working age population, by the end of 2021, an uplift of 5,500 claimants since the start of the pandemic.

Looking at the 2008/9 recession shows that unemployment can take a number of years to reach its peak as highlighted in recent analysis from the National Institute of Economic and Social Research, which suggests there could be a delayed recovery in the labour market due to the reallocation of labour as the economy adjusts to sectoral shifts as a result of Covid-19 and Brexit.[6]

Extended periods of unemployment can have significant impacts on longer-term earnings. Typical estimates suggest that workers who are made unemployed are 6–9% less likely to be in work in the longer term, and have wages 8–10% lower than they would otherwise have had even if they find another job (Tumino, 2015).

Given the significant labour market impacts of Covid-19 of young people and expected impact on less skilled workers, interventions such as the new Kickstart Scheme for those aged under 25, will have an important role to play in preventing more-lasting damage.

There is an immediate need to provide training and job search support to respond to the considerable job losses arising from the pandemic as well as the reduced opportunities from companies and organisations changing or postponing recruitment plans. The scale of the challenge will fully emerge throughout 2021 as Government job support measures end.

Covid-19 has accelerated use of digital technology across all areas of work and activities. It is evident that adopting universally applicable skills can increase the likelihood of success entering and progressing through employment, as well as the ability to transfer into other key and emerging sectors. The demand for digital skills and transferrable skills such as creativity, critical thinking, interpersonal communication skills and leadership skills will also become more important as technology advances and virtual working becomes a lot more common.

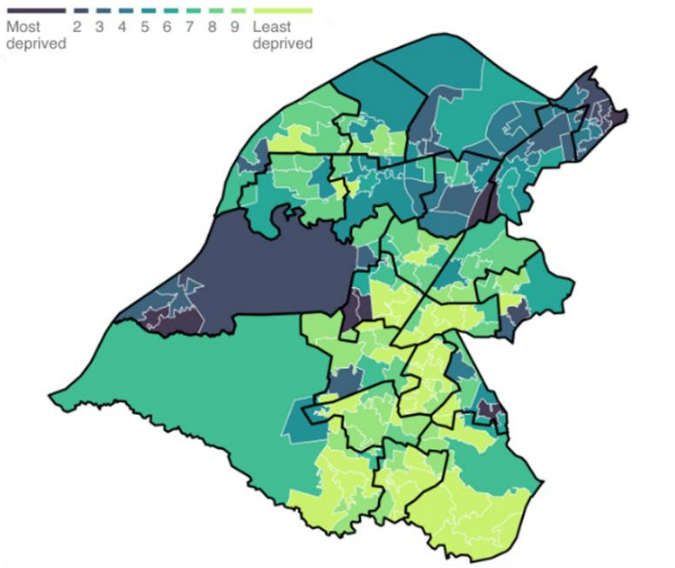
The Local Government Association research suggests the low carbon workforce will treble by 2030 with an additional 700,000 new jobs in low-carbon sectors. There is an opportunity to create jobs by investing in the green economy and supporting projects that involve retrofitting buildings, green transport and the related training programmes. For example, on Greater Manchester estimates suggest around 60,000 homes would need to be retrofitted each year to meet its targets, creating significant demand for accredited Green Homes Grants (GHG) installers.

[5] HM Treasury Forecasts for the UK economy: a comparison of independent forecasts
[6] National Institute UK Economic Outlook: February 2021

5 Impacts on Communities

The impacts of Covid-19 have been experienced differently within different areas and communities. There is a growing body of evidence that the worst effects of the Covid-19 pandemic have disproportionately impacted people from BAME backgrounds, people in lower-paid or more public-facing work, disabled people, and people with pre-existing health and economic difficulties.

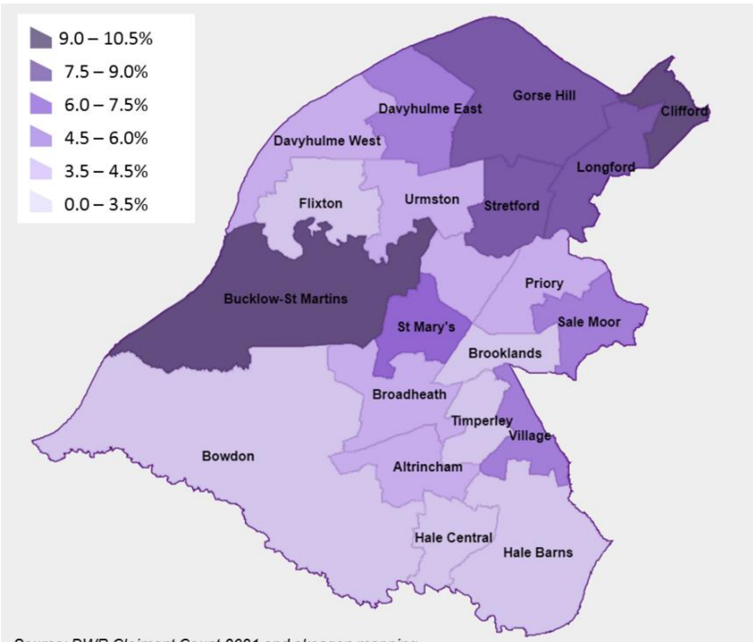
A recent report by NHSA[7], reported higher infection, hospitalisation and death rates of Covid-19 in more deprived areas of the country. This is linked to increased vulnerability including higher prevalence of diabetes and respiratory conditions, heart disease, obesity as well as increased transmission from higher population densities and inequalities in housing conditions (such as houses of multiple occupation and limited access to outdoor and communal greenspace) in more deprived areas.



Source: image published on https://www.trafforddatalab.io/analysis/IoD2019/report/ using English Indices of Deprivation (2019), MHCLG data.

While Trafford is the least deprived of all Greater Manchester local authorities as of 2019, pockets of deprivation exist within certain area and communities in the borough for example in Clifford and Bucklow-St Martins as well as parts of Stretford, Longford and St Marys, which are likely to have faced worse health and economic impacts from Covid-19.

Looking at the Claimant County by ward for February 2021, shows that levels of employment reflect the typically pattern of deprivation in Trafford with unemployment concentrated in the north of the borough, towards the centre of Manchester, while the south of the borough towards Cheshire tends to have lower prevalence of unemployment. The wards with the highest proportion of claimants in the working age population are Clifford (10.5%) and Bucklow-St Martins (10.1%), which together have 1,535 claimants accounting for 20% of total claimants in Trafford. The areas of Gorse Hill (8.6%), Longford (8.4%) and Streford (8.0%) also have high relatively high proportion of claimants, above the Greater Manchester and England averages. The areas with the lowest proportion of claimants are Timperley (2.6%), Hale Central (2.7%), Hale Barns (3.0%), Brooklands (3.1%) and Bowdon (3.3%).



Source: DWP Claimant Count 2021 and ekosgen mapping

Covid-19 has emphasised and exacerbated economic, social and health inequalities which exist. There is a need to ensure the economic recovery plans seek to address these inequalities, which act as a constraint to growth and influence quality of life and deprivation among communities.

[7] NHSA, Covid-19 and the Northern Powerhouse Tackling inequalities for UK health and productivity, 2020

6 Sectoral Impacts

The sectors most at risk from Brexit are manufacturing companies involved in exporting and importing, and those which require a high skilled workforce including the health and care sector, which require the regular recruitment of international workers to meet demand.

Sectors most exposed to the impacts of Covid-19 are not the sectors most at risk to Brexit. The at-risk Covid-19 sectors are dependent on a robust rebound when lockdown restrictions end and are pre-dominantly enterprises that have been unable to trade over a 12-month period.

Health and Social Care

In Trafford there are 10,000 people employed in Health and Social Care activities representing 6.4% of total employment, the fourth largest employer in Trafford. Around 6% of the health and social care workforce are EU nationals according to Migration Observatory statistics, this suggests there are around 600 EU workers in the sector in Trafford.

Workforce and skill shortages in the sector, with rising demand for health and social care and an ageing population, have further been exacerbated by the Covid-19 pandemic. Following the referendum there has been a sharp fall in the number of nurses coming from the EEA, with large numbers leaving the UK workforce, this has been partially offset by greater numbers of nurses from outside the EEA arriving although the Covid-19 pandemic and travel restrictions has muted efforts to recruit NHS workers from abroad in the past year and compounded the shortages.

Within the new points-based system there are exceptions for many health care workers with an NHS job offer and qualified social workers through a new fast-track Health and Care Worker Visa, although this does not extend to other social care roles, including care workers. There is likely to be a reduction in workers who qualify for entry to the UK, impacted by lower skills and wages, below the threshold. This could have potential impact on the cost of providing care in a context of challenging Local Authority and NHS budgets. In addition, the UK may now be less attractive to EU citizens.

There is also the risk of increased delays at ports & limited warehousing facilities for medicines and health supplies which may disrupt service and lead to higher costs.

There is now a greater focus on the UKs health supply chains and the need to reduce dependence on overseas supply, providing economic opportunities from onshoring.

Manufacturing

Manufacturing is at risk due to non-tariff barriers and integrated supply chains with the EU, with some manufactures relying on ‘just-in-time’ delivery of parts or inputs, who may be experiencing disruptions in their supply chains caused by increased or uncertain processing times for goods at the border. Trafford Park, a nationally significant industrial estate, is home to a large number of manufacturers, a number of which will be involved in importing and exporting to the EU.

Nearly a half of UK exports and imports of manufactured goods go to, and come from, the EU, and EU labour helps fill key skills gaps in the UK. There are 8,500 manufacturing jobs, accounting for 5.4% of total employment, and 415 businesses in Trafford.

The following manufacturing sub-sectors are expected to be impacted the most: manufacture of automotive, transport equipment, chemicals and chemical products and textiles. These together account for 28% of Trafford’s manufacturing sector.

The early intelligence is that there has been considerable disruption to the movement of goods into and out of the UK, exacerbated by the various lockdown restrictions imposed by Governments across Europe.

Chemicals

There are 1,125 people employed and 25 businesses who manufacture chemicals and chemical products in Trafford. While this accounts for less than 1% of the workforce, the sector is relatively concentrated within the Trafford local area with a location quotient score (a measure of specialisation compared to the national average) of 2.4 indicating employment in this sector is 2.4 times more concentrated in Trafford compared to the national average.

The chemical sector produces around £50bn of exports annually with integrated EU supply chains. In 2019, 57% of chemical exports went to the EU while 73% of chemical imports come from the EU.[8] 63% of companies in the sector export their goods, the highest proportion of any goods manufacturing sector in the UK economy.

REACH is the main EU legislation for the regulation of chemicals in the EU and requires substances that are manufactured in or imported to be registered with the European Chemicals Agency (ECHA). The EU REACH ceased to have effect in Great Britain from 1st January 2021 when UK REACH came into effect which aims to closely replicate the EU regime, maintaining high standards of health and environmental protection. There are concerns however that the UK system lacks transparency and may impose costs for businesses.[9]

The Chemical Industries Association has suggested costs to chemical businesses of recreating the significant documentation required under both EU and UK Reach in order to sell in both markets could total £1bn, putting significant strain on SMEs in particular.[10] These costs have already led some chemical manufactures in the UK to relocate part of their operations.

Financial Services

The finance and insurance sector in Trafford employ 5,000, 3.2% of the workforce, while there are 460 finance and insurance firms operating in the borough. Financial Services are one of the UKs biggest exports. The IFS estimate that EU business is particularly important in banking and investment, with the EU accounting for over 40% of UK exports in financial services. Previously, many overseas banks have made the UK their European headquarters because of its access to the EU market.

The UK and EU have agreed a Joint Declaration on Financial Services Regulatory Cooperation, which specifies that both parties agree on a memorandum of understanding (MoU) establishing the framework for cooperation by March 2021. The majority of financial services trade will be governed by uniliteral assessments undertaken by the EU and UK under the Financial Equivalence framework.

From 1st January UK and EU financial service providers can no longer benefit from being able to set up establishments or provide cross border financial services into the other Party's territory while being regulated by authorities in the home country, which is key for UK exports of financial services – as well as American or Swiss banks with subsidiaries set up in the UK.

Most EU laws on financial regulation adopted in recent years allow third country firms to provide financial services into the EEA on the basis of an EU Commission assessment that the relevant third country's domestic regulatory framework achieves outcomes "equivalent" to those of the EU's framework. A lack of equivalence decisions would increase the cost of doing business for financial services firms and the clients they serve. This would impact market efficiencies and the global competitiveness of financial services businesses operating both in the EU and the UK. The European Commission can also revoke the equivalency it has granted with 30 days' notice, which may add additional uncertainty for UK businesses.

However, equivalence does not cover all core banking and financial activities, including accepting deposits, providing investment services to retail (non-professional) investors or payment services. Moreover, equivalence decisions can be withdrawn at short notice and may be affected by political considerations. In particular, one of the EU's priorities in the face of Brexit is to on-shore at least some of the financial services previously provided in the UK.

For a period up to 1st June 2021, personal data can temporarily continue to be freely transferred from the EEA to UK-based data importers, without any requirement to implement additional safeguards that would otherwise be mandated by the GDPR. This will have a considerable effect on the financial services sector due to the high level of regulation which will provide a barrier to trade.

[8] House of Commons Briefing Paper: End of Brexit Transition: chemicals regulation, March 2021
[9] Ibid
[10] https://www.nytimes.com/2021/01/18/business/brexit-chemical-industry-uk.html

The lack of a trade agreement for financial services means the extent of the potential job losses from activities and businesses relocating to EU is not yet known. Many businesses are awaiting the outcome of details of the upcoming memorandum of understanding on financial services.

Hospitality and Tourism

The tourism, hospitality and culture sectors have been severely impacted by the Covid-19 pandemic with national lockdowns, social distancing measures and travel restrictions.

Prior to the Covid-19 pandemic tourism contributed £9bn to the Greater Manchester's economy per year, supporting over 100,000 full time equivalent (FTE) and attracting 1.6m international visitors. Trafford has 740 businesses and over 15,000 jobs in the accommodation and food sector and the arts, entertainment and recreation sector, all of which are likely to have been impacted.

Trafford City is a significant visitor destination, with a range of leisure, retail and food and drink offers including: The Trafford Centre; Chill Factore; iFLY indoor skydiving; SEA LIFE; and LEGOLAND. Prior to the Covid-19 pandemic, Trafford City previously attracted 44 million visitors a year, employing 17,600 people (11.3% of the Trafford workforce). As lockdown and travel restrictions ease, Trafford City will play a role in the local economic recovery although the majority of the businesses and jobs are likely to have been severely impacted over the past year.

The British Hospitality Association (BHA) estimates that a minimum 15% of the hospitality and tourism industry are workers from the European Union, which equates to almost 700,000 jobs. Many of these workers will have taken steps to register to stay in the UK long term, while the impact of Covid-19 is likely to lead to a large groups of trained staff seeking new employment opportunities, given the impact on leisure and hospitality industries

While these sectors are forecast to rebound strongly in 2022, and possibly the second half of 2021, with tourism expected to support economic recovery, there will be significant job losses and company closures in the short term.

In the 2021 Spring Budget, the government announced an extension of the 5% VAT rate for goods and services supplied by the tourism and hospitality sector until 30th September 2021 with a 12.5% rate to apply for the subsequent six months until 31st March 2022. 100% business rates relief for retail, hospitality and leisure properties in England will continue until 30th June 2021. These measures, alongside the extension to the Coronavirus Job Retention Scheme, are aimed to help businesses in this sector to recover and reopen as lockdown measures ease this year.

Despite these measures, the sector has faced significant challenges and the scale of job losses and business closures is yet to be fully understood. A UK Hospitality survey reported that 41% of businesses surveyed suggested that their business would fail by mid-2021.

Retail

There are more than 16,000 jobs in Trafford in the retail sector. Covid-19 lockdown measures have meant brick-and-mortar retail has had to remain closed for much of the past year, with a sharp increase in online shopping although overall retail sales have fallen.

Covid-19 has resulted in an accelerated shift to on-line shopping with effects on town centre retail business rates and employment. McKinsey estimate that online sales will continue growing at a faster rate than before Covid-19, with many people permanently shifting to more online shopping. This trend, in addition to a shift to more permanent homeworking, will continue to have an effect on town centre retail business rates and employment. There is expected, however, to be a compensating increase in warehouse and delivery jobs.

These trends could have a significant impact upon the vitality and viability of key town centres such as Altrincham, Sale, Stretford and Urmston and the district centres of Hale, Sale Moor and Timperley in Trafford, in addition to the The Trafford Centre which is home to around 200 shops, restaurants and attractions, employing an estimated 12,000 people, 7.7% of total employment in the borough.

Digital, Media and Tech

The digital, media and tech sector employees 6,000, 3.8% of total employment in Trafford. Greater Manchester has established strong digital clusters such as 'MediaCityUK'. This sector may witness a decline in the availability of a skilled workforce throughout Trafford and Greater Manchester.

The UK has left the Single Digital Market, which aims to remove regulatory walls creating one digital market and covers digital marketing, ecommerce, and telecommunications, enabling online trading between EU member states.

As part of the withdrawal agreement and regulations which have followed the UK has established its own GDPR, which is very closely aligned to EU GDPR. Data flows between the EEA and UK can continue as before for a maximum of six months, or until the European Union agrees to a data adequacy decision (expected to be finalised in early 2021). Personal data shipped to the UK during this interim period "shall not be considered as transfer to a third country" by the EU.

The adequacy assessment will determine whether the UK provides "essentially equivalent" protection for personal data as the EU if so then personal data can continue to be transferred without taking additional requirements beyond complying with the data protection laws of where the company is based – the UK GDPR or the EU GDPR.

The TCA suggests that the UK and EU will co-operate on regulatory issues regarding digital trade such as: the recognition and facilitation of interoperable electronic trust and authentication services; the treatment of direct marketing communications; the protection of consumers; and any other matter relevant for the development of digital trade, including emerging technologies.[11]

The TCA provides that no customs duties will be imposed on electronic transmissions, and there is a positive obligation on the UK and EU to co-operate on the development of emerging technologies. If the EU and UK diverge on regulatory and other issues in the future, there may be additional costs for businesses due to a double regulatory burden. This could put the UK digital sector at a disadvantage not having the same access and benefits as comparator firms in the EU.

Science and Innovation

The Brexit Deal allows the UK to participate in the 9th EU Framework Programme, Horizon Europe, as an associated country which runs from 2021 to 2027, giving UK based researchers access to the European Research Council (ERC), Marie Skłodowska-Curie Actions (MSCA), grant funding from the European Innovation Council (EIC), and the ability to participate in and lead consortia with EU and international partners. Given the scale and benefits of the programme this is significant for UK Science and innovation. [12]

The TCA also allows the UK access to Euratom Research and Training, the fusion test facility ITER, the Copernicus Earth observation programme and the EU's Satellite Surveillance & Tracking (SST) services.[13]

Prior to leaving the EU there was significant concern from scientists over the mobility of scientists, with a large proportion of scientists moving between countries for work. Around a third of academic staff in British universities are from outside the UK, with 16% from other EU countries. One British Nobel prize winner, stated that present visa arrangements for non-EU countries were inhibiting co-operation.

As a result of Brexit, EU researchers and innovators who want to come and work in the UK will now need to navigate the visas and immigration system. Currently the upfront costs of work and study visas for researchers and innovators considering coming to the UK are up to six times higher than the average across leading science nations.[14]

[11] https://www.nortonrosefulbright.com/en/knowledge/publications/9cf5fd99/impact-of-brexit-on-technology-and-innovation
[12] https://royalsociety.org/topics-policy/projects/brexit-uk-science/access-to-research-funding/
[13] Ibid
[14] https://royalsociety.org/blog/2021/02/what-does-the-uk-eu-deal-mean-for-science/

Summary

With nearly a half of UK exports and imports of manufactured goods going to, and coming from, the EU and a number of manufacturing sub-sectors are at risk including automotive, transport equipment, chemicals and chemical products and textiles (accounting for 28% of Trafford's manufacturing sector), while the need for the NHS and care sector to recruit a large number of international workers each year to meet demand, provides an additional risk as relocation to the UK becomes less attractive to EU citizens.

While many sectors across the economy are expected to face challenges, job losses primarily as a result of Covid-19 are expected to be concentrated in:

- Hospitality, accounting for 40% of jobs losses, with a number of bars, restaurants and cafes not reopening in 2021, as well as a fall in employment within the accommodation sector.
- Retail**,** making up 20% of job losses, with a number of shops not reopening in 2021 as restrictions begin to ease.
- Other services including transport, media and tech companies and other business services, accounting for the remaining 40%, with many companies resizing in light of a changing economic environment.

7 Business Impacts

To date the IFS suggest that the weakness of sterling since 2016 has helped companies in some parts of the tradable sector, providing a cost advantage over countries in the EU and other competitors, providing some economic benefits. The weakness of sterling may have meant many firms (who provide tradeable goods and services) have chosen to keep activity open since 2016, even if it will become unviable after the UK leaves the EU Single Market and Customs Union.

Covid-19 has had a significant impact on businesses across the economy – with hospitality, leisure and tourism most severely impacted.

The business impacts of Brexit depend on the extent to which businesses have prepared and improved their resilience – Covid-19 is likely to have diverted businesses attention from Brexit preparations, which may result in greater disruption and more firm failures in 2021. CBI and Citi survey from June 2020 of businesses suggested Covid-19 was the key focus rather than Brexit preparations. The survey suggested the financial sector businesses most likely to be ready while manufacturers in particular had more to do.[15]

Early intelligence suggest that the emerging issues with regard to Brexit are concentrated within those companies involved in exports and imports and adapting to new arrangements:

- A recent Growth Hub Survey shows 17% of businesses reporting a 'negative' impact from EU exit, 52% of firms reported a 'neutral' impact, 29% are 'unsure' and 2% reported a 'positive' impact.
- GM Chamber of Commerce are reporting a dramatic increase in the number of Brexit and trade deal related enquiries. Whilst issues being raised are often very specific to individual firms, the two most common topics are VAT and documentation.
- Firms are reporting that the changes to the forms they use for transporting goods are resulting in some shipments being rejected or being unable to be certified. Firms are also reporting that information available on gov.uk is too generic to be useful.

The early evidence shows that the majority of businesses are engaged with dealing with Covid-19 related restrictions, with businesses directly affected by reduced opening hours and others managing staff working from home.

Implications for Trade and Access to Markets

IFS research suggests initially there will be a larger reduction in exports than imports, with the decline in exports negatively impacting employment, and consumption. According to the ONS UK goods exports to the European Union fell 40.7% in January 2021, while imports of EU goods into the UK dropped by 28.8%. A reduction in machinery and transport equipment, and chemicals from the EU, car imports, and medicinal and pharmaceutical products accounted for a large share of the reduction in imports from the EU. Even if the UK continues to secure additional trade agreements with other countries, Brexit is likely to lead to lower trade volumes.

'Non-tariff barriers' impose significant costs to businesses and include customs checks at borders, regulatory barriers, registrations and product standards. Significant costs associated with customs checks have been experienced from 1st January 2021 and will have an immediate impact this year. The cost of filling out customs declarations is estimated at an additional £7 billion a year.[16] Other immediate costs have included the requirement to re-register as an authorised economic operator and to re-apply for the appropriate licences in order to export. In the longer run there is potential for additional costs, associated with regulatory divergences, to materialise. In 2018, the Bank of England estimated around 80% of the total reduction in trade associated with Brexit would result from non-tariff barriers.

The Government has recently postponed post-Brexit checks on some EU goods to support businesses given the ongoing impact of Covid-19. The revised timetable means the need for health certificates on imports such as meat and milk will now come into effect in October 2021; safety and security declarations on imports will be pushed back from July to January 2022; customs declarations will be

[15] https://www.iod.com/news/news/articles/IoD-figures-on-firms-Brexit-readiness
[16] https://www.ft.com/content/fbc6f191-6d69-4dcb-b374-0fa6e48a9a1e

required at the point of import on all goods from the same time; and checks on live animals and low-risk plant products will take place from March 2022.[17]

Greater Manchester has a greater reliance on the EU as an export market than nationally, with the EU accounting for 58% of exports from Greater Manchester businesses in 2019, compared to 52% across the country. The GM Business Survey 2020 suggests that around one in seven businesses (14%) in Greater Manchester are exporters, while the survey suggests Trafford has the second highest share of exporting firms (16%) after Manchester. The Creative and Digital sector has the highest proportion of exporters (26%), followed by manufacturing (20%) with machinery and transport equipment and chemicals accounting for a large share of exported goods.[18]

There are estimated to be at least 500 businesses in Trafford involved in exporting to the EU, accounting for 4% of the business base. There is a risk that companies exporting smaller amounts will find the new arrangements too burdensome to continue.

Estimates suggest at least 700 companies in Trafford import from the EU, accounting for 6% of the business base, and these are now being affected by increased paperwork and processing time at borders. Early intelligence suggests this could result in serious disruption for some businesses, although this could reduce as companies adapt to a new normal.

Implications for Business Investment

Uncertainty around Brexit since 2016 has supressed business investment, in particular in industries which are likely to be the most adversely impacted by Brexit.[19] Businesses which have chosen to delay or cancel physical investments following the referendum (particularly those businesses exporting and importing to/from the EU) who will not have significant sunk costs, may respond quicker now that the transition period has ended.

As a result of Covid-19 IFS research suggests business investment fell by 16.5% in 2020, and will grow by 4.1% in 2021 before recovering strongly in 2022 and 2023. The research found that as a result of economy uncertainty businesses in the most-exposed sectors have typically focused on hiring rather than investment.[20]

Implications for FDI

Foreign direct investment (FDI) fell sharply in the UK in the wake of the 2016 referendum, following a wave of foreign acquisitions in later 2016. While estimates vary, most expect this fall to prove persistent; for example, Dhingra et al. (2016) estimate Brexit could result in a 22% fall over the coming decade.

The number of EU-originated FDI projects in the UK has continued to decline since 2016 and is now 17% below its peak in 2016. The decline in EU FDI been offset by a increase in FDI projects from countries such as US and rapid growth from countries including Turkey and Israel. This contributed to strong performance in FDI in 2019, driven in part by digital tech and R&D projects.

The Covid-19 pandemic has had a significant impact on FDI with 30-45% fewer FDI projects expected in the UK in 2020 than in 2019.

New research by UCL and LSE economists suggests FDI could fall by 37% after leaving the EU. There is however some evidence that some European companies are looking to open up offices and production facilities to serve the UK market and avoid the time and costs involved of exporting to the UK.

Estimates suggest around 90 companies in Trafford are foreign owned, and leaving the EU may lead to relocations over the medium term or companies prioritising European facilities for re-investment.

[17] https://questions-statements.parliament.uk/written-statements/detail/2021-03-11/hcws841
[18] GMCA, February 2021
[19] IFS Green Budget: October 2019
[20] IFS Green Budget 2020: Chapter 3

8 EU Replacement Funding

The UK received structural funding worth about £2.1 billion per year as a member of the EU. Greater Manchester received a total of €413.8m of ERDF and ESF funding across final funding period (2014-2020). EU funding has played an important role in supporting universities as well as businesses, skills and helping people into work. While from 1st January 2021 new EU funding has ceased, investment from the current round of EU structural funds will continue to be spent until the end of 2023.

The UK is able to participate in the 9th EU Framework Programme, Horizon Europe, running from 2021 to 2027, which is key for supporting collaborative, transnational research and development, with a primary focus on science and technology.

The Government is committed to introducing a **Shared Prosperity Fund** (SPF) as a replacement for losing ERDF and ESF resources as a consequence of leaving the EU. The Shared Prosperity Fund seeks to “reduce inequalities between communities”.

The November 2020 Spending Review confirmed that the SPF will be split into two parts which will largely cover the main areas of the ERDF and ESF:

- The first part will be ‘place-based’ which will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities by investing in ‘people and skills’ (e.g. work-based training), ‘communities and place’ (e.g. cultural and sporting facilities or town and neighbourhood infrastructure), and local businesses.
- The second part will focus on employment and skills programmes for those facing barriers to participation in the labour market tailored to local need.

The Spending review confirmed the commitment for the funding to at least match EU funding. The Government committed to publish further details of the scheme in Spring 2021.

While the Shared Prosperity Fund has not been formally launched, the £4.8bn **Levelling Up Fund** which will support small scale regeneration and transport type projects at a constituency level has been launched. Trafford has been identified as a category 1 area – meaning is prioritised as an area of highest need of support. These projects will not include business support and innovation support, and it will be important that the Shared Prosperity Fund fills this gap.

The **Community Renewal Fund** has also been launched which will provide £220m funding to help places across the UK prepare for the introduction of the SPF. It will help to support places to run pilot programmes and new approaches ahead of the forthcoming SPF, focused on investment in skills, local business, communities and place and supporting people into employment.

Brexit will have a drag on the economy at a time when unemployment is high and many businesses will be in recovery mode. It is likely that the post Covid-19 recovery phase in late 2021 and 2022 will see an increase in new starts, and the Council should seek to focus fund resources in this area.

There is a major task for Council officers over the next 18 months to develop successful propositions for various funds which help to support the economic recovery, with the potential for locally based actions, business support measures and training and employment support actions.

9 Threats and Opportunities

Short term threats

In the short term the key threats facing Trafford are:

- Rising unemployment as a result of Covid-19 and postponed recruitment – which will have a particularly significant impact on the employment prospects of younger people.
- Disruptions and delays at the border impacting on supply chains and importers and exporters, worsened by the various lockdown restrictions imposed by Governments across Europe, including for medicines and health supplies which may disrupt service and lead to higher costs.

Medium to long term threats

Looking beyond 2021 potential threats are:

- A reduction in inward investment as a source of new and additional business rates and employment, including established foreign owned business losing out in future re-investment plans.
- Skills shortages, particularly in the Health and Care Sector – with the ongoing challenge of the NHS and care sector need to continually recruit internationally in order to provide the workforce demand exacerbated by Brexit. This includes a number of community related services such as health and social care impacting upon the ability for Trafford to deliver vital children and adult health and social care services
- Worsened long term educational and employment inequalities due to school disruption and as work placement opportunities fall.
- A reduction in business rates and retail employment as a result of a fall in the demand for commercial space following a shift to permanent and flexible home-working and the acceleration of online shopping.
- If the EU and UK diverge on regulatory and other issues in the future, there may be additional costs for businesses, potentially putting UK businesses at a disadvantage for not having the same access and benefits as comparator firms in the EU.

Opportunities

- Shared Prosperity, Levelling Up and the Community Renewal Fund provide Trafford with the potential for locally based actions, business support measures and training and employment support actions, which can help to aid the economic recovery, support local businesses and address skill shortages including through supporting those who have lost their jobs as a result of the Covid-19 pandemic to reskill and find employment.
- Economic opportunities of ‘onshoring’ with a greater focus now on the UKs supply chains and the need to reduce dependence on overseas supply.
- A potential increase in European and foreign companies establishing a UK base and production facility to serve the UK market. There is an opportunity to promote Trafford as a UK distribution and production base for foreign companies targeting UK markets.
- New trade deals (in the medium term) opening new markets.
- Green Recovery – there is expected to be an additional 700,000 jobs created in low-carbon sectors by 2030. NESTA highlights the opportunity to reskill those who have become unemployed following the pandemic for the green economy, including residential retrofitting.
- The Liverpool City Region Freeport, which encompasses Port Salford in Greater Manchester, could provide an opportunity for businesses to grow, boost international trade and support the development of manufacturing capabilities.

10 Conclusions and Recommendations

Summary of Economic Impacts

- **Trafford's economy** is estimated to have **shrank by 10% in 2020**, with GVA in Trafford unlikely to recover to pre-Covid levels until 2023.
- There is likely to be **over 9,000 claimants** of unemployment related benefits by the end of 2021, an uplift of 5,500 since the start of the pandemic.
- 40% of jobs losses in the **hospitality industry** with a number of bars, restaurants and cafes not reopening in 2021, as well as a fall in employment within the accommodation sector.
- 20% of job losses will come from the **retail sector** with a number of shops not reopening as restrictions are lifted in 2021.
- The remaining 40% will be across a range of **other services** including transport, media and tech companies and other business services, with many companies resizing in light of a changing economic environment.

Trafford, along with the rest of the UK, is facing two key challenges – the Covid-19 pandemic and the UK's departure from the European Union. The dual effects of Covid-19 and Brexit are likely to continue to have a significant impact upon Trafford's economy in the short and medium run and is likely to result in an immediate increase in unemployment and more challenging conditions for many businesses in both the service and industrial economy.

Covid-19 has had a profound and immediate impact upon the whole of the economy, with output declining by twice as much as it did following the 2008 financial crisis, and Brexit is likely to limit the scale of recovery in the next two years, with IFS estimates suggesting the UK economy will be 2.1% smaller than if the UK remained in the Single Market and Customs Union, considering impacts of Covid-19. The full impacts of Brexit are likely to materialise over the next few years and will depend on the extent to which businesses have been able to adapt to new trade arrangements and skilled recruitment challenges.

There is a consensus that Brexit will lead to:

- A reduction in exports while leaving the Single Market will not impact upon the ability of companies in Trafford to export, the non-tariff barriers are likely to reduce levels of trade relative to the current position. Our estimates suggest there are around 500 businesses in Trafford involved in exporting to the EU;
- A reduction in re-investment by international companies which have used a UK base to export to EU markets;
- Reduction in the attractiveness of Trafford and Greater Manchester as a place to invest and re-invest for exporting to EU markets, relative to other cities and regions in the EU.
- More positively, a potential increase in European companies establishing a UK base and production facility to serve the UK market.

These trends will accelerate in the current situation of added time needed for goods to reach destinations continue in the medium term i.e. if initial teething problems turn out to be permanent features of exporting and importing. There is likely to be some additional challenges for exporters and importers as full customs processes are phased in over the course of the next year.

The lack of a trade agreement on services suggest that the economic recovery cannot rely on sectors like financial services which have been less exposed to the effects of Covid-19. Therefore, it will be important for Trafford to monitor the new arrangements for banking and financial services as well as the arrangements for mutual recognition of professional qualifications. These two issues have the potential to impact on Trafford businesses and employment.

The implications for the health sector have changed now that the no deal scenario has been removed. However, while stockpiling has reduced the effect on the supply chain, the added time and costs of importing remains a concern. This is also the case with regards to the need to apply the new migration entry requirements for the sector. As a context, Greater Manchester hospitals needs to attract between

400-500 qualified nurses each from abroad, and a large component of this labour force would have come, unrestricted, from EU countries.

The on-going issues with regard to Brexit are (a) company arrangements for importing and exporting and (b) company understanding of the new procedures for recruiting higher skilled staff from abroad. There is likely to be an on-going demand for support and advice from Trafford companies.

Brexit will exacerbate the challenge of the NHS and care sector need to continually recruit internationally in order to provide the workforce demand. Skills and recruitment challenges with a potential shortage of staff in a number of community related services such as health and social care could impact the ability for Trafford to deliver vital children and adult health and social care services in the future, however the increase in unemployment from Covid-19 could provide a larger pool of people looking for employment.

Increasing unemployment as a result of Covid-19 and postponed recruitment will have a major impact on the employment prospects of younger people. Actions to encourage people to remain in education and training and increase their skills related to in-demand occupations, including health and social care, digital industries, distribution and logistics and emerging occupations in the green economy, would help those impacted to adapt to a subdued labour market.

There is a significant challenge facing the school population as a result of the pandemic and the educational loss from the unprecedented disruption to school education. Department for Education research has shown that poor educational performance impacts directly on lifetime earnings and the pandemic risks damaging a generation of young people. Without intervention, long term educational and employment inequalities are likely to be exacerbated by school disruption and as work placement opportunities fall. Resources are likely to be made available to allow pupils to catch up and a significant proportion of these need to be targeted on the most disadvantaged pupils from low income households, who are likely to have fallen further behind. The disruption to schools and the educational consequences are likely to take several years to address.

Trafford Council is likely to see a slowdown in future business rates income primarily, a result of Covid-19, with reductions in retail space and a likely trend of companies downsizing their employment space in the light of home and hybrid working.

There is a significant medium term risk of a reduction in inward investment as a source of new and additional business rates and employment, including established foreign owned business losing out in future re-investment plans, with a compensating interest from European companies seeking to establish a base to serve the UK market.

Key Recommendations

While the immediacy of the challenges outweighs the opportunities, Trafford benefits from a strong economy and an investment attractive location for many of the sectors which will drive the economic recovery. Trafford Council and partners will need to act quickly with mitigating measures to ensure longer term prosperity. Linking immediate responses to medium term opportunities will be central to a speedy economic recovery and increasing new job opportunities in 2022 and 2023. The key areas of focus and recommendations are:

Skills and Employment

- Encourage people to remain in education and training and increase their skills related to in-demand occupations would help those impacted to adapt to a subdued labour market. The scale of the challenge will fully emerge later in 2021 as Government job support measures end.
- Ensure training related funding prioritises the Health and Social Care sector, and increased information, advice and guidance is provided to attract more people to take up health and care employment opportunities.

Businesses and Employment

- Monitor the new arrangements for banking and financial services as well as the arrangements for mutual recognition of professional qualifications.

Inward Investment

- Promote Trafford as a UK distribution and production base for companies targeting UK market.

Funding

- Develop successful propositions for various funds for locally based actions, business support measures and training and employment support actions to support the economic recovery, support local businesses and address skill shortages in order to address the combined impacts of Brexit and Covid-19, including Shared Prosperity, Levelling Up and the Community Renewal Fund.

Key Priorities

As the economy recovers there is an opportunity for Trafford to rebuild the economy in a fairer and more environmentally conscious way, aligning with Greater Manchester's strategic plans *to "build back a better, fairer and greener economy".* This includes:

- **Supporting a Green Recovery:** There is the potential to support a greener recovery and Greater Manchester's mission to achieve carbon neutrality by 2038. The low carbon economy provides a significant opportunity to create jobs including by supporting projects that involve retrofitting buildings, green transport and the related training programmes. NESTA highlights the opportunity to reskill those who have become unemployed following the pandemic for the green economy, including residential retrofitting. Estimates suggest around 60,000 homes would need to be retrofitted each year in Greater Manchester to meet its targets, creating significant demand for accredited Green Homes Grants (GHG) installers.

- **Tackling Inequalities:** There is a need to tackle social and health inequalities, which act as a constraint to growth and influence quality of life and deprivation among communities. Key interventions include: action to ensure young people are able to gain the qualifications, skills and capabilities to take up training and employment opportunities; ensuring targeted support is in place for those with health issues, including mental health, to bring people back into training and employment; support for those who need multiple interventions before they are ready to take up training and employment opportunities. In addition, the physical regeneration of deprived areas can play an important part in raising aspirations and increasing community confidence. The council have an important role to play in reducing social and health inequalities.

- **Maximizing Social Value:** There is potential to increase social value activities and leverage more benefits for residents and businesses, provide supported employment places for residents in areas of high deprivation and provide a new range of actions to support young people. Greater Manchester has committed to undertaking a refresh of the existing Greater Manchester Social Value Framework and new social value policy for GMCA and its partners operating at a GM footprint, including guidance for commissioning and procurement in the light of the Covid-19 pandemic. There is an opportunity for Trafford Council and partners to strengthen their social value activities and expectations when procuring goods and services. In addition, there is a growing commitment in the private sector to increase their Corporate Social Responsibility actions, presenting another opportunity for Trafford to increase social value activities.

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APPENDIX 3 - GLOSSARY

- **AEB:** The Adult Education Budget (AEB) is a single funding stream devolved to GM that brings together adult further education (19yrs+ provision with the exception of apprenticeships and traineeships), community learning, and discretionary learner support. It aims to support more flexible tailored programmes of learning to support learners to engage in learning and to ensure that adults can develop the essential skills needed for both life and work.
- **AAP:** An Area Action Plan (AAP) is a Development Plan Document (DPD) that provides specific planning policy and guidance for an area where significant regeneration or investment needs to be managed.
- **BID:** A Business Improvement District is an area within which businesses are required to pay an additional tax (or levy) in order to fund projects within the District's boundaries. The BID is funded primarily through a levy on business rates but can also draw on other public and private funding streams.
- **Brownfield Land Fund:** The Brownfield Land Fund is government grant funding available through the Greater Manchester Combined Authority to help to deliver new homes and unlock brownfield land for development.
- **Claimant Count:** The Claimant Count measures the number of people claiming unemployment related benefit. From April 2015 the Claimant Count includes all Universal Credit claimants who are required to seek work as well as all Job Seekers Allowance claimants.
- **Community Renewal Fund:** government funding scheme to provide additional funding to help places across the UK prepare for the introduction of the UK Shared Prosperity Fund.
- **ERDF:** The European Regional Development Fund (ERDF) promotes balanced development across the EU. Following the UK withdrawal from the EU this will be replaced in the UK by a new Shared Prosperity Fund' intended to reduce inequality between communities across the four UK nations and to deliver sustainable, inclusive growth. UK recipients will continue to receive EU funding over the lifetime of projects which are agreed within the current 2014-20 funding cycle.
- **ESF:** The European Social Fund (ESF) invests in employment-related projects and human capital; workers, young people and those seeking a job. Following the UK withdrawal from the EU this will be replaced in the UK by a new Shared Prosperity Fund' intended to reduce inequality between communities across the four UK nations and to deliver sustainable, inclusive growth. UK recipients will continue to receive EU funding over the lifetime of projects which are agreed within the current 2014-20 funding cycle.
- **Freeports:** The UK government has opened a bidding process for the creation of up to 10 new freeports. A firm can import goods into a Freeport without paying tariffs, process them into a final good and then either pay a tariff on goods sold into the domestic market, or export the final goods without paying UK tariff. Areas given Freeport status will also benefit from a wide package of tax reliefs.
- **FSB:** The Federation of Small Business is a non-profit UK business organisation representing small and medium-sized businesses whilst providing advice and support.
- **Furlough:** Under the Coronavirus Job Retention Scheme furlough leave temporarily provides employers with an option to keep employees on the payroll without them working or working reduced hours.
- **Future High Streets Fund:** The Future High Streets Fund is a government fund with the objective of renewing and reshaping town centres and high streets in a way that drives growth, improves experience and ensures future sustainability. It will do this by providing co-funding to successful applicants to support transformative and structural changes to overcome challenges in their area.

- **Good Employment Charter**: The GM Good Employment Charter will provide support to employers to develop good jobs, deliver opportunities for people to progress, and help employers in the city-region grow and succeed. Businesses receiving investment through the Greater Manchester Combined Authority's investment funds will also be required to become Charter supporters.
- **GDP:** Gross domestic product or GDP is a measure of the size and health of a geographical area's economy over a period of time (usually one quarter or one year).
- **GMCA:** Greater Manchester Combined Authority is made up of the ten Greater Manchester councils and Mayor, who work with other local services, businesses, communities and other partners to improve the city-region.
- **GM LEP**: Greater Manchester Local Enterprise Partnership sits at the heart of Greater Manchester's governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local priorities and drive growth and job creation within the city region. It is central to the wider partnerships established between local government, businesses and educational institutes, and the public, private, voluntary and community sectors.
- **GVA: Gross Value Added** measures the contribution to the economy of each individual producer, industry or sector. Simplistically it is the value of the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.
- **Growth Deal**: The Growth Deal provide funds to local enterprise partnerships or LEPs for projects that benefit the local area and economy.
- **HIF:** The Housing Infrastructure Fund is a government capital grant programme of up to £2.3 billion, administered by Homes England to help deliver up to 100,000 new homes in England.
- **JV:** The Joint Venture involves the Council entering into a legally binding partnership with another party to assist the delivery of housing, employment, retail and mixed use development.
- **Levelling Up Fund:** will invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- **MIDAS:** MIDAS is the GM inward investment agency which aims to secure significant levels of new investment and employment for Greater Manchester.
- **NESTA:** (formerly **NESTA**, **National Endowment for Science, Technology and the Arts**) is an innovation foundation based in the UK. The organisation acts through a combination of programmes, investment, policy and research, and the formation of partnerships to promote innovation across a broad range of sectors.
- **Public Spaces Protection Order:** An order that identifies the public place and prohibits specified things being done in the restricted area and/or requires specified things to be done by persons carrying on specified activities in that area.
- **Single Prosperity Fund:** The Single Prosperity Fund (SPF) will replace European Union funding to reduce inequalities between communities. The details of fund are expected to be announced by Government shortly.
- **SME:** Small and medium-sized enterprise with fewer than 250 employees
- **TEES:** Trafford's Employment, Enterprise and Skills Group (TEES) focuses specifically on reducing and preventing unemployment, raising the skills of Trafford's workforce and increasing enterprise start-ups in the borough.
- **TfGM –** Transport for Greater Manchester is the local government body responsible for delivering Greater Manchester's transport strategy and commitments.
- **Trafford Small Business Loan Fund:** The Trafford Small Business Loan Fund provides new and existing businesses the opportunity to borrow between £5,000 and £25,000 (APR 6.2%) repayable over 2 or 3 years to help you get a new business idea off the ground or to assist you with the growth of your existing businesses. 50% match funded.

- **VCFSE:** The Voluntary, Community, Faith and Social Enterprise (VCFSE) sector includes any organisation working with social purposes and ranges from small community based groups through to larger registered Charities.

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