

# Public Document Pack



**TRAFFORD**  
**COUNCIL**

## **AGENDA PAPERS MARKED 'TO FOLLOW' FOR ACCOUNTS AND AUDIT COMMITTEE**

**Date: Wednesday, 20 July 2022**

**Time: 6.30 p.m.**

**Place: Committee Rooms 2 and 3, Trafford Town Hall, Talbot Road, Stretford,  
M32 0TH**

**A link to the meeting broadcast can be found at:**

<https://www.youtube.com/channel/UCjwbIOW5x0NSe38sgFU8bK>

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7.	<b>2021/22 DRAFT ANNUAL GOVERNANCE STATEMENT</b>	1 - 46
	To consider a report of the Director of Legal and Governance.	
10.	<b>TREASURY MANAGEMENT ANNUAL PERFORMANCE 2021/22 REPORT</b>	47 - 68
	To consider a report of the Executive Member for Finance and Governance and Director of Finance and Systems. PLEASE NOTE: This is a very slightly amended (not substantive) version of the report previously circulated.	
15.	<b>STRATEGIC RISK REGISTER 2022/23 (JULY 2022 UPDATE)</b>	69 - 104
	To consider a report of the Audit and Assurance Manager.	

**SARA TODD**  
Chief Executive

### Membership of the Committee

Councillors B. Brotherton (Chair), J. Lloyd (Vice-Chair), G. Carter, S. G. Ennis, W. Hassan, R. Thompson, M.P. Whetton and G. Whitham; and Mrs. J. Platt.

## Accounts and Audit Committee - Wednesday, 20 July 2022

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### Further Information

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

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This agenda was issued on Thursday, 14 July by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH.

1.

## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 20<sup>th</sup> July 2022  
**Report for:** Decision  
**Report of:** Director of Legal and Governance  
**Report Title**

**Draft Annual Governance Statement – 2021/22**

### **Summary**

This report sets out the Draft 2021/22 Annual Governance Statement (AGS). The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations. The publication date of the draft accounts are no later than 31 July 2022, as public inspection must commence no later than 1 August 2021 and the audited accounts to be published no later than 30 November 2022 for local authorities

The content of the draft AGS has been reviewed and agreed by CLT. This has included agreeing significant governance issues detailed in the AGS. The draft AGS will also be shared with External Audit to accompany the 2021/22 draft accounts. The AGS has been produced taking into account both the framework and guidance on the AGS issued by CIPFA/SOLACE in April 2016.

The final version of the AGS will consider any further feedback from the Accounts and Audit Committee and will accompany the Council's Accounts. The final version will be signed off by the Leader and Chief Executive.

### **Recommendation**

The Accounts and Audit Committee considers the content of the draft Annual Governance Statement.

The Accounts and Audit Committee notes that the final version of the Annual Governance Statement must be approved by 30 November 2022 in accordance with The Accounts and Audit (Amendment) Regulations 2021. The final version will be presented for approval by the Committee, prior to sign off by the Chief Executive and Leader.

### **Contact person for access to background papers and further information:**

Name: Alexander Murray – Governance Officer  
Extension: 4250

**Background Papers:** None



# TRAFFORD COUNCIL

## **ANNUAL GOVERNANCE STATEMENT 2021/22**

## **Executive Summary**

2021/22 has been a year of transition as Trafford prepares to move forward from the Covid 19 pandemic towards a “new normal”. This is evident within the many reviews and updates across Trafford Council services with the most notable example being the refresh of the Council’s Corporate Strategy. The refreshed Corporate Strategy identifies three core priorities for the Council. The first two of those priorities (Tackling Health Inequalities and Supporting People Out of Poverty) reflect the lessons learnt from the pandemic, where those in the areas with the highest levels of deprivation suffered most, which widened the levels of inequality across the Country. The third priority focuses upon continuing to tackle the Climate Emergency declared by Trafford Council back in 2018. While the priorities were shaped by learning from the past the corporate plan is forward facing as encapsulated by its title “Our Trafford, Our Future”. By tackling the three priorities Trafford aim to deliver three objectives of: all residents having access to quality learning, training and jobs; all communities being happy, healthy and safe; and all businesses and town centres being supported to recover and flourish for the benefit of everyone.

The shape of health and social care services in Trafford will be vastly different in 2022/23 with the introduction of the Integrated Care System. In preparation for this change 2021/22 year has seen a vast amount of work completed by colleagues across health and social care to develop the new arrangements and supported the transition to ensure minimal disruption to service users. The Trafford Locality Plan 2019-2024 was refreshed in November 2021 to ensure the aims are achievable post covid and the plan aligns with the new health and social care system.

Policies have been updated across all areas of the Council to ensure Trafford is well positioned to recover from the pandemic. Human Resources developed policies to guide staff in utilising technology while maintaining a healthy work/life balance. The IT team have updated all policies in line with the new approach to working and to reflect the ongoing changes resulting from the transition to windows 365. Trafford’s Legal team led on the update of the Constitutional Contract Procedure Rules for all STaR Authorities ensuring services are procured in an efficient and robust manner. The Council’s Governance arrangements were also strengthened with the adoption of a new Code of Conduct for Members, a review of the Council’s Scrutiny function, and the establishment of the Capital Programme Board.

Trafford Council’s finances continue to be an area of concern as shown by the highest priority on the risk register being the Council Medium Term Financial Position. Adult

Social Care continues to be of particular concern, reflected in the additional 1% increase in Council Tax agreed for 2022/23.

While Trafford made some good progress in addressing the significant governance issues identified in the 2020/21 Annual Governance Statement it has not been sufficient to prevent those areas continuing to be of concern for 2022/23. The one exception to this is the response to the Ofsted report. The continued improvement, especially the establishment of strong corporate governance as noted by Ofsted, has led to this item being removed from the significant governance risks for 2022/23.

A handwritten signature in black ink, appearing to read 'Sykes', with a large, stylized initial 'S' above it.

Dominique Sykes  
Director of Legal and Governance and Monitoring Officer

## **1. Scope of Responsibility**

- 1.1 Trafford Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and provides value for money. Trafford Council has a duty under the Local Government Act 1999 to make arrangements to continuously improve how its functions are exercised, with regards to a combination of economy, efficiency and effectiveness.
- 1.2 This overall responsibility requires Trafford Council put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 Trafford Council has approved and adopted a corporate governance code, consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the Authority's code is available at: <http://www.trafford.gov.uk/about-your-council/budgets-and-accounts/downloadable-documents.aspx>. This statement explains how Trafford Council has complied with the Code and meets the requirement of Accounts and Audit (Amendment) Regulations 2021, regulation 6, that all relevant bodies are required to prepare an annual governance statement and statement of internal control.
- 1.4 The Authority undertook a review throughout the financial year 2021/22 of its compliance with the CIPFA Financial Management Code which outlines the principles of good financial management. This will be reported to the Accounts and Audit Committee in July 2022.

## **2. Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled. The framework covers the Council's activities through which; it is accountable to, engages with, and leads its communities. It also enables the Authority to monitor performance against strategic objectives and evaluate whether those objectives are fit for purpose.
- 2.2 The system of internal control forms a significant part of the framework and is designed to manage risk. However, it can only reduce risk of failure and provide reasonable, not absolute, assurance of effectiveness. The system of internal control is an ongoing process designed to identify and prioritise risks to the achievement of Trafford Council's policies, aims and objectives. The system also ensures that identified risks are evaluated, according to their likelihood and potential impact, and managed efficiently, effectively, and economically.
- 2.3 The governance framework has been in place at Trafford Council for the year ending 31 March 2022 and up to the date of approval of the statement of accounts.

### 3. The Governance Framework

3.1 The Authority has adopted a local governance framework consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016 edition. Trafford Council's Corporate Governance Code details how the Authority meets the requirements of the framework and is aligned to the principles of good governance in local government set out in the CIPFA framework: Good Governance in the Public Sector (CIPFA, IFAC, 2014):

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of leadership and the individuals within it
- Managing risk and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.2 The Annual Governance Statement sets out how the Authority has complied with the Code and meets with the Accounts and Audit Regulations 2015 (as amended). The Authority also meets the requirements of the Accounts and Audit Regulations in relation to the publication of a statement on internal control through the publication of the Annual Governance Statement. It is subject to detailed review by the Accounts and Audit Committee when they consider the final Statements of Account but before they approve the Statement of Accounts.

3.3 The Authority's financial management arrangements are consistent with a number of the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). The key principles for which there is compliance are that the Chief Financial Officer (Corporate Director of Finance and Systems):

- is actively involved and is able to bring influence on the Authority's financial strategy;
- leads the whole Authority in the delivery of good financial management;
- directs a fit for purpose finance function; and
- is professionally qualified and suitably experienced.

In addition, the Statement requires that the Chief Finance Officer should report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to others.



The Director of Finance and Systems (the Chief Finance Officer and designated Section 151 officer) is a member of and attends the meetings of the Corporate Leadership Team.

3.4 The key elements of the system and processes that comprise the Authority's governance framework are outlined in this Annual Governance Statement. The Statement demonstrates the effectiveness of the Council's governance arrangements during 2021/22 in line with the seven governance principles

CIPFA SOLACE Principle A.	Key Elements of Trafford Framework
<p><b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Members Code of Conduct</li> <li>• Register of Interests</li> <li>• Standards Committee</li> <li>• Corporate Governance Code</li> <li>• Employee Code of Conduct</li> <li>• Disciplinary Policy</li> <li>• IT Policies</li> <li>• Anti-Fraud &amp; Corruption Strategy</li> <li>• Confidential Reporting Code</li> </ul>
<p><b>How we demonstrated effectiveness in 2021/22</b></p>	
<p>The Council conducted a review of the Members Code of Conduct utilising the model code provided by the LGA. The model code, guidance, and current code of conduct were shared with the Standards Committee at their meeting on the <a href="#">22<sup>nd</sup> of September 2021</a>. At the meeting a series of actions were agreed, which included consultation with other authorities, Members, and Parish Councils. Following the completion of those actions, a draft of the new Members Code of Conduct was presented to the Standards Committee meeting on the <a href="#">15<sup>th</sup> of December 2021</a>. The New Code was approved by the Standards Committee, Scrutiny Committee, and Executive before the final submission to Council on the <a href="#">23<sup>rd</sup> of March 2022</a> where the Code of Conduct was adopted.</p> <p>Key IT policies have been reviewed and updated during the last twelve months to reflect new ways of working and the introduction of new solutions. The Council's Information Security Policy and Network Security Policy were updated in March 2022. The IT Acceptable Use Policy will be reviewed and updated during 2022 to reflect changes introduced with the implementation of Microsoft 365. A review of other IT policies will be undertaken during the remainder of 2022.</p> <p>The 2020/21 Annual Report for the Counter Fraud and Enforcement Team was presented to the <a href="#">Accounts and Audit Committee on 25 November 2021</a> outlining fraud prevention and detection activities and further planned work in 2021/22. During</p>	

2021/22, the Counter Fraud and Enforcement Team have primarily investigated errors/irregularities in relation to council tax, business rates, social care finance and COVID-19 business support grants. Several investigations are still ongoing and outcomes from 2021/22 counter-fraud activity will be provided to the Accounts and Audit Committee at its meeting in September 2022.

The Council participates in the National Fraud Initiative (NFI) data matching exercise. An update was provided by the Audit and Assurance Service to the [Accounts and Audit Committee on 2 February 2022](#) setting out work undertaken and outcomes from work completed in 2021/22. A further update will be included in the 2021/22 Annual Head of Internal Audit Report.

The Council's Whistleblowing Policy, which is one of a number of policies to support the Council's overall Anti-Fraud and Corruption Strategy, was reviewed and updated during 2021/22. Further work will be undertaken to review the Strategy and supporting guidance in 2022/23.

CIPFA SOLACE Principle B.	Key Elements of Trafford Framework
<p><b>Ensuring openness and comprehensive stakeholder engagement</b></p>	<ul style="list-style-type: none"> <li>• Decision Making Protocols</li> <li>• Access to Information Procedure Rules</li> <li>• Consultation, including Budget Consultation</li> <li>• Trafford Partnership Board &amp; Strategic Boards</li> <li>• Public Service Reform Board &amp; Operational Group</li> <li>• Building Strong Communities Strategy</li> <li>• Locality Working Programme</li> <li>• Joint Strategic Needs Assessment</li> <li>• Provider Collaborative</li> <li>• Locality Board</li> <li>• GMCA</li> </ul>
<p><b>How we demonstrated effectiveness in 2021/22</b></p>	
<p>The Trafford COVID-19 Public Engagement Board, created in August 2020 has been an excellent example of the Council's commitment to public and stakeholder engagement. The Board met every two weeks in 2021/22 and had a strong membership made up of Councillors, Officers from Public Health, Trafford Council, Trafford CCG, Health and Social Care Providers, and representatives of Voluntary and Community Sector Organisations. The Board presented opportunity for in-depth questioning by elected Members and partner organisations regarding the management of the pandemic response and provided detailed information on the situation in Trafford. The Board served as an excellent conduit for information sharing</p>	

during the pandemic as shown through regular reporting in local newspapers referencing information on the Covid 19 situation provided by the Board.

The Joint Strategic Needs Assessment (JSNA) gives overarching information on the current (and future) health and social care needs of local communities in Trafford. It provides an evidence base to inform and guide the commissioning and provision of health, well-being and social care services. Trafford's JSNA is available online via the Council website and is kept updated by the Public Health team. In addition to demographic data, the JSNA provides in-depth information on specific topics, including children's health and information on the differing needs by neighbourhood.

Trafford publishes the following documents online annually:

- Pay Policy Statement to support the Annual Budget;
- Constitution.
- Council, Cabinet and Committee Reports;
- Scheme of delegation reports; and
- Information on payments over £500;

During the year the new arrangements for delivery of NHS services following the dissolution of Clinical Commissioning Groups have been established. Within those arrangements the Trafford Locality Board will agree the shared priorities and strategic direction for health and care in Trafford and undertake all functions and duties delegated by NHS GM. It will ensure all relevant elements of NHS and local authority services are aligned with the shared Trafford strategic direction. It will agree resource allocation within the scope of responsibility delegated to it and act as an interface with NHS GM Integrated Care Board and GM Integrated Care Partnership Board.

The Trafford Provider Collaborative Board will act as the engine room of the Trafford Locality Board, shaping, co-designing and delivering services in line with the priorities of the Trafford Together Locality Plan and strategic direction set by the Trafford Locality Board – In summary it is responsible for delivery of the Locality Plan. It will work in partnership to deliver high quality, safe services at the right time and in the right place, shaping and co-designing services to ensure the maximisation of Trafford's resources.

Acting in an advisory function to the Trafford Provider Collaborative and Trafford Locality Board, the Trafford Clinical and Practitioner Senate will provide a single point of clinical and practitioner oversight of community-based health and care provision across Trafford, with involvement in the design, planning and delivery functions of the provider collaborative arrangements. It will support the development of clinical pathways and pathway/service redesign, providing evidence-based advice and guidance, working across organisational boundaries to promote a whole system approach. It will make recommendations and supports service change, stand-up and pathway redesign through into the Trafford Provider Collaborative for onward approval.

CIPFA SOLACE Principle C	Key Elements of Trafford Framework
<b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b>	<ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Core Strategy</li> <li>• Trafford Locality Plan</li> <li>• Physical Activity Vision</li> <li>• Medium Term Financial Strategy</li> <li>• Trafford Recovery Plan</li> <li>• Investment Management Strategy</li> </ul>
<b>How we demonstrated effectiveness in 2021/22</b>	
<p>The Corporate Plan, ‘Our Trafford, Our Future,’ was refreshed for 2021-2024 following input from residents, staff and Elected Members including 400 contributions to an online survey. The refreshed priorities were approved at Council in <a href="#">November 2021</a>.</p> <p>Our Trafford, Our Future describes Trafford Council’s strategic vision, outcomes and priorities for the borough, with the priorities being key to its delivery. It includes an overview of what the council will do and how we will work with our residents, communities, businesses and partners to deliver change.</p> <p>The refresh sets out the most critical things that we need to do over the coming years to recover from COVID-19, deliver public services and collaborate with communities, businesses and partners. This plan reflects the ambition of Trafford’s leadership and the values and aims of the Council to provide a blueprint for improving Trafford. It will shape the activity within the council, help prioritise resources and monitor progress made, as well as aligning with strategic financial planning.</p> <p>It is intended as a guide for our partner organisations to help identify shared objectives so we can work together more effectively to achieve far more for Trafford than we ever could working alone.</p> <p>The three key outcomes are:</p> <ol style="list-style-type: none"> <li>1. All our residents will have access to quality learning, training and jobs</li> <li>2. All our communities will be happy, healthy and safe</li> <li>3. All our businesses and town centres will be supported to recover and flourish for the benefit of everyone</li> </ol> <p>The refreshed priorities for 2021-2024 are described as ‘better health, better jobs, greener future’ as outlined below:</p> <ol style="list-style-type: none"> <li>1. <b>Reducing Health Inequalities</b> <ul style="list-style-type: none"> <li>o <i>Working with people, communities and partners, particularly in deprived areas, to improve the physical and mental health of our residents.</i></li> </ul> </li> </ol>	

## **2. Supporting people out of poverty**

- o *Tackling the root causes to prevent people from falling into poverty and raising people out of it.*

## **3. Addressing our Climate Crisis**

- o *Leading the way in our region's response, reducing our carbon footprint and tackling the impact of climate change.*

The Corporate Plan is reported on a quarterly basis to the Executive and the Corporate Leadership Team. Key performance indicators are monitor outcomes related to the three priorities and council services. The indicators cover a number of economic, social and environmental measures including, but not limited to, housing completions, affordable housing, healthy life expectancy, apprenticeships, waste/recycling, residential / nursing care, homelessness, planning applications and council tax collected. The Annual report on the Corporate Plan went to the Executive on the [20<sup>th</sup> of June 2022](#).

The performance framework is inherent in everything done within the Council and supports improvement, delivery, and effective decision making. The 'golden thread' of the performance framework ensures that work across all directorates is aligned. GM and National priorities are built into the Corporate Plan which then feed down to service, team and individual plans.

The Authority has spent its resources within the overall agreed budget for the financial year 2021/22 with a small underspend of £1.53m. Whilst the continuation of the pandemic in 2021/22 resulted in further additional expenditure and pressures on income streams, additional funding was provided to offset some of this impact. Further financial support for Adult Social Care was received from the NHS via Trafford CCG to support hospital discharges but also more specific adult social care functions. However, the Hospital Discharge Programme Funding ceased on 31 March 2022.

The Authority approved its budget for 2022/23 at the Full Council Meeting on 16 February 2022. Due to increasing cost pressures on Adult Social Care, the Council Tax recommendation resulted in a specific 1% increase to be implemented to finance expenditure in this area and a 1.99% Council Tax increase for general services. The additional funding generated from these increases was £3.38m and helped bridge a budget gap of £20.14m; the balance met from savings and income proposals of £5.32m and £11.43m of reserves.

The Director of Finance and Systems made it clear in the budget report that whilst the proposals set out in the report can secure a robust budget for 2022/23; the use

of reserves is not sustainable beyond 2022/23 and reserves cannot be used to avoid the requirement for permanent savings. It is therefore imperative that the Council embarks on a bold and ambitious Innovation and Change Programme and invests in further transformational delivery of our services.

The Council first adopted its Investment Strategy in 2017, and it has been updated on a number of occasions since to ensure that it aligns with our strategic priorities and remains compliant with regulations. The revised strategy was approved by Council in February 2022, along with the annual budget and capital strategy. The investment strategy is used to support key regeneration priorities, including the redevelopment of Stretford Mall, Altrincham Stamford Quarter and the former Sale Magistrates Court site. All investment opportunities are subject to approval by the cross-party Investment Management Board, based on advice from external advisers working alongside Council staff.

Trafford's Health and Wellbeing Strategy 2019-2029 includes an objective to reduce the number of people in the borough who are physically inactive. We have an ongoing improvement programme for our leisure centres, but we recognise that many people do not wish to take part in formal or buildings-based sporting activities. We are therefore also working to improve other leisure facilities such as our parks, river and canal ways and other public spaces. We are also developing a walking and cycling strategy to increase the number of people using active travel methods, and improving the safety and the quality of these. We are working closely with Transport for Greater Manchester to develop safer routes, linking into the Bee Network.

The Trafford Together Locality Plan (2019/2024) was refreshed in November 2021 to reflect the legacy of good partnership working practices, values and behaviours by system leaders, teams and individuals that enabled the Council and its partners to deliver, to the best of our ability, services in response to the pandemic.

The Trafford Locality Plan and subsequent 2021 refresh sit alongside the Trafford Health and Wellbeing Strategy 2019/2029 which exists to improve population health outcomes. They seek to achieve this through strategy development, improving partnership working, and using our collective knowledge of local needs from the Joint Strategic Needs Assessment to improve our services.

The revised and updated plan retains the CCG/NHS GM (Trafford) and partners overarching aspirations to work together to help achieve:

- Better lives for our most vulnerable people
- Better wellbeing for our population
- Better connections throughout our communities.

This plan has been developed to support recovery within the Health and Social Care system, whilst maintaining the emphasis on reducing inequality, and provides an anchor for the development of the new national Health and Social Care System.	
CIPFA SOLACE Principle D	Key Elements of Trafford Framework
<b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	<ul style="list-style-type: none"> <li>• Modernisation Programme</li> <li>• Corporate Plan</li> <li>• Medium Term Financial Plan</li> <li>• Efficiency Plan</li> <li>• Capital Investment Programme</li> <li>• Social Value Framework</li> <li>• Equality Strategy</li> <li>• Children's Services Improvement Plan</li> </ul>
<b>How we demonstrated effectiveness in 2021/22</b>	
<p>The Executive in September 2021 agreed a revised capital investment programme (excluding investment funds) of £48.99m for 2021/22 and achieved an end of year spend of £27.07m. The major areas of investment included school improvements, children's social care, adult social services, maintaining public buildings, regeneration projects, highways schemes, leisure facilities, greenspaces, and ICT improvements. During the year the Council progressed proposals for a revised leisure strategy, completing consultation for Altrincham Leisure centre, and developing proposals for Sale and Stretford. A Capital Programme Board made up of officers from across all service areas has been established for 2022/23 with the intention of improving both project management and delivery of the council's capital priorities.</p> <p>The joint Corporate Equality Strategy for 2021 to 2025 demonstrates our commitment to improve equality of opportunity for our residents, colleagues and partners with a focus on the four objectives outlined below:</p> <ol style="list-style-type: none"> <li>1. Equality Objective 1: Inclusive and Informed Leadership</li> <li>2. Equality Objective 2: Improving our Workforce Data Collection and improving the representativeness of our workforce</li> <li>3. Equality Objective 3: Reducing Health Inequalities</li> <li>4. Equality Objective 4: Reducing Hate Crime</li> </ol> <p>Progress is monitored against the objectives and the Equality Steering and Working Groups continue to meet regularly to ensure sound governance and delivery of the Equality Strategy Action Plan. The four staff forums (BAME, LGBT+, Carers and Disability forums) meet regularly with notable examples of initiatives being developed because of direct feedback. Collaboration with service leads across the Council and</p>	

learning from the experiences of key staff groups continues to inform progress. Data on service usage is collected and analysed to identify any systematic inequalities, with steps taken to reduce these for example, the Public Health and Community engagement teams worked together to identify areas and groups with low uptake of covid vaccination, and then designed targeted work to address these inequalities. We are making satisfactory progress in meeting our published Equality Objectives and an independent review and survey was undertaken in 2021/22 with an 88% full completion rate that will also support the direction of the working group.

Reports on the key performance indicators agreed in relation to the corporate plan continue to be delivered to both the Executive and CLT to monitor progress and outcomes achieved. Directorate Plans set out the strategic direction for each key area of the Council and are reviewed annually. The plans demonstrate how each service will contribute towards the delivery of the Corporate Plan, service improvements and other strategies.

A dashboard of the three corporate priorities measures has been prepared and can be accessed on the Trafford Data Lab website:

<https://trafforddatalab.shinyapps.io/corporate-plan/>.

The dashboard visualises a range of indicators relating to each of the three strategic priorities. These show trend data for Trafford compared to the average of other similar Local Authorities (in terms of statistical characteristics) and, where possible, to England.

The Modernisation Programme continues to work with services to look at the way we can deliver services by improving efficiency and reducing spending where possible, as well as working to support the delivery of our digital strategy.

Programme management support is provided to the Finance and Change Board, the Strategic Delivery Group and other significant programmes of work to ensure activity is coordinated, actions are completed, and risks and issues monitored. Governance arrangements are regularly reviewed to ensure they are fit for purpose and that risks and issues are escalated as appropriate to CLT.



CIPFA SOLACE Principle E	Key Elements of Trafford Framework
<p><b>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b></p>	<ul style="list-style-type: none"> <li>• People Strategy</li> <li>• Member Development Strategy</li> <li>• Members’ Training Plan</li> <li>• EPIC management programme</li> <li>• Members’ Induction Process</li> <li>• Employee Training &amp; Development Plan</li> <li>• Corporate Induction Procedure</li> <li>• EPIC check in process</li> <li>• Staff Health &amp; Wellbeing Strategy</li> </ul>
<p><b>How we demonstrated effectiveness in 2021/22</b></p>	
<p>The People Strategy was co-designed with our workforce and launched in 2020. The strategy focuses on four key priorities that support the employee journey to attract, recruit and retain a continuous pipeline of talent.</p> <p>Trafford continued to work towards the priorities and objectives outlined in the strategy throughout 2021/22. The work progressed alongside the ongoing response to the pandemic to ensure the workforce was kept safe. A big focus during the year was considering the future model for where and how staff work. Learning was taken from the enforced home working during the pandemic. The Council’s approach has been aligned with the EPIC values (Empower, People Centred, Inclusive, Collaborate) with staff being involved throughout the process, which included input from EPIC Pioneers, staff networks, and unions. The Council has adopted ‘Trafford Smart Working’ which takes a ‘hybrid by default’ approach. The approach empowers relevant services to decide which roles will utilise hybrid working and how much time staff will spend in the office or working remotely. Teams have been encouraged to discuss what works best for them and service users. Resources to support managers and teams to work in this different way have been developed and will continue to be reviewed as the policies are embedded into practice.</p> <p>Plans are in place to launch the second employee engagement survey with best companies in June 2022, the outputs which will help shape the people priorities and the refresh of the people strategy in 2022/23.</p> <p>The council’s EPIC Manager programme has continued to be delivered virtually and is on the 20<sup>th</sup> cohort. The programme contains four core modules, “being your best, vital conversations, teams- being your best and health and wellbeing”. The modules are regularly reviewed to ensure that the content is up-to-date and reflects the Council’s priorities. Most recently, the health and wellbeing module has undergone a complete refresh to reflect the current global economic and environmental challenges individuals and organisations face, such as financial wellbeing challenges. It also explores areas of health and wellbeing that reflect the move into a hybrid working</p>	

model, such as digital wellbeing. There are also three “learning circles” facilitated during the programme, which allow managers to bring their real-world management problems to the group for peer support and learning, using an action learning approach.

Optional modules are offered to support managers’ personal development, including “values-based recruitment, psychology of change, and MiTrent for managers”. The learning offer to colleagues is under continual development and in 21/22 added “managing by outcomes”, a module focused on a coaching management style that values outcomes that support service and organisational priorities alongside “Managing Fixed Term Contracts”, which supported managers to understand the process for fairly exiting and supporting colleagues on a fixed term contract.

Job specific training is offered as standard to the workforce to support them to develop in their current role and with their career aspirations. In 2021/2022 176 training events were delivered with 1236 colleagues accessing this formal training. Interview skills training is provided to support career development and training on managing personal change is available to support colleagues experiencing significant changes within their working environment. Trafford’s wider learning offer is supported through the e-learning platform called MeLearning. Through the MeLearning platform colleagues have access to over 200 e-learning modules, which supports the delivery of corporate mandatory training including General Data Protection and information security training. The platform is also used to deliver job specific training such as food hygiene and an introduction to liquid logic as well as developmental courses. During 2021/2022 the MeLearning platform has been utilised by community hub volunteers to access the required learning to help support Trafford residents.

The EPIC Check in sessions continued to be delivered virtually to managers and colleagues throughout 2021/2022 with emphasis on wellbeing and wellbeing conversations during the final lockdowns and transition to new ways of working. HR continue to review the check in process and paperwork to make sure it supports managers and colleagues to have engaging conversations. With the updated corporate priorities and branding HR took the opportunity to conduct a mini review and update the paperwork to reflect current best practice and feedback. The updated paperwork will be available to all colleagues and managers in 2022/23.

During the year the LEAP into leadership programme has been introduced to support first line and aspiring managers. The programme has been designed in partnership with Salford College and is aimed at new/aspiring managers. Taking 18 months to complete, in addition to developing new skills and enhancing existing ones, colleagues are awarded the Level 3 Team Leader apprenticeship and an Institute of Leadership and Management (ILM qualification).

Over 2021/2022 HR significantly developed the Health and Wellbeing pages on the Council's intranet, providing a range of tools, guidance and support to colleagues in various areas e.g. working from home, digital wellbeing, physical wellbeing. Over the winter months a colleague engagement campaign was run to support the workforce to look after their own wellbeing and check-in on colleagues. This consisted of different themes over the months of December through to February which covered physical, mental and financial wellbeing, with new resources being added to the intranet. HR also worked with partner organisations to deliver Lunch and Learn sessions on topics including seasonal affective disorder, financial wellbeing and learning to love yourself. Some staff stories were shared to encourage storytelling and sharing of coping strategies, including a video of a colleague talking about his mental health experience and a story from a colleague about their hidden disabilities and the support they received from attending our Staff Disability Group.

In response to the recent cost of living crisis, HR have focused upon developing financial wellbeing information and support. The Council's intranet pages have been reviewed to provide clearer signposting to staff benefits and savings schemes, general financial support, top tips and advice on managing debt. A section on mental health and information was also included reminding colleagues of the importance to talk about any financial worries. HR have signposted staff to the internal Trafford Services including the Welfare Rights team and will be working with them on a lunch and learn session for colleagues.

The network of Mental Health First Aiders has continued to grow and a further cohort has been trained. The network has supported colleagues by providing 'tea and talk' sessions, alongside a programme of activity linking to several national health and wellbeing campaigns e.g. Mental Health Awareness week.

The newly formed staff-led Active Travel Group meet to encourage and enable more active and sustainable travel. An Active Travel Survey was developed by the group to understand more about the barriers and enablers to active travel among the workforce. The group has been involved in promoting the changing rooms and shower facilities at the Council's main office buildings and organising a range of activities during Active Travel Week including stalls, guided walks and cycles, bike maintenance and bike training sessions.

A wide programme of learning has been delivered to Members, using internal and external resources. This programme reflected members' development needs, corporate priorities, and practical skills. Some examples of courses attended to address these core themes are Inclusive Leader, Carbon Emergency, and Values Based Recruitment. An induction programme was delivered for all new members over May and June 2021 with a focus upon providing a warm welcome to Trafford.

<p>The Member Development Steering Group continues to meet on a regular basis to inform and shape areas for development and are reviewing our approach to induction with their support, ready for the elections in the following year.</p>	
<p>CIPFA SOLACE Principle F</p>	<p>Key Elements of Trafford Framework</p>
<p><b>Managing risks and performance through robust internal control and strong public financial management</b></p>	<ul style="list-style-type: none"> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Treasury Management Strategy</li> <li>• Scrutiny Committees and Protocols</li> <li>• Risk Management Strategy &amp; Policy Statement</li> <li>• Strategic Risk Register</li> <li>• Internal Audit Strategy</li> <li>• Accounts &amp; Audit Committee</li> </ul>
<p>How we demonstrated effectiveness in 2021/22</p>	
<p>The Council continues to regularly review and monitor its Strategic Risk Register with update reports presented to the CLT and the <a href="#">Accounts and Audit Committee</a>.</p> <p>By the end of the year, the highest risk in the register related to uncertainty over the Council's medium term financial position. Other high risks included managing the impact of disruption caused by COVID-19; the climate change emergency; risks in relation to information governance; dealing with increase demand for school places; the performance of the One Trafford Partnership; risks in relation to delivering Leisure Services across the Borough and risks in relation to the economic impact of Brexit and COVID-19. The strategic risk reports highlighted responsibilities and ongoing actions to manage the risks identified.</p> <p>The Internal Audit 2021/22 work plan incorporated coverage of several key financial systems and other business risks. Updates of work undertaken were provided to the Corporate Leadership Team and the <a href="#">Accounts and Audit Committee</a> during the year. The Annual Report of the Head of Internal Audit for 2021/22 stated that "Planned internal audit work has been subject to some changes during 2021/22 due to the impact of the pandemic across the Council. There has, however, continued to be a range of internal audit work undertaken during the year across each of the main areas of the Internal Audit Plan, which enables an audit opinion to be given".</p> <p>The report also stated that "For most audit reviews undertaken, at least reasonable levels of assurance have been gained that the systems, procedures and controls in place to manage risks and deliver objectives are operating to a satisfactory standard. Follow-up internal audit work in areas previously reviewed demonstrates that progress is continuing to be made to improve controls and address risks previously identified, although further action is required in respect of some areas reviewed. Where areas for improvement have been identified during 2021/22, actions have been agreed with management to be followed up in 2022/23.</p>	

Given the above, based on assurance gathered during 2021/22, the Internal Audit Opinion is that, overall, a reasonable level of assurance can be given that the control environment encompassing internal control, risk management and governance, is operating to a satisfactory standard.”

As the Council’s External Auditors (appointed to audit the accounts of Trafford Council for five years, for the accounts from 2018/19 to 2022/23) Mazars LLP provided regular updates to the [Accounts and Audit Committee](#) through the year including details of its planned work and findings.

Trafford’s legal team, in conjunction with representatives from the legal teams from the other STAR Councils, and STAR Procurement, worked over for 18 months to complete a robust and substantial review of the Contract Procedure Rules (CPRs). The new CPRs were agreed by all four of the legal teams at each of the STAR Authorities.

All STAR authorities reached final agreement on the proposed CPRs and progressed them through their governance procedures to adopt the amended CPRs into their constitutions. Within Trafford this process included submission to the Standards Committee, Scrutiny Committee, and Executive for approval before being submitted to [Council on the 23<sup>rd</sup> March 2022](#) for final approval and adoption.

Trafford Conducted an in-depth review of the Scrutiny Function during the year. The main review was conducted by a cross party working group with support from Governance Services. To ensure that the review was unbiased Trafford Commissioned the Centre for Governance and Scrutiny to perform an independent review, the outcomes of which fed into the main review. A final report was submitted to the [Council meeting on the 23<sup>rd</sup> of March 2022](#) which contained 18 proposals to be introduced over the next two years.

CIPFA SOLACE Principle G	Key Elements of Trafford Framework
<p><b>Implementing good practices in transparency, reporting and audit to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>• Council Website</li> <li>• Freedom of Information Publication scheme</li> <li>• Trafford Data Lab</li> <li>• Marketing and Communications Team</li> <li>• Annual Financial Statements</li> <li>• Annual Governance Statement</li> <li>• Annual Scrutiny Report</li> <li>• Corporate Plan</li> </ul>
<p><b>How we demonstrated effectiveness in 2021/22</b></p>	

Information on the Council's decision making is open and transparent and continues to be published on the website. This includes publishing open data through the Council's website, data.gov.uk and the Trafford Data Lab's website (trafforddatalab.io). Improvements continue to be made to the scope and quality of information the Council publishes via digital channels. All new content is assessed against a set of principles that define and shape good quality digital content.

During 2021/22 Trafford Council's Communications and Marketing Team delivered key messages to residents, businesses, and other key stakeholders about how the Council was handling the Covid pandemic. This included key communications centred around the vaccination programme, the implementation and delivery of test and trace, the safe opening of Trafford's schools, the economy, and a return to a more normal form of social life.

The transparency of communications was ensured by using plain English so the messages to all residents and other key stakeholders were easily understood. Communications were also relevant and timely especially important given all the changes to Covid rules. The team worked closely with the Council's key stakeholders in both the public and private sector.

The Council's Communication Strategy was updated to reflect the new visions and corporate priorities in the Council's Corporate Plan. Plans were developed to make sure these are communicated to all the organisation's stakeholders. Monitoring of the Communications and Marketing team's performance was conducted through monthly reports to senior management and the Executive.

The External Auditor's Annual Report 2020/21 was presented to the Accounts and Audit Committee by Mazars in February 2022. The report from Mazars confirmed that an unqualified opinion was given on the financial statements for 2020/21. It was noted that the draft accounts provided to the Auditor were of a good quality and were supported by good quality working papers. A small number of opportunities were identified from the audit to improve internal control and management agreed to address these recommendations in 2021/22.

In respect of the assessment of value for money arrangements, the External Auditor's Annual Report acknowledged actions being taken to address the challenges to the Council's financial position. In respect of the value for money assessment, one area of significant risk was highlighted in respect of issues originally raised from the Ofsted report issued in May 2019 on Children's Social Care. It was noted that the Council is continuing its efforts to improve the service and ensure all the issues identified by Ofsted are addressed.

Findings from the 2021/22 external audit will be reported to the Accounts and Audit Committee later in 2022.

The corporate plan continues to describe the Council's overall approach and outlines the Trafford vision. Quarterly reports on the Council's Performance against the Corporate Plan are provided to Executive, which include a written report plus a brochure that utilises qualitative data and case studies to outline achievements during the quarter. The reports are available on the Council website.

The corporate plan and delivery is based on key priorities and objectives and helps to measure the right things at the right time. It is used to continually improve how the Council and its partners work together and the way services are delivered and are performance managed. The plan is based on the quality and accuracy of current and forecasted information which produces meaningful measures of how partners and services are performing. This ensures the Council provides value for money and prioritises resources sufficiently.

Each service is responsible for delivery of its service plan which contributes to the wider corporate plan and is reviewed by the Corporate Leadership Team, Directors and senior managers with input from all teams. This ensures accountability, transparency and good practices are in place.

The Trafford Data Lab is a datastore which grants access to a wide range of statistical data and visualisations about Trafford, sourced both from the council and central government. This includes a public-facing webpage encompassing interactive web apps, and a set of 'charticles' that give an overview of some of the most useful graphs tracking local trends. The COVID-19 tracker has been a particular recent success in the past two years. It has a user-friendly overview of cases across the UK, as well as granular detail about each area of the Trafford district. Filters such as 7-day rolling averages give useful insights into trends around the disease.

A wide range of data sets are available on the website, such as care homes and defibrillator locations. These data sets are designed for use by residents and data professionals alike. The emphasis is on transparency and reproducibility of the data and generally datasets published comply with the Local Government Transparency Code.

#### 4. Review of effectiveness

4.1 Trafford Council's Corporate Governance Code sets out the Authority's responsibility to undertake a review of the effectiveness of its governance framework on an annual basis. The review is informed by the work of the Council's executive managers, the Head of Internal Audit's annual report, by the external auditor's comments, and the results of reviews and inspections.

4.2 The processes applied, the sources of assurance obtained in maintaining and reviewing the effectiveness of governance arrangements, and, as part of that, the systems of internal control include the following:

Management Controls	Independent Assurance	External Assurance
<ul style="list-style-type: none"><li>• Financial Management</li><li>• Programme Management</li><li>• Performance Management</li><li>• Risk Management</li><li>• Legal</li></ul>	<ul style="list-style-type: none"><li>• Internal Audit</li><li>• Scrutiny</li><li>• Health &amp; Safety</li></ul>	<ul style="list-style-type: none"><li>• External Audit</li><li>• Other inspectorate e.g. OSTED, CQC</li><li>• Sector led improvement e.g. LGA</li></ul>

4.3 These governance functions are described in more detail within the Council's Corporate Governance Code and specific assurances or improvements delivered during 2021/22 are detailed in Sections 3 and 5 of this Statement.

4.4 The review of the effectiveness of the governance framework by the Accounts and Audit Committee concluded that the arrangements continue to be fit for purpose in accordance with the governance framework. The areas which have been addressed and those which are to be addressed with new actions are set out in Section 5.



## 5. Significant Governance issues

5.1 The Council takes its responsibilities and duties seriously with regard to ensuring continuous improvement in the way that its functions are exercised and in the consideration of economy, efficiency and effectiveness.

5.2 In the 2020/21 Annual Governance Statement a number of significant governance issues were identified. Below are the details of those significant governance issues followed by the action that the Council has taken in 2021/22 to address them.

2020/21 Significant Issues	Action Taken 2021/22
<p><b>Continued impact of COVID</b> - The Council is continuing to work to the GM Pandemic Strategic Response Plan in preparing a coordinated response to the COVID-19 outbreaks in Trafford. The governance arrangements have been set up with the Recovery Coordinating Group Chaired by the Chief Executive of the Two boards are in place. A Health Protection Board, chaired by the Director of Public Health and a Public Engagement Board, now chaired by the Executive Member for Covid-19 Recovery and Reform</p> <p>Six Silver level thematic groups are meeting bi-weekly chaired by Corporate Directors:</p> <ul style="list-style-type: none"> <li>• Adults Health and Social Care, Chaired by the Corporate Director of Adult Services</li> <li>• Children’s Health and Social Care and Education Chaired by the Corporate Director of Children’s Services</li> <li>• Infrastructure &amp; Economy – Chaired by the Corporate Director of Place</li> <li>• Infrastructure, Environment and Physical Activity – Chaired by The Corporate Director of Place</li> </ul>	<p>The arrangement established in 20/21 for the management of the pandemic continued and were further refined through 21/22. The final quarter of the year was spent in planning recovery and ensuring a safe return to offices and BAU.</p> <p>The Council continued to work to the GM Pandemic Strategic Response Plan in delivering a coordinated response to the COVID-19 outbreaks in Trafford. The Recovery Coordinating Group Chaired by the Chief Executive continued to act as Gold Command, with a Health Protection Board, chaired by the Director of Public Health and a Public Engagement Board, chaired by the Executive Member for Covid-19 Recovery and Reform supporting this, as required in the national guidance.</p> <p>Six Silver level thematic groups were established, chaired by Corporate Directors. These met with varying frequency, depending on need and activity levels.</p> <ul style="list-style-type: none"> <li>• Adults Health and Social Care, Chaired by the Corporate Director of Adult Services</li> </ul>

2020/21 Significant Issues	Action Taken 2021/22
<ul style="list-style-type: none"> <li>• Staffing Digital and Modernisation - Chaired by the Corporate Director of Strategy and Resources</li> <li>• Resourcing – Chaired by the Corporate Director of Strategy and Resources</li> </ul> <p>Terms of reference have been established for all the groups with the key areas that each group will oversee and provide assurance that these critical areas are being addressed. A number of sub groups / and time limited task groups have been established.</p> <p>The silver groups report monthly on progress and risk management. The frequency of meetings and reporting is monitored regularly.</p> <p>Additional resources have also been recruited to support the delivery of the recovery activity; reporting through The Health Protection Board</p> <p>There has been an ongoing communication programme for residents, staff and partners. New HR arrangements have been issued to staff to facilitate home working. ICT capacity has been enhanced through an increase in VPN licences. Directorates have updated their business continuity plans to focus on critical services. Major changes have been implemented to working practices to ensure that all staff whose job role allows them to work from home are able to do so. A range of programmes to support residents and businesses to mitigate economic impact have been introduced.</p>	<ul style="list-style-type: none"> <li>• Children’s Health and Social Care and Education Chaired by the Corporate Director of Children’s Services</li> <li>• Infrastructure &amp; Economy – Chaired by the Corporate Director of Place</li> <li>• Infrastructure, Environment and Physical Activity – Chaired by The Corporate Director of Place</li> <li>• Staffing Digital and Modernisation - Chaired by the Corporate Director of Strategy and Resources</li> <li>• Resourcing – Chaired by the Corporate Director of Strategy and Resources</li> </ul> <p>Terms of reference were in place for all the groups with the key areas that each group will oversee and provide assurance that these critical areas are being addressed. A number of subgroups/time limited task groups were established.</p> <p>The silver groups reported monthly on progress and risk management. The frequency of meetings and reporting is monitored regularly.</p> <p>Additional resources have also been recruited to support the delivery of the recovery activity; reporting through The Health Protection Board</p> <p>There has been an ongoing communication programme for residents, staff and partners. HR arrangements continued to facilitate home working, with major changes implemented to working practices to ensure that all staff whose job role allows them to work from home are able to do so. A range of</p>

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2020/21 Significant Issues	Action Taken 2021/22
<p>The Health and Social Care Group has progressed both strategic and operational work providing support to Care Homes, Direct Payments services, Home Care, Drug and Alcohol services and Domestic Abuse and, training for care providers. Commissioners have sought assurance of business continuity from all service providers. The group works closely with CCG, primary care and the Trafford Local Care Organisation</p> <p>The Children's Social Care and Health is working towards trying to secure placement stability for Looked After Children, staffing resilience for maintaining front line critical services, children's health and wellbeing, youth justice and cohesion and advising supporting school and educational settings.</p> <p>With the current high rates of infection in Trafford and the national lockdown in place, the plans for staff returning to work have been put on hold and staff are being encouraged to work from home wherever possible.</p> <p>The vaccination programme is underway, led by the CCG, and while uptake is excellent overall, there are inequalities emerging within this, which we are working to address.</p> <p>We have also recruited a neighbourhood based community engagement team to work in localities on community engagement and behaviour change, and vaccination uptake in relation to COVID.</p> <p>Council. This acts at the gold command level.</p>	<p>programmes to support residents and businesses to mitigate economic impact were in place.</p> <p>The Health and Social Care Group continued to progress strategic and operational work providing support to Care Homes, Direct Payments services, Home Care, Drug and Alcohol services and Domestic Abuse and, training for care providers.</p> <p>Commissioners have sought assurance of business continuity from all service providers. Promoting and supporting vaccination has been a major part of the role, in particular, ensuring that all care staff legally required to be vaccinated were identified and encouraged and supported to take up vaccination. Work was also undertaken to quantify the impact of staff refusing to be vaccinated and to mitigate the impact of this. The group works closely with CCG, primary care and the Trafford Local Care Organisation</p> <p>The Children's Social Care and Health is working towards trying to secure placement stability for Looked After Children, staffing resilience for maintaining front line critical services, children's health and wellbeing, youth justice and cohesion and advising supporting school and educational settings.</p> <p>As the rates of infection reduced in March and the national regulations changed, work was undertaken to ensure that staff</p>

2020/21 Significant Issues	Action Taken 2021/22
	<p>could return to an environment where infection risk was kept as low as possible. Staff are now encouraged to work in a hybrid manner, where their job plans allow.</p> <p>The vaccination programme continued throughout the year, led by the CCG, and while uptake is excellent overall, there are inequalities within this, which we continued to work to address.</p> <p>The neighbourhood based community engagement team continued to work in localities on community engagement and behaviour change, and vaccination uptake in relation to COVID.</p> <p>Covid continues to pose a threat to Trafford, both through its impact on widening inequalities and worsening population health, but also from the danger of further waves or a vaccine resistant variant emerging. Plans are in place to manage or mitigate the risks from a recurrence of a more virulent strain aspects but for now the focus is on recovery.</p>
<p><b>Climate Change Emergency</b> - The Council has an adopted climate change framework and action plan, and an agreed governance arrangement to oversee the Borough wide response to becoming carbon neutral. Central to this is the climate change and air quality commission which was established in 2021. An independent chair of the commission has recently been appointed and the work plan will be developed during the year. A business engagement group is to be established to co-ordinate activity and drive change across our business sector, and a citizen's panel will be established later in the year.</p>	<p>The Council has taken action in 2021/22 to address the climate change emergency, including:</p> <ul style="list-style-type: none"> <li>• The award of £4m Public Sector Decarbonisation Scheme funds across 14 sites with installation of Heat Pumps, Solar Panels and improved lighting expected to save 527 tonnes CO2.</li> <li>• 3.68 hectares of woodland (9,200 trees) planted through Yr 1 of the Trees for Climate in Trafford in conjunction with City of Trees and registered as part of The Woodland Carbon Code.</li> </ul>

2020/21 Significant Issues	Action Taken 2021/22
	<ul style="list-style-type: none"> <li>• The launch of Authority Based Insetting that will encourage local businesses to invest in local carbon reduction schemes</li> <li>• The Initiation of a Local Area Energy Plan that will provide a blueprint for decarbonisation across the borough</li> <li>• A Citizens Assembly event was held in November 2021, to assist preparation for a citizen assembly in 2022.</li> <li>• Working in partnership with Greater Manchester on the GM 'Go Neutral' project looking at smart energy and nature recovery opportunities across Trafford.</li> <li>• The approval of an approach to accelerate installation of EV charging points, with a private sector partner</li> <li>• Commissioned two studies looking at opportunities to deliver a 'green' and low carbon Trafford Park</li> </ul> <p>A dashboard of measures have been identified to monitor performance, and these are publicly available: <a href="https://trafforddatalab.shinyapps.io/corporate-plan/">https://trafforddatalab.shinyapps.io/corporate-plan/</a>.</p> <p>Despite areas of good progress, there is a need to accelerate delivery of the carbon neutral action plan, working with the climate change and air quality commission. In February 2022 only 42% of actions in the plan were on track, with 12% at risk and 25% behind.</p>
<p><b>Financial Management and the Medium Term Financial Position</b> - There remain future challenges to the Council's financial resilience caused by 11 years of funding reductions, the uncertainty around structural changes to local government finance, namely the Fair Funding Review, Business Rate</p>	<p>Regular budget monitoring reports have been provided to the Executive and Accounts and Audit Committee throughout the course of the year. Whilst there was a small budget underspend of £1.53m at year end this was only achieved</p>

2020/21 Significant Issues	Action Taken 2021/22
<p>Retention and social care financing. The ongoing impacts of the Covid-19 pandemic are still not fully known and the impact of Brexit will be something that will impact on our financial planning going forward. Future levels of Government support are unclear and whilst they will be informed by the Comprehensive Spending Review this will not be until later in the financial year, so planning future year's budget scenarios will be a challenge. An added pressure in year will be the capacity of the Council to deliver against its ambitious savings and income target required to balance the budget during 2021/22 given the pressures on the workforce as it recovers from the impact of the response and recovery from Covid-19.</p> <p>In terms of financial management standards, the Council is in the process of reviewing conformance with the CIPFA Financial Management Code, including confirming any actions for further development. At this stage, whilst it is considered that there is considerable conformance with the Code, actions identified include further embedding regular performance updates on the Council's joint venture vehicles and further development of asset management planning to inform the Capital Strategy.</p>	<p>through a combination of management actions, most notably around vacancy management.</p> <p>There are underlying pressures across demand led social care services, continuing impacts of the Covid Pandemic on the Council's income streams and challenges in maintaining the budgeted levels of income from the Investment Strategy. The impact of the cost of living crisis felt by Trafford residents and the impact of inflation across all budget areas will mean that the challenges on the Council's budget for 2022/23 and later years will be compounded.</p> <p>A full review of financial management arrangements across the Council has been undertaken which has demonstrated compliance with the CIPFA Financial Management Code. An action plan has been developed to improve arrangements in a small number of areas.</p>
<p><b>Information Governance</b></p> <p><b><u>Records Management:</u></b></p> <p>There are ongoing compliance issues being addressed around records management (retention of both physical and electronic records).</p> <ul style="list-style-type: none"> <li>• A review of the council's physical storage position from both a compliance and cost perspective is underway and</li> </ul>	<p><b><u>Records Management</u></b></p> <p>A review of the Council's record management position was undertaken with a view to identifying work streams and potential solutions. An options paper was being compiled setting out recommended strategies around the following themes:</p> <ul style="list-style-type: none"> <li>• Retention Schedule: Commit to an update of current subscription OR commence work internally on producing a</li> </ul>

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2020/21 Significant Issues	Action Taken 2021/22
<p>a paper setting out the position and recommended strategies will be produced by the end of 2021.</p> <ul style="list-style-type: none"> <li>Significant improvements to the storage and retention of electronic records will be realised through the implementation of Microsoft 365. It will be recommended that, as part of this, the Local Government Functional Classification Scheme should be adopted. This will mean that poorly maintained shared network area folders will be replaced by a highly structured storage area utilising Sharepoint.</li> </ul> <p><b><u>Subject Access Requests (SAR):</u></b></p> <p>Progress continues to be made in addressing SAR Backlogs. The IG Project team (Created July 2020) has completed its main review of the SAR's backlog and a new operating process has been implemented and an improvement plan is in place.</p> <ul style="list-style-type: none"> <li>The IG Team has recently completed recruitment activity and, with additional capacity, a significant reduction in the outstanding caseload will be achieved by the end of the year.</li> </ul> <p><b><u>Freedom of Information (FOI) / Environmental Information Regulations (EIR):</u></b></p> <ul style="list-style-type: none"> <li>A twin problem of a growing number of overdue outstanding FOI requests and falling compliance rate was identified at the beginning of the year and is being tackled. An FOI review project has been carried out. This had two</li> </ul>	<p>bespoke Trafford Council records and retention schedule OR commission an external records management expert to producing a bespoke Trafford Council records and retention schedule.</p> <ul style="list-style-type: none"> <li>Offsite Storage: The Council's current offsite storage contract has been reviewed and a re-tendering exercise has been initiated to ensure VfM and attainment of fiduciary duties.</li> <li>Hard Copy Files: An assessment of the Council's handling and storage of hard copy records had been underway but was paused as a result of the pandemic. The pandemic has altered the way in which employees are working. A further assessment will now be undertaken to explore the position and present recommendations around data cleansing and hard copy protocols.</li> <li>Email management: recommendations regarding email management is being developed alongside IT colleagues.</li> </ul> <p><b><u>Subject Access Requests (SAR)</u></b></p> <p>The Information Commissioners Office (ICO) had expressed concerns that the Council was failing to adhere to statutory deadlines in the processing of subject access requests (SAR's) subject to UK GDPR.</p> <ul style="list-style-type: none"> <li>SAR processing is an issue for most LAs across the UK and has resulted in an increase in complaints made to the ICO.</li> <li>The Council responded by securing additional resource and establishing a task and finish group to address the issue.</li> <li>As of January 2021, the Council had a backlog of approx. 149 SAR cases, with an average of 15 new cases being</li> </ul>

2020/21 Significant Issues	Action Taken 2021/22
<p>primary objectives – to clear the outstanding backlog of requests and to implement process changes to enable sustained performance improvement. New processes and procedures have been developed and are in the process of being implemented. A key change involves the rollout of Iken software across the IG team and this will bring significant improvements to case recording and case management.</p> <ul style="list-style-type: none"> <li>• Significant progress is being made completing and closing outstanding overdue requests which have approximately halved since February. The average compliance rate for 2020/21 to date is 63% (responded to within 20 working days). The target compliance rate (and ICO expectation) is 95%. Actions being taken through the FOI project seek to address this performance shortfall both in the near term and longer term.</li> </ul> <p><b><u>Data Breaches:</u></b></p> <p>Two significant data breaches had been referred to the ICO and both cases were closed with no actions required by the ICO. However, one has recently been reopened due to a complaint. Continued data incidents have reinforced that the most common problem involves correspondence (email or by post) being sent to the wrong address/recipient. This is still happening with greater regularity than it should and will be addressed by a renewed focus on training and awareness raising.</p>	<p>received each month. The IG team were processing an average of 7-10 SAR cases per month.</p> <ul style="list-style-type: none"> <li>• As of January 2022, the Council’s backlog SAR cases had been reduced to 4, with an average of 19 SAR cases being processed by the IG team per month.</li> <li>• The IG team have also reduced the number of cases which exceeded the statutory response timescales from 104 in September 2020 to 21 in September 2021 to 14 in February 2022. <ul style="list-style-type: none"> <li>• The ICO were informed of the progress that had been made and the Council were formally notified that we were no longer be subject to inspection.</li> <li>• Furthermore, the ICO asked the Council to act as an exemplar to other LA’s in sharing knowledge and approach to the processing of SAR’s and how to tackle case backlogs.</li> <li>• Since February 2022 the ICO have received a number of complaints regarding the Council’s handling of SARs. As a result of those complaints the Council have been liaising with the ICO and reviewing the circumstances which led to the complaints with a view to remedying any common causes. The ICO will monitor the Council’s progress over the coming months.</li> </ul> </li> </ul> <p>Work to continue improving SAR processes will continue.</p> <p><b><u>Freedom of Information (FOI) / Environmental Information Regulations (EIR)</u></b></p>



2020/21 Significant Issues	Action Taken 2021/22
<p>Legal have worked on revised Process and procedures for data breaches and further work will be done as a discrete workstream as part of the IG Improvement Project.</p> <ul style="list-style-type: none"> <li>- Effective interim processes are in place in the meantime in the form of weekly DPO Data Incident summary reports for the Head of Governance and SIRO. Significantly speeds up incident reviews and decision making by designated information risk leads.</li> <li>- This is reducing risk from delayed oversight of data incidents.</li> <li>• Significant improvements to triaging of data incidents when reported to team <ul style="list-style-type: none"> <li>- Information Governance Manager (DPO) has twice weekly meetings with IG Officers to triage new data incidents.</li> <li>- Enables more serious incidents to be progressed on an urgent basis.</li> <li>- Ensures Incidents are allocated promptly for investigation.</li> </ul> </li> </ul> <p>Together, the above issues raise the following risks – legal/regulatory (non-compliance with legal requirements), reputational, financial, adverse publicity.</p>	<ul style="list-style-type: none"> <li>• The average compliance rate to date had been steadily decreasing month by month, reaching a rate of 41% (responded to within 20 working days) in September 2021. The Team undertook a significant push in January 2022 with the current rate being at 65%. The target compliance rate (and ICO expectation) is 90%.</li> <li>• Assessment of this performance shortfall has been undertaken and work is ongoing to implement actions identified and work will continue to determine solutions both in the near term and longer term.</li> <li>• Identified actions: Targeted collaboration with teams where delays are being experienced; Rota system implemented across the IG team to improve processing; Reporting mechanisms reviewed; Refocus of resource from SAR cases to FOIs.</li> </ul> <p><b><u>Data Breaches</u></b></p> <p>Between April 2021 and the 6th October 2021, the Information Governance Team has received reports of 40 data breach incidents for investigation. (Avg: 6.5 a month).</p> <ul style="list-style-type: none"> <li>• Between the 6<sup>th</sup> October 2021 and 31<sup>st</sup> January 2022, the Information Governance Team has received reports of 23 data breach incidents for investigation. (Avg: 6 a month).</li> <li>• The most common types of data breach are: <ul style="list-style-type: none"> <li>- Email sent in error to wrong recipient.</li> <li>- Letter posted to wrong recipient.</li> <li>- Error in redaction of information.</li> <li>- Excessive information shared with professionals by email.</li> <li>- Documents left on office printers.</li> </ul> </li> </ul>

2020/21 Significant Issues	Action Taken 2021/22
	<ul style="list-style-type: none"> <li>- Documents lost to theft/burglary at employees home.</li> <li>- Lost information.</li> <li>- IT system glitches.</li> </ul> <ul style="list-style-type: none"> <li>• The majority of the cases logged at Severity level 3 were found to have risks mitigated through appropriate and timely measures taken and no risks were posed to the rights and freedom of affected individuals.</li> </ul> <p>A review by the Head of Governance to improve processing and awareness of data incidents was started and will be completed over the 2022/23 municipal year. The review will look at:</p> <ul style="list-style-type: none"> <li>- Developing Interim processes to determine more substantive permanent mechanisms of reporting, incident reviews, and decision making.</li> <li>- IG team weekly meetings.</li> <li>- The ongoing risk from delayed oversight of data incidents, poor quality reporting and lack of accountability for reporting and recommendation implementation.</li> <li>- IG Recommendations to ensure that they are both practical and effective.</li> <li>- Implementation of IG recommendations.</li> <li>- Data capture data for data incidents There is a correlation between training take up and number of breaches originating from specific areas.</li> <li>- Commitment from the senior levels to ensure data protection training is made a priority within agreed timescales.</li> </ul>

2020/21 Significant Issues	Action Taken 2021/22
	<p data-bbox="1073 269 1556 302"><b><u>Data Security Protection Toolkit</u></b></p> <ul data-bbox="1073 315 1950 1198" style="list-style-type: none"> <li data-bbox="1115 315 1950 456">• This an annual piece of work that requires the Council to demonstrate that it is fully compliant with the minimum data protection standards in order to access and process information from NHS Digital.</li> <li data-bbox="1115 464 1950 605">• This piece of work requires significant resource from both IG and ICT. Moreover, it requires the Council to corporately demonstrate commitment in areas such as data protection training and cyber security.</li> <li data-bbox="1115 613 1950 719">• Our last submission was in June 2022 and there are a number of areas where the Council did not fully meet the standards as identified by our Internal Auditors.</li> <li data-bbox="1115 727 1950 902">• The IG team will be rolling out a robust improvement plan for addressing each of the areas identified by internal audit where there have been shortcomings with a deadline for compliance being March 2023 in time for the final audit prior to the next DSPT Toolkit submission.</li> <li data-bbox="1073 911 1950 1198">• In previous years the Council has struggled to ensure that we have met the target for corporate data protection training: <ul data-bbox="1115 1019 1950 1198" style="list-style-type: none"> <li data-bbox="1115 1019 1950 1125">- A new DSP Toolkit sub team to be established from within the IG team with clear roles and responsibilities for achieving the identified improvements</li> <li data-bbox="1115 1133 1950 1198">- Alternatives to the current data protection training modules are to be considered.</li> </ul> </li> </ul> <p data-bbox="1073 1206 1950 1276">Consideration is being given to methods to ensure training is undertaken in a timely fashion.</p>
<p data-bbox="128 1289 1045 1401"><b>Amey Contract</b> - The Council will continue to actively manage the Amey contract within the performance management framework and contractual mechanisms available. The Council</p>	<p data-bbox="1073 1289 1950 1401">The contract has continued to be managed through the performance management framework, resulting in a level of deductions adding to over £200k for issues primarily in the</p>



<b>2020/21 Significant Issues</b>	<b>Action Taken 2021/22</b>
<p data-bbox="115 267 1050 974">The Council and Trafford Leisure are working on a financial plan to the end of this fiscal year but there are so many unknowns at present. Trafford Council made an application to the National Leisure Recovery Fund for the £570,000 which was successful and was transferred to support Trafford Leisure. 30% allocated to cover cost incurred from December 20 to March 21 and the other 70% to assist with reopening from May 21. Customers have started to return and direct debit have continued for some services but the cost base has been kept artificially low due to furlough. Now that furlough is starting to end and employees are being requested to return there is now a significant increase in resignations and whilst that enables some cost savings it means there is now a new risk re lack of staff to service the potential increase in activity as the final restrictions are lifted for the Leisure sector on 19.07.21. Ongoing financial monitoring between Trafford Council and Trafford Leisure finance teams continues on a monthly basis.</p> <p data-bbox="115 1023 1050 1144">There are plans to align Trafford Leisure's financial year with that of the Council starting with the workshops in July but at this point in time we only have 3 months trading.</p> <p data-bbox="115 1193 1050 1356">In addition, the implementation of the Investment Programme of refurbishing Altrincham, Stretford and Sale Leisure Centres had begun which will further impact income due to the on-site disruption.</p>	<p data-bbox="1060 267 1942 389">financial year. This was due to a combination of factors including earlier easing of covid restrictions and recovery of key incomes, and particularly strong trading at Urmston LC.</p> <p data-bbox="1060 438 1942 560">Trafford leisure was also able to apply successfully for covid restrictions grants and utilise the Sport England grant awarded early in 2021 as part of the National Leisure Recovery Fund.</p> <p data-bbox="1060 609 1942 933">The Council has previously set aside reserves to support Trafford Leisure's P&amp;L which has not been required to be drawn down in 2021/22 as a result of the improved financial position as above. This has been carried forward to 2022/23 and a further £500k was added to the Council's annual base budget from April 2022 to provide further financial support over the anticipated multiyear programme of Leisure Centre refurbishments, if required.</p> <p data-bbox="1060 982 1942 1226">Max Associates, a leading Leisure Industry sector consultant has been commissioned via Sport England to review the impact on Trafford Leisure's overall P&amp;L position across their portfolio during the refurbishment programme for Altrincham, Sale and Stretford Leisure Centre's until the investments are complete circa 2025/26 and reach mature year.</p> <p data-bbox="1060 1274 1942 1388">The Council is also working with Trafford Leisure becoming a real living wage employer from 2023/24, and has agreed further financial support in 2022/23 as a stepped process of</p>

2020/21 Significant Issues	Action Taken 2021/22
	working towards this objective. This will also support the ability to stabilise the workforce and protect/grow incomes during the covid recovery period and over the refurbishment programme.
<p><b>Impact of Brexit</b> - A report setting out the potential impact of Brexit on the Trafford economy was presented to the Council Executive on the <a href="#">26<sup>th</sup> July 2021</a>, along with an update of the economic recovery plan. The Council will implement the recommendations of the plan during the year to maintain the health of the local economy, alongside a skills programme to ensure an inclusive economic recovery.</p>	<p>A high level Transition Preparedness Plan identifying key priorities/issues for each Service area has been produced by the Transition Preparedness Group as a focus for activity going forward. The Preparedness Plan is a combination of actions and issues that are monitored and reviewed by the Group on regular basis. In light of the above, and the ongoing effects of the Covid crisis, a review of the previous Brexit Impact Assessment has been produced and a report was presented to the Council's Executive on 26 July 2021. This report also includes an update on the Inclusive Economy Recovery Plan.</p> <p>The Trafford Inclusive Economy Recovery Plan, approved by the Council's Executive in February 2021 complements the above and was produced in light of the effects of the pandemic on the economy and the need to set out key initiatives to steer the borough through recovery. The Plan has not only been set in the context of meeting key issues facing the borough, but also to be complementary to the work of the GM LEP Economic Vision and Build Back Better priorities which sets out to create a better opportunity for a strong and successful recovery.</p> <p>The Plan is a 'live' document and may be amended over time as circumstances changes and new issues arise. Meeting the</p>

2020/21 Significant Issues	Action Taken 2021/22
	<p>challenges caused by the Covid pandemic and ensuring an effective recovery will not be easy and will require a strong partnership approach to tackle the issues facing the local economy through to recovery and beyond.</p> <p>The Plan covers the following themes:</p> <ul style="list-style-type: none"> <li>-Business Support and Sustainable Job Creation</li> <li>-Transition Preparedness</li> <li>-Green Economy and Sustainable Job Creation</li> <li>-Sustainable Jobs and Skills Growth for local residents</li> <li>-Inward Investment and Sustainable Job Creation</li> <li>-Funding and Growth</li> <li>-Strategic Sites Development and Job Creation</li> <li>-Improved Town Centres for Residents and Businesses</li> <li>-Increase Visitor Economy</li> </ul> <p>The Transition Preparedness Group is currently inviting proposals from service leads for utilising the remaining Preparedness Funding granted to local authorities from the government. This funding can be used to support service delivery that will ensure Trafford's economy can adapt to the changes that arise through Brexit. Those proposals that are taken forward and approved by the Council will aid the delivery of the Inclusive Economy Recovery Plan.</p>
<p><b>Ofsted Report</b> -Trafford Children's Services was inspected under the Inspection Local Authority Children's Service Framework in March 2019 and received an overall rating of inadequate. The</p>	<p>The Service's improvement work continues to be progressed under the auspices of the Ambitions Plan, which addresses all areas of improvement that were identified within the Inspection</p>

2020/21 Significant Issues	Action Taken 2021/22
<p>sub-judgements were Requires Improvement for children in need of protection, Requires Improvement for children in care and care-leavers and Inadequate for Leadership. Following this judgement a number of actions are in place:</p> <ul style="list-style-type: none"> <li>• An Improvement Board has continued to be in place with an Independent Chair (DfE) and attended by senior politicians and senior officers from the Council and key partners.</li> <li>• A full and comprehensive Improvement Plan is being implemented, this is continually reviewed and updated in line with our internal findings from quality assurance</li> <li>• Progress towards improvement continues to be monitored by the Department for Education regularly through the Involvement of our Improvement Advisor and DfE link officer.</li> <li>• Most recent DfE review in May 2021 concluded that: <b><i>“The service has continued to improve throughout the last six months and the council remains driven and committed to improving outcomes for the children, young people and families of Trafford”</i></b></li> <li>• A monthly REACT meeting continues to take place with DfE regarding LA response to vulnerable children during the Covid pandemic. Our performance relating to visits to children open to CSC, vulnerable children attending school has been consistently strong during the past several months. The DfE report that they are assured that we know our children</li> </ul>	<p>Local Authority Children’s Service Inspection in 2019. Progress against the plan is overseen through by the Improvement Board.</p> <p>Validation of the Improvement work is provided through the formal programme of monitoring visits undertaken by Ofsted as well as the Department for Education 6 monthly reviews and through regularly through the Involvement of our Improvement Advisor and DfE link officer.</p> <p>In 2021/22 Ofsted have undertaken two monitoring visits both of which have identified that whilst there is more to be progressed there are : “some early signs of improvement in the quality of assessments and child protection planning for children,” and “the work reviewed during this visit showed that most children’s situations were improving as a result of the intervention taking place”</p> <p>The monitoring visits undertaken at that time also noted that “The local authority has made progress to establish strong corporate governance, improved partnership working and effective systems to provide an accurate self-view. They have appropriate plans for improvement and clear ambitions and priorities and have maintained this commitment throughout the pandemic.”</p>



2020/21 Significant Issues	Action Taken 2021/22
<ul style="list-style-type: none"> <li>• Ofsted have conducted a recent Assurance Visit (23 Feb – 10 March 2021) and have confirmed that they have seen progress since the 2019 inspection but that there are further improvements to ensure consistency in the quality of practice that we need to progress. Ofsted feedback was that all of the areas they found as needing to improve had already been identified by the Senior Leadership team, plans are in place to address and that there are the right plans.</li> <li>• Significant changes have been made to the Early Help and Children’s Social Care Front Door processes to improve timeliness and quality of decision making. Discussions are now well developed with partners about an agreed approach to Early Help.</li> <li>• There has been significant focus on improving Quality Assurance processes across the service and better reporting to Senior Managers. These changes are starting to inform a better self-view of our quality of practice. There will be a focus on embedding improvements and measuring impact going forward. Ofsted noted the improvements that have been made in this area and there were assured that the information we can collate from QA processes is giving us the key information that we need to improve practice.</li> <li>• Whole Service redesign is commencing with formal consultation starting on 17 March 2021. This will be significant in how we organise ourselves to deliver the right service to children at the right time in a much clearer way. The workforce have been a part of the process with</li> </ul>	<p>Similarly the Monitoring visit undertaken in March 2022 also confirmed</p> <p>“Services for children in care in Trafford have shown some improvements since the inspection in 2019. Children are regularly visited by social workers, and some assessments and plans for children in care are comprehensive and effective. Targeted strategic work is reducing delays in planning for specific cohorts of children in care. There is now an effective performance management framework in place and senior leaders are held to account by a well-informed and committed corporate parenting board.”</p> <p>These visits confirm that are improvement activity is starting to make a difference.</p> <p>Keys actions that have been progressed in this period include:</p> <ul style="list-style-type: none"> <li>• The implementation of a whole service redesign</li> <li>• The implementation of a Quality Assurance Framework to understand what the quality of service delivery is and critically to support the workforce to continue to make changes</li> <li>• The development of our “Investing In People Strategy” to recruit, retain, grow and sustain our work force.</li> </ul> <p>Stability of the workforce continues to be a major priority and a focus of continued activity</p>

2020/21 Significant Issues	Action Taken 2021/22
<p>engagement sessions and follow up 'show &amp; share' sessions with staff.</p> <ul style="list-style-type: none"> <li>• During Covid-19 we have established processes to focus on keeping children safe and maintaining placement stability for our cared for children. Our 'Sit-Reps' have shown an average of 75% resilience in all services. There have been regular Incident meetings and sub-groups to ensure safe delivery of practice. We have issued new guidance to staff, initiated an extensive Work from Home programme, used a monitoring process to measure our performance and continued with key aspects of our Improvement Journey.</li> <li>• A strategic development partner has been appointed through a competitive tender process to further support strengthening our social care practice.</li> </ul>	
<p><b>Business Continuity</b> - A corporate Coronavirus task and finish group has been established to identify business continuity plans to ensure services can be maintained in the event of a local outbreak. The group will monitor the national and local picture and respond to the changing position.</p> <p>As instructed by the Corporate Leadership Team, services are updating their business continuity plans. This is in the event of managing staffing shortages in particular.</p> <p>A previous internal audit review reported a number of areas for development in business continuity in relation to the following - roles and responsibilities; identification of priorities including</p>	<p>Work on Business Continuity Plans began in earnest once again in the Autumn of 2021 – with the creation of a dedicated project team including staff from the Greater Manchester Resilience Unit. Business Continuity Leads were identified in each service area – and initial effort was focussed on the completion of Business Impact assessments (BIA)</p> <p>In all 52 individual BIA workshops delivered by CCRU specialists were carried out and 59 BIAs were completed. Each was subsequently quality assured by CCRU and signed off by Service Leads.</p> <p>Once these were completed they in turn informed the preparation of Business Continuity Plans – 21 Business</p>

2020/21 Significant Issues	Action Taken 2021/22
<p>completion of business impact analyses (BIA) to identify the impact of disruptions; co-ordinated planning including incident management, recovery and resumption plans; monitoring to ensure compliance with the agreed process and testing of plans; and to ensure adequate, accessible records are maintained.</p> <p>As reported previously, a Business Case had been approved by CLT and work has started to review the Business Continuity Management process. In response to the COVID-19 crisis, priority was given to mobilise business critical services to ensure effective business continuity and the onset of the pandemic significantly impeded progress on the completion of a comprehensive set of plans whilst also improving greater internal resilience.</p> <p>Regulatory and ICT Services have now met to review work undertaken so far, update this and pull together a revised plan for completing the Programme. Complementary reports were prepared for CLT in July setting out proposals for the resumption of the work. The CCRU have now been re-engaged with a new member of staff and internal staff resource also identified to progress the project. It is therefore anticipated that work on the project can now be picked up once more through the Autumn.</p>	<p>Continuity Workshops have been held and 43 Plans are on schedule for completion.</p> <p>An e-learning module has been written and quality reviewed. This will be launched shortly. To assist with monitoring a series of Business Continuity Exercises are planned – with the first dealing with a major issue at Ascot House Care facility.</p> <p>As a further step, an inventory of all IT systems used by services has been collated – and has been passed to the ICT team to link in with IT disaster recovery.</p> <p>The formal close of project is likely in June 2022.</p>

### Significant Governance Issues 2022/23

5.3 The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure the effective delivery of its objectives and manages its resources to meet

the ongoing financial challenges being faced. Detailed below are significant governance issues and actions planned to address these in 2022/23.

<p><b>Continued impact of COVID 19</b></p>	<p>Covid 19 continues to have a major impact in the borough. There are three main ways in which this is felt.</p> <p>Firstly, the impact on population health and the increase in health inequalities. Obesity rates, including in children, have increased, as has the proportion of people who are drinking excessive amounts of alcohol. These behavioural changes will add to the burden of disease in our population. We are mitigating this through our health promotion and behaviour change programmes, but these take time to show results.</p> <p>Secondly, the impact of the reduction of services, particularly health and education, in the pandemic has led to a backlog of activity and a need for remedial action to catch up. However, capacity within services is limited and public needs and expectations are high.</p> <p>Thirdly, there is a risk of further waves, or a vaccine resistant variant emerging. This could require standing up of testing or contact tracing, or a reintroduction of social isolation measures. We have retained a core workforce to support any such actions and they are employed until 31<sup>st</sup> March 2023. We have also ensured that our learning from the pandemic is recorded and included in the organisation’s outbreak and business continuity plans.</p>
<p><b>Climate Change Emergency</b></p>	<p>All available indicators suggest that climate change is already occurring and will, if anything, become more prominent. The impact is considered to be high as a minimum (very high without mitigation) as the consequence of climate change give rise to unpredictable and severe weather events occurring with increased regularity. These will in turn have significant impacts on the environment, economy and society. In short, the impacts are wide ranging and cross cutting in character.</p> <p>Trafford will continue to address this on a number of fronts with the completion of two studies looking at the greening of Trafford Park and its transition to a low carbon future. Complimentary work is underway to prepare for a heat network around the Civic Quarter and Stretford. The</p>

	Public sector decarbonisation programme is ongoing, along with the expansion of the EV charging network in the Borough. Preparations are underway for a citizen's panel on climate change in late 2022.
<b>Medium term financial position</b>	The Council's budget gap for 2023/24 and 2024/25 is currently estimated at £18.4m but this is expected to grow once the impacts of inflation are fully known. Therefore, the Authority will need to develop, at pace, a multi-year savings and income programme. The financial landscape continues to be uncertain and despite setting a balanced budget for 2022/23 there are some underlying pressures in children's placement costs, home to school transport and wage and energy price pressures. This will put pressure on the delivery of Council services during the year if additional funding isn't received from Government. Reforms affecting both children's and adult services will impact on medium term budget planning, particularly the planned reforms related to adult social care charging which are due to be implemented by 1/10/2023. These will have serious adverse impacts on the Council's budget and ability to recruit both social work and finance staff to administer the new proposals.
<b>Information Governance</b>	<p>The lack of appropriate permanent, fixed term, or interim IG resources has had a significant negative impact for the council's efforts to achieve overall compliance with the Data Protection Act 2018, FOI Act 2000 and UK GDPR. This has resulted in the council being placed on the Information Commissioner's (ICO) watch list and if this trend continues, may result in a monetary penalty being imposed on the council by the data regulator.</p> <p>The council still needs to achieve compliance with most of the mandatory assertions linked to the NHS Data Security &amp; Protection Toolkit, which is under review by internal audit. A review of Records Management for both paper based and electronic records including off-site storage is also being planned. A lack of compliance will impact the Council's contractual obligations linked to the new Integrated Care Board (ICB).</p>
<b>Joint Venture partner fails to deliver services to the required standards</b>	<p>The Covid-19 pandemic has delayed negotiations and the JV Partner's performance during the period has continued to be generally good, though inconsistent. Action will be taken to address underperformance in line with the mechanisms set out in the contract.</p> <p>Work to achieve significant improvements in the delivery of the contract are ongoing with Member oversight and input from stakeholders, including residents. The 7 year review process review process has been extended due to COVID interference with evaluation and negotiation</p>

	and is due to complete in 2022/23. A separate review of current governance arrangements is also scheduled for 2022/23.
<b>Leisure Services</b>	<p>The refurbishment programme will deliver improved facilities that will support the Councils corporate and borough wide strategic priorities. Through tailored place-based programming, centres will help address health inequalities and improve community health and wellbeing outcomes.</p> <p>The revenue budget and reserves approved by Council in February 2022 included support for a full range of leisure provision for 2022/23 and over the medium term. Plans for the refurbishment of Altrincham, Stretford and Sale leisure centres continue, with the aim of works commencing on Altrincham before the end of the year, subject to approval by Executive and securing planning permission. In addition a Levelling Up Fund bid has been submitted for Partington Sports village. To further mitigate the risk around this, the Council commissioned independent due diligence and updates of the business plans for each centre by Max Associates.</p> <p>Progressing work on a new operating agreement for Trafford Leisure is a priority for 2022/23.</p>
<b>Impact of Brexit</b>	<p>The true impact of Brexit both in terms of challenges and opportunities have tended to be masked by onset of the pandemic. It is only in 2022 as regular activity has substantially resumed that the impacts become more obvious.</p> <p>The majority of companies operating within Trafford have adjusted to the restrictions on trade with Europe and the changes in workforce. However, uncertainties remain, especially with ongoing changes linked to the Northern Ireland Protocol, which could result in further trading restrictions through 2022/23 should relations with the EU deteriorate. In contrast, the economic benefits of Brexit are less obvious and will take longer to be established.</p>

The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure it delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Councillor Andrew Western  
Leader of the Council**

**Sara Todd  
Chief Executive**

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## TRAFFORD COUNCIL

**Report to:** Accounts & Audit Committee 20th July 2022  
Executive 25th July 2022  
Council Meeting 27th July 2022

**Report for:** Information

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

### Treasury Management Annual Performance 2021/22 Report

#### Summary

This report outlines the main treasury management activities undertaken during 2021/22 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 2021/22 was £332.8m and 2.82% and this compares to £385.5m & 2.57% in 2020/21;
- The average level of treasury investments for 2021/22 was £122.0m with a rate of return of 0.35% compared with 2020/21 when the equivalent figures was £76.9m and 0.76% respectively;
- The outturn position for the Council's Treasury Management function is a net overspend of £927k and more detail is included in Section 10 of the report. The key variances relate mainly to the levels of income the Council received from Manchester Airport Holdings Ltd (MAH) due to the ongoing impacts of the Covid-19 pandemic. .

#### Recommendations

That the Accounts & Audit Committee note the treasury management activities undertaken in 2021/22 and recommend that both Executive and Council also note the report.

Contact person for background papers:  
Mark Hughes – Finance and Treasury Manager - Extension: 2072

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 £0.93m and details of this are provided at paragraph 10.1.
Legal Implications:	Treasury Management activities are subject to requirements detailed in legislation, Department for Levelling Up, Housing and Communities (DLUHC), Chartered Institute of Public Finance & Accountancy (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 2021/22, the Council achieved compliance of its legislative and regulatory requirements via the following activities:

### **Economic position (Section 2)**

- Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to 0.10%, it remained unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022. Since the end of 2021/22, the rate has risen to 1.25%, following 0.25% increases in both May and June 2022.
- 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 fell from £380.1m as at 31.03.2021 to £322.4m by 31.03.2022, the decrease of £57.7m comprises of:
  - Repayment of loans of which £26.7m was short term, £0.5m Salix and £30.5m PWLB (£27.8m of that being early repayments)
  - Statutory borrowing limits (the authorised limit and operational boundary), were not breached.
- Loan interest totalling £9.3m was paid of which £4.5m was wholly funded from rental income received from the Council's regeneration programme.
- Average rate of interest payable was 2.82% in 2021/22 and compared to 2.57% in 2020/21 a rise of 0.25%.
- Level of under-borrowing was £53.9m at 31.03.2022 which represents an increase of £10.5m from the 31.03.2021 closing position of £43.4m.

### **Investments (Section 6)**

- 2021/22 continued the challenging investment environment of previous years, namely low investment returns.
- Total level of investments rose from £97.3m at 31.03.2021 to £130.6m at 31.03.2022 a movement of £33.3m due to grant monies being received in advance of spend.
- The rate of return for all investments in 2021/22 was 0.35% which is £0.1m above budget and 0.39% or £0.5m above the recognised performance indicator of 7-day LIBID which was -0.04%.
- Weighted average life of investments at 31.03.2022 was 101 days or 3.32 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 2021/22. 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 2021/22, 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 2021);
  - mid-year update report (issued November / December 2021);
  - annual outturn report describing the activity undertaken (July 2022 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 2022/23 (Section 9);
  - 2021/22 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 2021/22 are highlighted below for reference;

### **General**

- During 2021 the continuing impact of the COVID-19 pandemic compounded by the outbreak of Russian hostilities in Ukraine has meant that world growth has not recovered from the 2020 levels. Increases in government 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.
- As a result of the conflict in the Ukraine and the sanctions placed on Russia the effect on western economies, which rely predominantly on Russia for their oil and gas supplies, all point to inflation being at elevated levels until well into 2023.
- In order to try to control inflation the Bank of England raised the Bank Rate three times during 2021/22 from 0.10% to 0.75%.
- World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

### **UK**

- Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England Monetary Policy Committee (MPC) took emergency action in March 2020 to cut Bank Rate to 0.10%, it left the rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16 December 2021, 0.50% at its meeting of 4 February 2022 and then to 0.75% in March 2022. Since the end of 2021/22, the rate has risen to 1.25%, following 0.25% increases in both May and June 2022.
- The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) which is sufficient enough for the MPC to focus on tackling the second-round effects of inflation, as the CPI measure has risen to 6.2% by the end of 2021/22, and has exceeded 9% since.
- Gilt yields fell towards the back end of 2021 but, despite the war in Ukraine, have risen in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.
- The squeeze on real household disposable incomes arising from the 54% increase in utilities prices in April, as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1 April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will have a bigger impact on real incomes in 2022 than in any year since records began in 1955.

### 3. INTEREST RATES

- 3.1 Within the 2021/22 Treasury Management Strategy, a forecast for interest rates was provided which indicated that minor increases in rates would occur during the year. Actual interest rates seen in the period have risen above this forecast, with the growth in the rates seen across all markers from April 2021 to March 2022, as shown in the table below.

	2021/22	1 April 2021	31 March 2022	2021/22
	Forecast Average	Actual	Actual	Actual Average
	%	%	%	%
Bank Rate	0.10	0.10	0.75	0.26
Investment Rates				
3 month	0.10	0.03	0.14	0.02
1 Year	0.20	0.12	0.69	0.34
Loan Rates				
5 Year	0.80	1.20	2.25	1.45
25 Year	1.60	2.22	2.64	2.10
50 Year	1.40	2.03	2.39	1.85

- 3.2 The expectation for interest rates within the treasury management strategy for 2021/22 was that the Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer required. The Bank Rate remained unchanged until the MPC raised it to 0.25% at its meeting on 16 December 2021, to counter rising inflation. The rate was increased again to 0.50% at the MPC's meeting of 4 February 2022 and then to 0.75% in March 2022. Since the end of 2021/22, the rate has risen to 1.25%, following 0.25% raises in both May and June 2022. Further rate rises are expected in 2022/23, potentially to a rate of 2.75% by March 2023.
- 3.3 During 2021/22, the Bank of England and the Government maintained various monetary and fiscal measures, supplying the banking system and the economy with large amounts of cheap credit to support the economy. The Government also supplied large amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation.

#### 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,
  - 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 2021/22 for reference:

	31 March 2022		31 March 2021	
	Principal (£m)	Avg. Int. Rate %	Principal (£m)	Avg. Int. Rate %
<b>DEBT</b>				
- PWLB	286.2	2.44	316.6	2.51
- Government Loans - Salix	0.2	0.0	0.8	0.0
- Market	36.0	4.56	62.7	2.65
<b>Total debt</b>	<b>322.4</b>	<b>2.68</b>	<b>380.1</b>	<b>2.53</b>
<b>CFR (to finance past capital expenditure)</b>	376.3		423.5	
<b>Over/ (under) borrowing</b>	<b>(53.9)</b>		<b>(43.4)</b>	
<b>INVESTMENTS</b>				
- Instant access	30.7	0.52	25.0	0.03
- Call account	0.4	0.10	10.4	0.03
- Term deposit	76.2	0.75	39.5	0.17
- CCLA	5.7	4.33	4.8	4.51
- Asset Investment Programme (AIP)	17.6	n/a	17.6	n/a
<b>Total investments</b>	<b>130.6</b>	<b>1.24</b>	<b>97.3</b>	<b>0.99</b>

- 4.3 Whilst the table at paragraph 4.2 details the position as at the beginning and end of 2021/22 the average position for 2021/22 and 2020/21 was as follows:

	2021/22		2020/21	
	Principal	Interest Rate	Principal	Interest Rate
<b>Average Debt</b>	£332.8m	2.82%	£385.5m	2.57%
<b>Average Investment *</b>	£122.0m	0.35%	£76.9m	0.76%

\* Excludes Strategic 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 2021/22, 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 maintained 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 2021/22 MRP Policy, (as required by DLUHC Guidance), was approved by Members as part of the Treasury Management Strategy report for 2021/22 in February 2021.
- 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 2021/22 the Council did not undertake any new borrowing. During the year the Council undertook early repayment of loans to ensure that it was not in an over-borrowing position. On 31 March 2022 the Council repaid three PWLB Loans totalling £27.8m at an average rate of 2.55% with breakage costs of £5.76m.
- 5.9 As at 1 April 2021 short term debt of £26.7m was outstanding, this was fully repaid by the due date of 30 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 2021/22 and as a consequence of this, the level of under borrowing rose from £43.4m as at 31 March 2021 to £53.9m at 31 March 2022. This action was undertaken in conjunction with advice obtained from LG,



the treasury management advisors, 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 2021/22 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 From the table at paragraph 4.2 it can be seen that the level of external debt decreased during 2021/22 from the opening position of £380.1m to close at £322.4m and this was as a result of the following transactions;-

<b>Lender</b>	<b>Principal – New</b>	<b>Principal – (Repayment)</b>	<b>Average Interest rate</b>	<b>Notes</b>
<b>Long Term</b>				
PWLB		£(27.8m)	2.55%	Early Repayment
PWLB		£(2.7)m	9.13%	Natural maturity
SALIX Finance		£(0.5)m	0.00%	Loan used to part fund the LED Street Lighting Programme.
<b>Sub total</b>	<b>£0m</b>	<b>£(31.0)m</b>		
<b>Short Term</b>				
Various Local Authorities		£(26.7)m	0.07%	Natural maturity
<b>Sub total</b>	<b>£0m</b>	<b>£(26.7)m</b>		
<b>Grand total</b>	<b>£0m</b>	<b>£(57.7)m</b>		

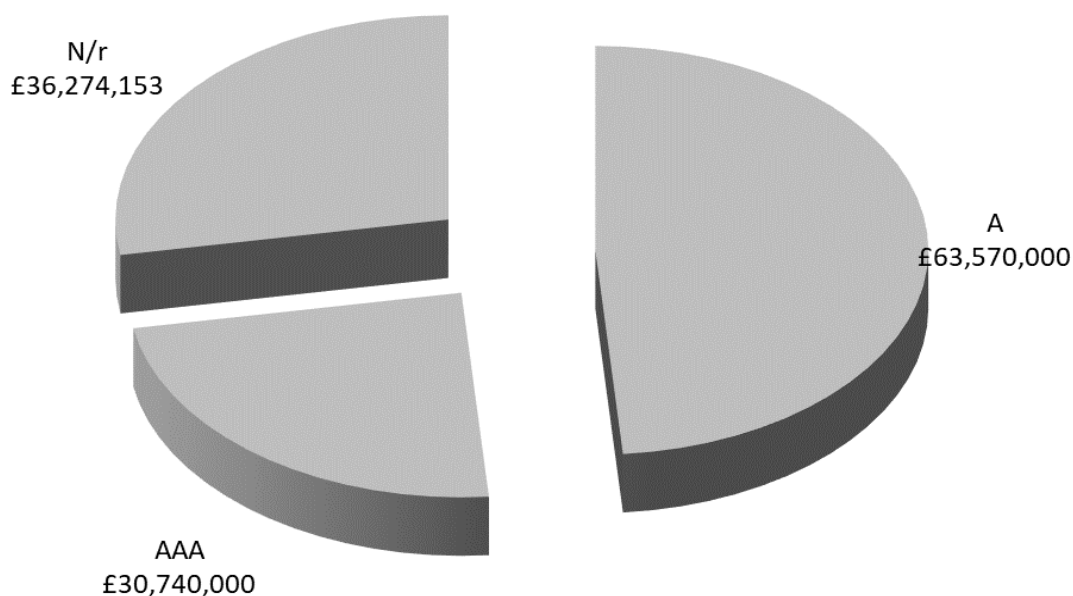
- 5.13 From the total debt outstanding of £322.4m, £0.6m is administered on behalf of Greater Manchester Probation Service which leaves £321.8m in respect of the Council's own long term requirement and a maturity profile of the Council's debt can be found at Appendix B & C for reference.
- 5.14 Gross loan interest paid during 2021/22 totalled £9.3m and of this £4.5m was funded from applying a proportion of the Council's regeneration programme rental income. The balance of £4.8m was incurred within the MTFP budget provision.
- 5.15 During 2021/22 the Director of Finance and Systems continued to monitor interest rate movements in the financial markets and caution was adopted with the treasury operations.
- 5.16 At the end of November 2021 the DLUHC published a consultation document on proposed changes to the Minimum Revenue Provision (MRP) concerning the application of future potential capital receipts instead of setting aside annual MRP on any Council investment asset or capital loan which it may hold. This consultation has now concluded, with changes to be made to ensure that Local Authorities make adequate MRP payments in regard to property acquisitions. The updated regulations will not apply to capital loans, which Local Authorities can continue not to apply MRP to if they consider it prudent.

## **6. INVESTMENT POSITION**

- 6.1 The Council's investment policy is governed by the DLUHC guidance which has been implemented within the annual investment strategy approved by Council in February 2022. 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 2021/22 the Council maintained an average balance of £116.8m 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 0.16% which generated £205k in investment interest. This return was £153k above the agreed budget figure of £52k and 0.21% or £249k above the performance indicator of the average 7-day LIBID rate of -0.04%.
- 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 2021 the value of these units, were £4.83m due to the impact COVID-19 had on the UK commercial property market. Since this the fund has seen a steady recovery over the last 12 months with a value of £5.67m at 31 March 2022.
- 6.6 The outlook for this fund is that the steady growth in value is set to continue in 2022/23. The commercial property sector has had a strong start to the year with transaction volumes significantly above trend levels and yields across the majority of sub-sectors lower than at the same time in 2021, with the biggest gains in industrial and distribution properties. There is concern, however, around the impact rising inflation may have.

- 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 DLUHC 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 fall in valuation beneath £5m could place a burden on the Council's revenue account. The value of this investment will be closely monitored to ensure that the likelihood of this happening is minimised.
- 6.9 Annualised returns generated from the CCLA property fund in 2021/22 (gross of fees on the original value invested) were 4.35% and this compares with that achieved in 2020/21 of 4.71%.
- 6.10 When the rates of return for both short and long term investments are combined, this produces an average level invested of £122.0m, generating a rate of return of 0.35% worth £0.42m which is £0.1m above budget and 0.39% or £0.5m above the performance indicator of the average 7-day LIBID rate of -0.04%.
- 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. A sale of part of the estate resulted in a partial early repayment to the Council of £5.6m, reducing the facility to £12.0m. This repayment occurred in April 2022, and so did have an impact on the figures reported in the 2021/22 financial year.
- 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 £205k 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 2022 by long term credit rating and further information detailing the make-up of this can be found at Appendix C & D

## Rating Exposure



## 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 27 January 2022 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 31 March 2023. A further payment is planned to be made in April 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 2021/22.
- 8.2 During the year ended 31 March 2022, the Council operated within these indicators and these are shown in Appendix E for reference.

## 9. OUTLOOK 2022/23

- 9.1 The economic impact of the COVID-19 pandemic and the conflict in Ukraine will continue to be felt for a while as the increased costs of oil and gas impacts on prices for goods and services across the world and pushes inflation up to levels not seen for many years. In the UK, real economic growth is slowing rather than collapsing in the face of the twin drags of higher inflation and higher interest rates, the OECD projects UK GDP to increase by 3.6% in 2022 but would fall to nil in 2023.
- 9.2 The conflict in the Ukraine and the sanctions imposed on Russia has seen a sharp rise in the costs of goods as a result of an increase in oil and gas prices, and the need to find alternative supply. This has increased inflation levels in the UK to above 9% and as a result the Bank Rate is forecast to rise from 1.25% in June 2022 to 2.75% by March 2023.
- 9.3 The growth in the Bank Rate will push-up interest rates which will in turn will increase the cost to the Council to borrow but will also increase the return on any investments undertaken. The Treasury team will look to manage cash flows to minimise the need for borrowing and maximise any investment return.

## 10. 2021/22 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
<b>DEBT</b>			
Loan Interest	4,791	4,773	(18)
MRP	5,834	5,620	(214)
PFI Interest & Premium	907	908	1
Other Costs (see Note)		175	175
<b>Sub-total</b>	<b>11,532</b>	<b>11,476</b>	<b>(56)</b>
<b>INVESTMENTS</b>			
Investment Interest & other net interest receipts	(293)	(470)	(177)
MAH Ltd – Main Share dividend	0	0	0
Loan interest and car park dividend	(3,528)	(3,290)	238
<b>Sub-total</b>	<b>(3,821)</b>	<b>(3,760)</b>	<b>61</b>
<b>RESERVES</b>			
Contribution to / (from) Interest Smoothing Reserve	(729)	193	922
<b>Sub-total</b>	<b>(729)</b>	<b>193</b>	<b>922</b>
<b>TOTAL</b>	<b>6,982</b>	<b>7,908</b>	<b>927</b>

<b>Non-Treasury items</b>	<b>Budget £000</b>	<b>Outturn £000</b>	<b>Variance £000</b>
<b>EXPENDITURE</b>			
Loan Interest	4.654	4,525	-129
Loss of Investment interest	51	99	48
MRP	2,124	2,252	128
Sub-total	<b>6,829</b>	<b>6,877</b>	<b>48</b>
<b>RECHARGES</b>			
Sub-total	<b>(6,829)</b>	<b>(6,877)</b>	<b>(48)</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: The above figures reflect;

- All associated debt servicing costs in respect to the Council's Asset Investment Programme are self-financing i.e. paid for from the income stream generated from the investment;
- Other Costs relate to an accrual for fees relating to technical advice from our treasury management advisers.

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 2021/22. 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.

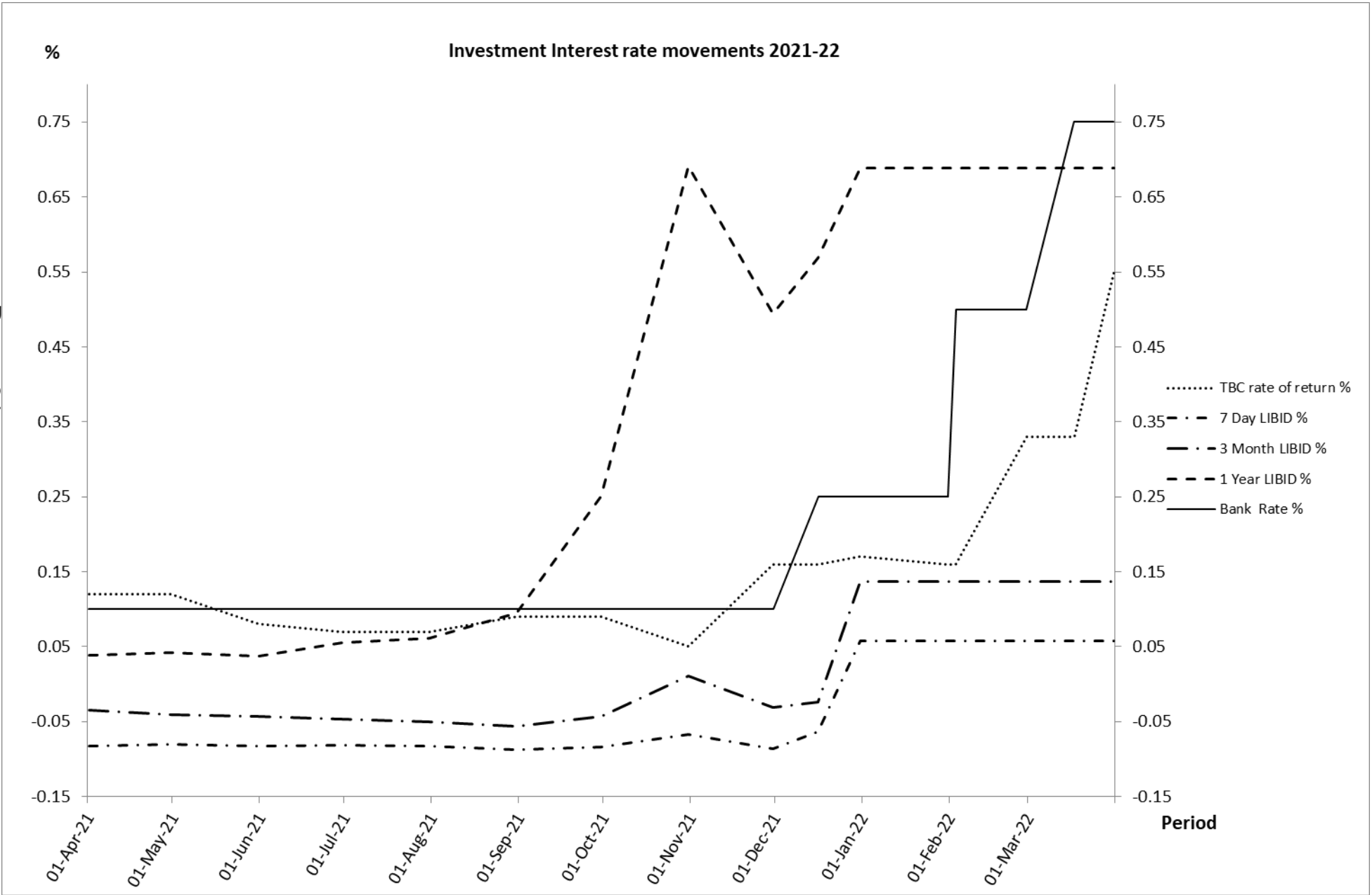
**Finance Officer Clearance PC**

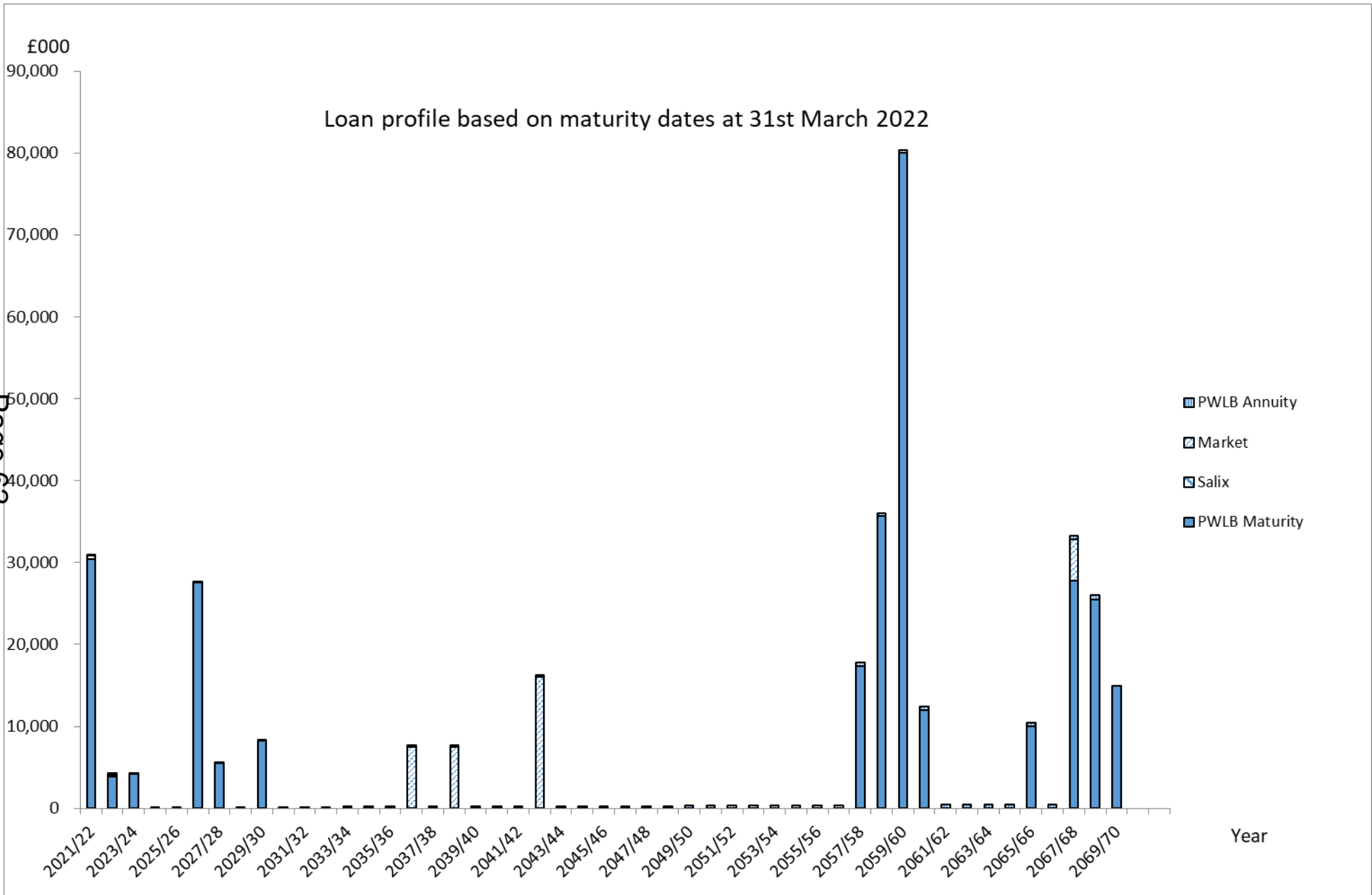
**Legal Officer Clearance DS**

*G. Bentley*

**DIRECTOR'S SIGNATURE**

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







## Maturity Profile

## Debt portfolio:

	31 March 2022 (£m)	31 March 2021 (£m)
Under 12 months	19.2	29.9
12 months and within 24 months	4.3	4.3
24 months and within 5 years	28.0	21.6
5 years and within 10 years	14.6	42.1
10 years and above	256.3	282.2
<b>Total</b>	<b>322.4</b>	<b>380.1</b>

## Investment portfolio:

	31 March 2022 (£m)	31 March 2021 (£m)
Instant Access	30.7	25.0
Up to 3 Months	22.7	31.5
3 to 6 Months	27.9	13.4
6 to 9 Months	18.5	0
9 to 12 months	7.5	5.0
Over 1 year	23.3	22.4
<b>Total</b>	<b>130.6</b>	<b>97.3</b>

## Breakdown of Investments

Counterparty	Amount (30 Sept 2021) £	Amount (31 March 2022) £	Long Term Credit Rating
<i>Money Market Fund</i>			
Aberdeen	2,550,000	5,000,000	AAA
CCLA	5,000,000	6,000,000	AAA
Federated Investors	14,010,000	4,800,000	AAA
Insight	0	4,500,000	AAA
Invesco Aim	2,850,000	4,900,000	AAA
Morgan Stanley	6,000,000	5,540,000	AAA
<i>Sub total</i>	<i>20,410,000</i>	<i>30,740,000</i>	
<i>Notice Accounts</i>			
Lloyds 95	370,000	370,000	A
Federated T+1	10,000,000	0	
Abu Dhabi T+1	10,000,000	0	
ANZ 31	10,000,000	0	
<i>Sub total</i>	<i>30,370,000</i>	<i>370,000</i>	
<i>Term Deposit</i>			
Australia and New Zealand Bank	10,500,000	20,500,000	A
Brentwood Council	5,000,000	0	AA
Monmouthshire County Council	5,000,000	0	AA
Development Bank of Singapore	5,200,000	5,200,000	A
First Abu Dhabi Bank	5,000,000	16,000,000	A
National Bank of Kuwait	10,000,000	10,000,000	A
West Bromwich Building Society	5,000,000	0	Not rated
Newcastle Building Society	3,000,000	3,000,000	Not rated
Principality Building Society	5,000,000	5,000,000	Not rated
Yorkshire Building Society	0	5,000,000	Not rated
Nationwide Building Society	0	3,000,000	A
Santander	0	8,500,000	A
<i>Sub total</i>	<i>53,700,000</i>	<i>76,200,000</i>	
<i>Property Funds</i>			
Church Commissioners Local Authority	5,163,566	5,674,153	Not rated
<i>Sub total</i>	<i>5,163,566</i>	<i>5,674,153</i>	
<i>Other</i>			
Asset Investment Programme	17,600,000	17,600,000	Not rated
<i>Sub total</i>	<i>17,600,000</i>	<i>17,600,000</i>	
<b>Total</b>	<b>127,243,566</b>	<b>130,584,153</b>	

The above table shows the level of investments placed as at 31 March 2022 and 30 September 2021, the last time Members were provided with this information.

## Prudential Indicators for 2021/22

Indicator	Indicator set by Council	Actual
<p align="center"><b>Authorised Borrowing Limit</b></p> <p>Maximum level of external debt, including other long term liabilities (PFI &amp; leases) undertaken by the authority including any temporary borrowing - this is a statutory limit under Section 3(1) of the Local Government Act 2003.</p>	£629.5m	£326.3m
<p align="center"><b>Operational Boundary</b></p> <p>Calculated on a similar basis as the authorised limit but represents the expected level of external debt &amp; other long term liabilities (PFI &amp; leases) excluding any temporary borrowing – this is not a limit.</p>	£609.5m	£326.3m
<p align="center"><b>Upper limits on fixed interest rates</b></p> <p><b>Maximum</b> limit of net fixed interest rate exposure - debt less investment</p>	£9.5m	£8.5m
<p align="center"><b>Upper limits on variable interest rates</b></p> <p><b>Maximum</b> limit of net variable interest rate exposure – debt less investment</p>	£1.0m	£0.6m
<p><b>Gross Debt and the Capital Financing Requirement</b> – 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.</p>		
<p align="center"><b>Maturity structure of fixed rate borrowing</b></p> <p>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.</p>		
Under 1 year (this includes the next call date for Market loans)	40%	6%
1 year to 2 years	40%	1%
2 years to 5 years	40%	9%
5 years to 10 years	40%	5%
10 years to 20 years	40%	1%
20 years to 30 years	40%	6%
30 years to 40 years	70%	46%
40 years and above	90%	27%
<p><b>Upper Limit for sums invested for over 1 year</b> – these limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment.</p>	£100m	£60.3m

### Performance Indicators for 2021/22

Indicator	Target	Actual
<b>Security</b> – 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 0.018% (31 March 2022)
<b>Liquidity</b> – investments available within 1 week notice	£5m min.	Achieved
<b>Liquidity</b> – Weighted Average Life of investments	6 months	3.32 months (31 March 2022)
<b>Yield</b> – Investment interest return to exceed 7 day London Interbank <b>BID</b> rate (exclude CCLA)	Average 7 day LIBID -0.04%	Average rate of return for 2021/22 was 0.17%
<b>Origin of investments placed</b> - maximum investments to be directly placed with non-UK counterparties.	UK institutions 100% Non UK institutions 40%	Min 63% Max 37%

### 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.

**DLUHC:** the Department for Levelling Up, Housing and Communities - the Government department that directs local authorities in England.

**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.

**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.

**SONIA:** the Sterling Overnight Index Average. Generally, a replacement set of indices (for LIBID) for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

**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:** Accounts and Audit Committee  
**Date:** 20 July 2022  
**Report for:** Discussion  
**Report of:** Audit and Assurance Manager

### Report Title

**Strategic Risk Register 2022/23 (July 2022 update)**

### Summary

**The Accounts and Audit Committee is asked to consider this report which provides an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks.**

### Recommendation

**The Accounts and Audit Committee notes the report.**

### Contact person for access to background papers and further information:

Mark Foster – Audit & Assurance Manager. Email: mark.foster@trafford.gov.uk  
Peter Morris – Senior Audit & Assurance Officer. Email: peter.morris@trafford.gov.uk

### **Background Papers:**

None

## **1. INTRODUCTION**

- 1.1 The Council's Strategic Risk Register (SRR) contains the strategic risks the Council is likely to face in achieving its high level corporate objectives.
- 1.2 In accordance with the Council's Risk Management Policy, the Corporate Leadership Team (CLT) provides regular periodic updates on the strategic risk environment and in particular performance in managing the specific risks incorporated within the SRR.
- 1.3 This report is based on information provided by risk owners in June/early July 2022 for each risk unless otherwise stated.

## **2. THE STRATEGIC RISK ENVIRONMENT – RISK EXPOSURE AND PERFORMANCE MANAGEMENT**

- 2.1 The Audit & Assurance Service liaises with CLT and senior managers to agree the risks to be included in the strategic risk register and provide updates on risks under their remit.
- 2.2 This report contains an update on each of the strategic risks, including recent developments relating to the risks and progress made in managing each risk.
- 2.3 There has been a decrease in the score for one of the risks since the previous strategic risk update report in March 2022 i.e. Risk 14 (Potential Disruption as a result of Covid-19) which shows a decrease from a risk score of 20 (High) to 12 (Medium). Details relating to the risk are shown in Section 3.
- 2.4 The risk charts in section 2.6 show an analysis of the current strategic risks. The charts analyse the levels of risk exposure in terms of impact and likelihood. The number of strategic risks for each risk level is shown. There are currently 15 strategic risks. For each risk, set out in Section 3, this includes the relevant Executive Portfolio and Service Directorate
- 2.5 As part of the Accounts and Audit Committee work programme, in addition to strategic risk register updates through the year, further updates on specific risks within the strategic risk register will be considered as part of planning future agenda items for the Accounts and Audit Committee work programme.



2.6 **Comparison of Risk Levels March 2022 and July 2022**

**IMPACT** **Risk Levels – March 2022**

Very High(5)		6	5	1	
High (4)	1		1	1	
Medium (3)					
Low (2)					
Very Low (1)					
	Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)

**LIKELIHOOD**

**IMPACT** **Risk Levels – July 2022**

Very High(5)		6	4	1	
High (4)	1	1	1	1	
Medium (3)					
Low (2)					
Very Low (1)					
	Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)

**LIKELIHOOD**

<b>High Risk</b>
<b>Medium Risk</b>
<b>Low Risk</b>

### 3. Strategic Risks (July 2022)

Red	Amber	Green
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Risk	Strategic Risk Title / (Directorate / Portfolio)	Likelihood (1-5) (A)	Impact (1-5) (B)	Risk Score (A x B)	Change in Risk Score	Comments
1	Continuing uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government, cost pressures within the existing budget and major changes that are planned concerning the reform of local government funding (Fair Funding) and the review of the business rate retention system with a planned full reset of business rate baselines originally expected from April 2021 now delayed until possibly 2024/25 (Finance & Systems /	5	5	25 High	↔ No change	<p><b>2021/2022 Budget Outturn Position</b></p> <p>There was an outturn underspend of £1.53m for 2021/22; a range of mitigating actions introduced to manage the budget pressures in year contributed to the positive outturn. An opportunity to further bolster reserves has been taken in order to manage the scale of the challenges the council faces in delivering a sustainable budget over the medium term. Specific reserves have been bolstered to address the escalating levels of inflation and the short-term pressures within Adults, particularly surrounding the increase in discharges from hospital as the health service aims to clear long standing waiting lists.</p> <p>Despite the positive outturn position, escalating pressures are being felt in demand led services such as children's placements and home to school transport and there was a sizeable shortfall in the income generated from the strategic investment programme largely due to delays in the developer loans being drawn down.</p> <p>A significant savings programme of £11.93m was included in the 2021/22 budget of which £8.94m was achieved. A figure of £929k has been included in the 2022/23 budget to reflect savings which will not be achieved.</p> <p><b>MTFS 2022/2025 and Budget 2022/23</b></p> <p>In February 2022 the Council approved the updated budget strategy including the final revenue budget proposals for 2022/23 and the Medium Term Financial Strategy (MTFS) for the period 2023/25.</p> <p>The key summary of figures for the revenue budget, based on forecasts at the time were :</p> <p>The budget gap for the three years before applying any of the policy choice savings and</p>

<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5)</b> (A)	<b>Impact (1-5)</b> (B)	<b>Risk Score</b> (A x B)	<b>Change in Risk Score</b>	<b>Comments</b>
	Finance and Governance).					<p>income proposals is estimated to be £38.59m comprising:</p> <ul style="list-style-type: none"> <li>• £41.85m of additional expenditure and funding pressures</li> <li>• £3.26m improvements in funding</li> </ul> <p>For 2022/23 there is a gross budget gap of £20.14m consisting of £7.10m COVID-19 pressures and £13.04m BAU.</p> <p>Plans to close the gap in 2022/23 consist of £3.39m additional funding from Council Tax, and £5.32m income generation and savings proposals, use of one off reserves of £7.1m to address COVID pressures and £4.33m use of General Reserve for the remaining gap.</p> <p>The gaps for 2023/24 and 2024/25 are £15.7m and £2.7m respectively, total £18.4m.</p> <p>The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves and the minimum level of reserves. The Director's opinion is included in section 1 of the February 2022 budget report. Further details of the robustness exercises supporting the statement relating to the adequacy of Reserves and Risk Assessment are shown in section 7.</p> <p>Whilst the final budget report highlights the continuing financial challenges over the medium term, of which there are many, the Council's Section 151 Officer remains confident that at this moment the Council can meet these challenges using its robust and resilient financial management platform that has been built pre-pandemic.</p> <p>The current assessment is that, whilst the Council will secure a balanced budget position for 2022/23, Trafford like other local authorities faces serious concerns in achieving a sustainable budget position beyond 2022/23.</p> <p>The proposals set out in the budget report can secure a robust budget for 2022/23 but do require a use of reserves to enable a balanced budget to</p>

<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5) (A)</b>	<b>Impact (1-5) (B)</b>	<b>Risk Score (A x B)</b>	<b>Change in Risk Score</b>	<b>Comments</b>
						<p>be presented; this is not sustainable beyond 2022/23 and reserves cannot be used to avoid the requirement for permanent savings.</p> <p>As such the medium-term budget strategy has incorporated the requirement to embark on a programme of innovative change to make permanent reductions in net expenditure. The programme will be supported by a Finance and Change Board to provide strategic direction and proactive governance.</p> <p>In order to provide a level of resilience Council reserves have been realigned. A Budget Resilience, Innovation and Change Reserve has been bolstered significantly to provide a cushion and to support the MTFP as the Council continues its recovery from the financial impacts of the pandemic. It will support the budget gap over the short-term and provide the necessary investment in the innovation and change programme which will support us to deliver a balanced budget in later years.</p> <p>Wider economic uncertainty - post Covid-19 pandemic, increasing inflation and conflict in Ukraine :The country is currently facing an unprecedented number of economic challenges including adapting to the wider fall out of the pandemic, the highest inflation rates seen in over 40 years, energy price inflation caused by the conflict in Ukraine and the impact of Brexit.</p> <p>The 2022/23 budget included resources of £7.1m to address a number of anticipated ongoing COVID-19 pressures, representing the loss of the airport dividend of £5.6m and a contingency of £1.5m for unforeseen general pressures.</p> <p>The forecasting of the ongoing impact of Covid is challenging and as such pressures are now being considered as business as usual as our society adapts to the post Covid world. No further resource relating to the impact of COVID-19 after 2022/23 was announced by the Government in the recent Spending Review (SR21) for the period 2022 to 2024.</p>

Risk	Strategic Risk Title / (Directorate / Portfolio)	Likelihood (1-5) (A)	Impact (1-5) (B)	Risk Score (A x B)	Change in Risk Score	Comments
						<p>The demand in children's and adults social care, continues to be monitored carefully to identify the potential for latent demand within the system which was anticipated to be felt over the short to medium term.</p> <p>Wage, contractual and energy inflation pose a significant risk over the short to medium term, particularly the well documented rate of increase and the uncertainty of how long it will continue. The uncertainty is exacerbated by an already unstable supply market, particularly regarding social care provision. Additional resources were identified by the Government in the SR21 to stabilise the market and introduce a care cap on contributions an individual is required to make towards personal care. It is already of concern that the resource identified in the SR21 will be insufficient to meet the evolving pressures.</p> <p>The MTFP is currently being updated to reflect the latest economic position however a large level of uncertainty remains.</p> <p>The Council utilised its favourable outturn in 2020/21 and 2021/22 and general COVID-19 support grants to bolster its COVID-19, Budget Support Reserve, Inflation Risk Reserves and specific earmarked reserves. These reserves will provide sufficient capacity to cushion and to support the MTFP during the change programme and absorb the uncertainty in inflationary pressures during 2022/23.</p> <p><u>Risk Mitigation</u></p> <p>The key activities below provide a further level of risk mitigation (details of all risk mitigation themes are shown in Annex H of the final budget report). Key themes are shown below</p> <ul style="list-style-type: none"> <li>• A Finance and Change Programme established (2022) to enhance our structured response to the significant budget issues and to provide strategic direction and proactive governance around the management of our Finance and Change programme.</li> </ul>

<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5)</b> (A)	<b>Impact (1-5)</b> (B)	<b>Risk Score</b> (A x B)	<b>Change in Risk Score</b>	<b>Comments</b>
						<ul style="list-style-type: none"> <li>Review of earmarked reserves to provide a Budget Resilience, Innovation and Change Reserve with sufficient capacity to cushion and to support the MTFP during the programme.</li> <li>Bolstering of a specific reserve to smooth the unknown impact of inflationary pressures over the short-term</li> <li>Continuation of more streamlined and focussed budget monitoring to the Executive on a bi-monthly basis. High risk areas of the budget continue to be monitored on a monthly basis.</li> <li>Savings Programme monitored on a monthly basis and reported to CLT.</li> <li>The 22/23 budget provides for a number of contingency items for potential covid pressures (delayed demand, prolonged impact on collection rates).</li> <li>Early engagement with DLUHC to highlight the significant and growing risks and future uncertainty in financial sustainability</li> <li>Engagement with Greater Manchester Combined Authority to review GM wide commitments seeking reprioritisation of uncommitted resource.</li> </ul>
2	Climate Change Emergency (Place / Sustainability and Climate Change)	5	4	20 High	↔ No change	This is considered to have a very high likelihood, in that all available indicators suggest that climate change is already occurring and will, if anything, become more prominent. The Impact is considered to be High as a minimum (very high without mitigation) as the consequence of climate change give rise to unpredictable and severe weather events – and events that occur with increasing regularity. These will in turn have significant impacts on our environment, economy and society. Examples could range from changing patterns of food production through to the financial to households and businesses. In short, the impacts are wide ranging and cross cutting in character

<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5)</b> (A)	<b>Impact (1-5)</b> (B)	<b>Risk Score</b> (A x B)	<b>Change in Risk Score</b>	<b>Comments</b>
						<p>Climate Change can be addressed firstly through adaption (as it is already occurring) - actions designed to promote greater resilience to more extreme weather events. Secondly it can be addressed through mitigation – actions that are intended to slow or avoid the more severe climatic impacts. These are primarily focussed on reductions in local Carbon Emissions.</p> <p>To progress these matters the Council has prepared a draft Carbon Neutral Action Plan as a means of establishing actions to reduce emissions in Trafford. These will contribute to wider Low Carbon targets across Greater Manchester – and ultimately the UK as part of the National 25 year Environment Plan. The Trafford Air Quality and Climate Change Commission is now well established – and a new performance tool is managing progress. Activity is now focussed on businesses, which account for a significant portion of emissions – and most especially SME's. New staff were recruited through 2021– thus improving the Council's overall capacity to address the issue.</p> <p>Work continues on a number of fronts – with the commissioning of two studies looking at the greening of Trafford Park and its transition to a low carbon future. Complimentary to this work is underway to prepare for a heat network around the Civic Quarter, with a funding bid due to be submitted by 1 July 2022. The Public sector decarbonisation programme remains ongoing.</p> <p>The Climate Change Commission continues to meet with new emphasis on the VCSE sector and communications. Despite this good work, risk levels remain high.</p>
3	Trafford Council must ensure that it and 3 <sup>rd</sup> parties acting on their behalf are handling	4	5	20 High	↔ No change	<p>The following constituent risks make up the overall risk score:</p> <ul style="list-style-type: none"> <li>• Records Management</li> <li>• Subject Access Requests (SAR) Freedom of Information (FOI) / Environmental Information Regulations (EIR) –</li> <li>• Data Breaches</li> <li>• Data Security Protection Toolkit</li> </ul>

<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5)</b> <b>(A)</b>	<b>Impact (1-5)</b> <b>(B)</b>	<b>Risk Score</b> <b>(A x B)</b>	<b>Change in Risk Score</b>	<b>Comments</b>
	<p>personal/sensitive and commercial data securely both in technology and physical terms and in accordance with legislation and Trafford Council's policies and procedures. The following areas of risk have been identified:</p> <ul style="list-style-type: none"> <li>• Compliance risks</li> <li>• SAR delays</li> <li>• FOI compliance</li> <li>• Data breaches</li> <li>• Mandatory Training</li> </ul> <p>(Legal and Governance) / Finance and Governance)</p>					<p>Although progress has been made in individual areas, the overall risk remains high, significant work needs been undertaken over the next 6 to 12 months where areas for improvements have been identified via a recent gap analysis and audit benchmarked against UK GDPR and the NHS DSPT assertions published on 30 June 2022. It is anticipated that by the next monitoring report, there will have been some improvements to lower the overall risk score.</p> <p><b><u>Records Management</u></b></p> <p>A review of the Council's record management position is needed and options around the appointment of a specialist with a view to identifying work streams and potential solutions are currently being evaluated. An options paper will be compiled which will set out recommended strategies to ensure that the council is meeting both its compliance and legislative requirements.</p> <p>The council Retention Schedule needs to be reviewed with the engagement of Information Asset Owners and incorporated within the Records Management Policy.</p> <p>Offsite Storage: An audit of all records retained in off-site storage needs to be undertaken in line with the councils review, retain and dispose schedule of records.</p> <p>Hard Copy Files: An assessment of the Council's handling and storage of hard copy records needs to be undertaken to explore the position and present recommendations around data cleansing and retention protocols.</p> <ul style="list-style-type: none"> <li>• Email management: recommendations regarding email management are being developed alongside IT colleagues with the aim of implementing a 2 year retention policy with exception for certain email records where applicable.</li> </ul> <p><b><u>Subject Access Requests (SAR)</u></b></p>



<b>Risk</b>	<b>Strategic Risk Title / (Directorate / Portfolio)</b>	<b>Likelihood (1-5)</b> (A)	<b>Impact (1-5)</b> (B)	<b>Risk Score</b> (A x B)	<b>Change in Risk Score</b>	<b>Comments</b>
						<p>The Information Commissioners Office (ICO) had expressed concerns that the Council was failing to adhere to statutory deadlines in the processing of subject access requests (SAR's) subject to UK GDPR.</p> <p>SAR processing is an issue for most LAs across the UK and has resulted in an increase in complaints made to the ICO.</p> <p>The Council responded by securing additional resource and establishing a task and finish group to address the issue.</p> <p>As of January 2021, the Council had a backlog of approx. 149 SAR cases, with an average of 15 new cases being received each month. The IG team were processing an average of 7-10 SAR cases per month.</p> <p>As of January 2022, the Council's backlog SAR cases had been reduced to 4, with an average of 19 SAR cases being processed by the IG team per month.</p> <p>The IG team have also reduced the number of cases which exceeded the statutory response timescales from 104 in September 2020 to 21 in September 2021 to 14 in February 2022.</p> <p>The ICO were informed of the progress that had been made and the Council were formally notified that we were no longer be subject to inspection.</p> <p>Furthermore, the ICO asked the Council to act as an exemplar to other LA's in sharing knowledge and approach to the processing of SAR's and how to tackle case backlogs.</p> <p>Since February 2022 the ICO have received a number of complaints regarding the Council's handling of SARs. As a result of those complaints the Council have been liaising with the ICO and reviewing the circumstances which led to the complaints with a view to remedying any common causes. The ICO will monitor the Council's progress over the coming months.</p>

Risk	Strategic Risk Title / (Directorate / Portfolio)	Likelihood (1-5) (A)	Impact (1-5) (B)	Risk Score (A x B)	Change in Risk Score	Comments
						<p>Work to continue improving SAR processes will continue.</p> <p><b><u>Freedom of Information (FOI)/ Environmental Information Regulations (EIR)</u></b></p> <p>The average compliance rate to date had been steadily decreasing month by month, reaching a rate of 41% (responded to within 20 working days) in September 2021. The Team undertook a significant push in January 2022 with the current rate being at 65%. The target compliance rate (and ICO expectation) is 90%.</p> <p>Assessment of this performance shortfall has been undertaken and work is ongoing to implement actions identified and work will continue to determine solutions both in the near term and longer term.</p> <p>Identified actions: Targeted collaboration with teams where delays are being experienced; Rota system implemented across the IG team to improve processing; Reporting mechanisms reviewed; Refocus of resource from SAR cases to FOIs.</p> <p><b><u>More generally:</u></b></p> <ul style="list-style-type: none"> <li>• Weekly reports for each directorate have been recommenced. The reports highlight where there are overdue FOI's, and also those becoming due in 1 and 2 weeks as a reminder that a response is due for these.</li> <li>• The IG team have undertaken a number of purge exercises in which we have progressed each overdue FOI with the services directly, has had a positive impact on response times.</li> <li>• We continue to have a number of FOIs breaching the statutory compliance responding timeframe.</li> <li>• The IG team have taken a direct approach in targeting certain areas where there are consistent delays in responses, which also is having a positive impact. The IG team have set</li> </ul>

Risk	Strategic Risk Title / (Directorate / Portfolio)	Likelihood (1-5) (A)	Impact (1-5) (B)	Risk Score (A x B)	Change in Risk Score	Comments
						<p>up a fortnightly meeting with colleagues across the Council to discuss all FOIs currently with them, this has also been really positive and the number of overdue FOIs in problem areas has reduced significantly.</p> <ul style="list-style-type: none"> <li>• Transparency on outstanding FOIs has been improved with the introduction of reporting</li> </ul> <p><b><u>Data Breaches</u></b></p> <p>Position Statement: Between April 2021 and the 6th October 2021, the Information Governance Team has received reports of 40 data breach incidents for investigation. (Avg: 6.5 a month).</p> <p>Between the 6th October 2021 and 31st January 2022, the Information Governance Team has received reports of 23 data breach incidents for investigation. (Avg: 6 a month).</p> <p>The most common types of data breach are:</p> <ul style="list-style-type: none"> <li>• Email sent in error to wrong recipient.</li> <li>• Letter posted to wrong recipient.</li> <li>• Error in redaction of information.</li> <li>• Excessive information shared with professionals by email.</li> <li>• Documents left on office printers.</li> <li>• Documents lost to theft/burglary at employees home.</li> <li>• Lost information.</li> <li>• IT system glitches.</li> </ul> <p>The majority of the cases logged at Severity level 3 were found to have risks mitigated through appropriate and timely measures taken and no risks were posed to the rights and freedom of affected individuals.</p> <p>The Governance Manager and Head of Legal and Governance, supported by the SIRO is leading an ongoing review to improve processing and awareness of data incidents:</p> <ul style="list-style-type: none"> <li>➤ Interim processes which have already been embedded across the IG Service are being</li> </ul>

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						<p>developed further to determine more substantive permanent mechanisms of reporting, - Incident reviews and decision making across the process:</p> <ul style="list-style-type: none"> <li>➤ IG team have weekly meetings with IG Officers to triage new data incidents. Enables more serious incidents to be progressed on an urgent basis. Ensures Incidents are allocated promptly for investigation.</li> <li>➤ There remains a risk from delayed oversight of data incidents, poor quality reporting and lack of accountability for reporting and recommendation implementation.</li> <li>➤ As previously identified by Internal Audit, the biggest issue to be addressed is “Squaring the circle” and ensuring that the IG Team’s recommendations are fully implemented – work ongoing to identify solutions.</li> <li>➤ Recommendations are being reviewed to ensure that they are both practical and effective and to ensure that implementation and success can be measured.</li> <li>➤ Recommendations will be reviewed to ensure that they are tailored to common types of breaches. The common types of breaches have been evolved somewhat as a result of the pandemic and remote working.</li> <li>➤ A system to capture data around data incidents is now in place which will inform smarter reporting and increase transparency.</li> <li>➤ There is a correlation between training take up and number of breaches originating from specific areas.</li> <li>➤ Actions are being developed to secure commitment from the senior levels across target Directorates to ensure that data protection training is made a priority within agreed timescales.</li> </ul> <p>Together, the above issues raise the following risks – legal/regulatory (non-compliance with legal requirements), reputational, financial, adverse publicity.</p> <p><b><u>Data Security Protection Toolkit</u></b></p> <ul style="list-style-type: none"> <li>• This an annual piece of work that requires the Council to demonstrate that it is fully</li> </ul>

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						<p>compliant with the minimum data protection standards in order to access and process information from NHS Digital.</p> <ul style="list-style-type: none"> <li>This piece of work requires significant resource from both IG and ICT. Moreover, it requires the Council to corporately demonstrate commitment in areas such as data protection training and cyber security.</li> <li>Our last submission was in June 2022 and there are a number of areas where the Council did not fully meet the standards as identified by our Internal Auditors.</li> <li>The IG team will be rolling out a robust improvement plan for addressing each of the areas identified by internal audit where there have been shortcomings with a deadline for compliance being March 2023 in time for the final audit prior to the next DSPT Toolkit submission.</li> </ul>
4	<p>Demand for school places underestimated and/ or additional school places are not delivered to satisfy increased demand.</p> <p>(Children's Services / Children's Services).</p>	4	5	20 High	↔ No change	<p>In the normal admissions round for entry into reception and in September 2022 there were sufficient places with a number of surplus place in all areas for our residents.</p> <p>However the surge of in-year applications in 2021 from families newly resident in Trafford, continues to have an impact on primary places and is starting to create pressures in the secondary sector as children move up.</p> <ul style="list-style-type: none"> <li>In Years 1, 3, 4, 5 and 6 every school in Sale East and Sale West is full and additional children have been admitted above the published admission number.</li> <li>This means that there are now insufficient places in these year groups in Sale.</li> <li>Places above the admission number will continue to be allocated through the appeals process and fair access protocol in line with Trafford's determined admission arrangements.</li> <li>Altrincham has vacancies in every year group, except Years 5 and 6 where there are no vacancies.</li> <li>In Urmston every reception and Y1 class is full and Infant Class Regulations limit</li> </ul>

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						<p>the number of number of additional children that can be admitted except in a very few limited circumstances.</p> <p>In the normal admissions round for entry into Y7 in September 2022 there was just enough capacity to offer a place to everyone who applied. However, 179 Trafford children, predominantly resident in Altrincham and Sale, could not be allocated places at any of their preferred schools and were allocated places at the nearest school with a vacancy. At the end of the allocation every secondary school in Trafford was full and some schools allocated places above their published capacity.</p> <ul style="list-style-type: none"> <li>• In Altrincham, there are currently 3x Y7, 1x Y8 and 9x Y11 vacancies, all other year groups are full.</li> <li>• In Sale there are 1x Y8, 4x Y10 and 2x Y11 vacancies, all other year groups are full.</li> <li>• In Partington, there is pressure in Y9 with only 1x Y9 vacancy. There are vacancies in all other year groups.</li> <li>• There are vacancies in all current year groups in Stretford and Urmston.</li> </ul> <p>School Places &amp; Capital Board and Place Shaping Board have oversight of school place planning and school expansion projects. Key activity to mitigate risk:</p> <ul style="list-style-type: none"> <li>• A capital scheme is underway at Firs Primary School to create 30 additional places from January 2023.</li> <li>• Proposals underway to permanently expand 4 schools from September 2024, 2 in Sale East (1 infant, 1 junior), 1 in Altrincham and 1 in Urmston.</li> <li>• In Altrincham, 15 additional places have been created as an emergency measure in Years 5 and 6 ahead of the permanent expansion proposal. 30 additional places in Y4 and 30 in Y5 to be brought online October 2022. Early stage negotiations</li> </ul>

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						<p>with one additional school with a view to temporarily creating up to 30 additional places.</p> <ul style="list-style-type: none"> <li>• In Sale East, 30 additional Y5 places created ahead of the permanent expansion.</li> <li>• In Sale West, temporary bulge class created 30 additional places in Y5 and 6 through conversion of specialist space. Early stage negotiations with one additional school with a view to temporarily creating up to 30 additional places.</li> <li>• Continue to update and review the most recent GP registration data, taking into account recent and planned housing development and pupil flows to the independent sectors and non-Trafford schools.</li> <li>• Annually review catchment areas for primary schools to ensure that the available places are targeted most effectively.</li> <li>• Implement EYES Schools Admission module for enhanced monitoring and reporting on in-year applications and impact of inbound migration.</li> <li>• Regular meetings with DfE Place Planning Teams to monitor sufficiency and impact of inbound migration, particularly from Hong Kong, the Afghanistan resettlement scheme and the Homes for Ukraine scheme.</li> <li>• Fragmentation of governance arrangements makes it increasingly difficult to affect the allocation/availability of places in the secondary sector. Trafford is the Admissions Authority for only one of its 19 secondary schools and, therefore, has limited direct powers in relation to place planning and admissions policies.</li> <li>• Options to permanently expand secondary provision in Altrincham and/or Sale from September 2024 are currently being explored at 3 schools. Additional capacity in temporary accommodation is also being explored for September 2023.</li> </ul>

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						<ul style="list-style-type: none"> <li>• Specific communication and application advice developed for Altrincham and Sale parents in the transfer cohort for September 2023 to help secure Y7 places for Trafford residents.</li> <li>• Additional monitoring group set up comprising cross directorate senior leadership and Executive members.</li> </ul>
5	<p>Joint Venture partner fails to deliver services to the required standard or fails to deliver required efficiency savings.</p> <p>(Place / Environment and Regulatory Services)</p>	4	5	20 High	↔ No change	<p>Following the Council's Overview and Scrutiny Committee review into the service delivery of Amey in 2018, a report to Executive on 28 October 2019 was submitted to agree the next steps. A business case was submitted stating that Trafford council will be taking the following option:</p> <ul style="list-style-type: none"> <li>▪ Consider alternative models of service delivery, including the development of a predominately In-House Service model, with a view to ending the contract with Amey.</li> <li>▪ Should an amicable agreement not be reached with Amey that keeps the council whole and allows services to be undertaken without detriment by an in house or further procurement measure then the council shall continue the Amey contract and seek significant improvements to the delivery of existing services.</li> </ul> <p>The Covid-19 Crisis has delayed the process of negotiation for this. Amey's performance during this period has continued to be generally good.</p> <p>Discussions between the Council and Amey could not satisfactorily or economically come to a solution to move to an in-House service model. In a paper to the Council in October 2020 the decision to move to the second option was taken. To achieve the significant improvements in the delivery of the contract, the council has subsequently activated the contractual 7 year review clause. This gives an opportunity to recommend any changes to the contract for improvements and efficiencies. This process is still ongoing (with member oversight and resident and stakeholder input), notice has</p>



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						<p>been served to Amey and the contract specifies that a reply will be received in 4 weeks, understandably this may be delayed due to negotiations. We have elongated the process due to COVID interference. A response was received to the 7 year review in May 2022 and we have now commenced evaluation and negotiation.</p> <p>It should be noted that the efficiencies needed for the 2021/22 COVID affected budgets were achieved with Amey's assistance.</p>
6	<p>Leisure Services</p> <p>(Place/ Authority wide)</p>	4	5	20 High	↔ No change	<p>The refurbishment programme will deliver much needed improved facilities that will support the Councils corporate and borough wide strategic priorities. Through tailored place-based programming, centres will help address health inequalities and improve community health and wellbeing outcomes.</p> <p>In February 2022 Executive approved £52.1m into the capital programme to cover the costs of the proposed refurbishment of Altrincham, Sale and Stretford Leisure Centres.</p> <p>The revenue budget and reserves approved by Council in February 2022 included support for a full range of leisure provision for 2022/23 and over the medium term. Leisure operating losses in the region of £1.5m in 2021/22 are currently being supported from Council reserves and one-off external funding.</p> <p>The identification and funding of revenue costs to support business disruption during the refurbishment programme has also been considered and Max Associates have provided a report which identifies these costs, which have been considered as part of the ongoing budget setting process. To further mitigate the risk around this, the Council commissioned independent due</p>

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						diligence and updates of the business plans for each centre by Max Associates.
7	Economic Impact of Brexit and COVID-19 (Authority-wide)	4	4	<b>16 High</b>	↔ No change	<p>On 23 June 2016, Britain voted in a referendum to leave the European Union (EU) and on 1 January 2021 the UK left the EU with a Trade Deal covering new rules for how the UK and EU will co-operate, and trade together.</p> <p>Under the Trade &amp; Co-operation Agreement, tariff and quota free trade between the UK and EU will continue as a part of a bilateral trade agreement. However, it is important to note that there are certain issues around the regulatory framework, rules of origin, Northern Ireland status and additional administrative requirements / bureaucracy that are likely to have a direct effect on businesses. For example, businesses must show where their goods were made and where the components in those products come from, to determine whether tariffs are levied on goods into the EU. Also British exporters must register to pay VAT in the EU countries they are exporting to. In addition, the ending of free movement of people from the EU to the UK could have an impact on recruitment and meeting skills gaps.</p> <p>A high level Transition Preparedness Plan identifying key priorities/issues for each Service area has been produced by the Transition Preparedness Group as a focus for activity going forward. The Preparedness Plan is a combination of actions and issues that are monitored and reviewed by the Group on a regular basis. In light of the above, and the ongoing effects of the Covid crisis, a review of the previous Brexit Impact Assessment has been produced and a report was presented to the Council's Executive on 26 July 2021. This report also includes an update on the Inclusive Economy Recovery Plan.</p> <p>The Trafford Inclusive Economy Recovery Plan, approved by the Council's Executive in February 2021 complements the above and was produced in light of the effects of the pandemic on the economy and the need to set out key</p>

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						<p>initiatives to steer the borough through recovery. The Plan has not only been set in the context of meeting key issues facing the borough, but also to be complementary to the work of the GM LEP Economic Vision and Build Back Better priorities which sets out to create a better opportunity for a strong and successful recovery.</p> <p>The Plan is a 'live' document and may be amended over time as circumstances changes and new issues arise. Meeting the challenges caused by the Covid pandemic and ensuring an effective recovery will not be easy and will require a strong partnership approach to tackle the issues facing the local economy through to recovery and beyond.</p> <p>The Plan covers the following themes:</p> <ul style="list-style-type: none"> <li>-Business Support and Sustainable Job Creation</li> <li>-Transition Preparedness</li> <li>-Green Economy and Sustainable Job Creation</li> <li>-Sustainable Jobs and Skills Growth for local residents</li> <li>-Inward Investment and Sustainable Job Creation</li> <li>-Funding and Growth</li> <li>-Strategic Sites Development and Job Creation</li> <li>-Improved Town Centres for Residents and Businesses</li> <li>-Increase Visitor Economy</li> </ul> <p>The Transition Preparedness Group is currently inviting proposals from service leads for utilising the remaining Preparedness Funding granted to local authorities from the government. This funding can be used to support service delivery that will ensure Trafford's economy can adapt to the changes that arise through Brexit. Those proposals that are taken forward and approved by the Council will aid the delivery of the Inclusive Economy Recovery Plan.</p>
8	Breach of health and	3	5	15 Medium	↔	<ul style="list-style-type: none"> <li>• A project managed and risk assessed programme of safe reintegration to ensure</li> </ul>

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	<p>safety legislation leading to prosecution under the Corporate Manslaughter Act and other Health and Safety Regulations.</p> <p>(Strategy and Resources / Finance and Governance).</p>				No change	<p>the health, safety and welfare of the workforce returning to our offices in line with government and public health 'Living with Covid Guidance'. Social distancing measures now lifted but certain measures remain including assessed good ventilation and ongoing monitoring, regular cleaning regimes and sanitising stations in place, guidance and wellbeing support for persons at greater risk from COVID-19, arrangements to monitor and action potential clusters of symptomatic staff absence and continued delivery of mental wellbeing support for staff through our internal support services (Occ. Health and EAP Service, Mental Health First Aid Network, Mental Wellbeing Support initiatives)</p> <ul style="list-style-type: none"> <li>• Current Health &amp; Safety Policy and comprehensive arrangements in place. Subject to periodic review as required and available to the workforce via the intranet.</li> <li>• Health and Safety Audit programme in place for Directorates and schools. This programme includes proactive monitoring of compliance with health &amp; safety law and internal H&amp;S management arrangements.</li> <li>• Policy, arrangements, protocols and guidance for Directorates and schools updated to reflect legislative or organisational changes and any new or emerging risks (in addition, a targeted rolling programme is ongoing).</li> <li>• DSE and Homeworking guidance and complex assessment support in place to support our Trafford Smart Working Styles and ensure workstation safety and health.</li> <li>• Health &amp; Safety Unit (HSU) support in the comprehensive assessment and investigation, where required, of health and safety issues or incidents.</li> <li>• HSU support in Competent HSU advisory service with advisors subject to continuing professional development requirements.</li> <li>• Employee Health and Wellbeing Strategy in place which incorporates ill health reduction and mental wellbeing support.</li> </ul>

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						<ul style="list-style-type: none"> <li>• Online training available to support managers and schools in ensuring staff are competent to undertake tasks/role.</li> <li>• Arrangements in place for the health and safety assessment of providers/contractors prior to approval and for subsequent monitoring of performance.</li> <li>• HSU engagement in Health, Safety, Welfare and Security issues relating to the Council's Corporate and Let Estate through Corporate Landlord and associated focused audits and reviews.</li> <li>• Responding to occupational health and workforce referrals to ensure the health, safety and welfare of staff.</li> <li>• Staff consultation processes in place to report and liaise on Health and Safety performance issues.</li> </ul>
9	<p>The Council does not fulfil its statutory duties and all accompanying policy requirements in terms of identifying and safeguarding vulnerable children.</p> <p>(Children's Services / Children's Services).</p>	3	5	15 Medium	↔ No change	<p>Safeguarding children is a priority area of Council responsibility which requires constant high levels of vigilance to guard against the risk of harm or abuse to children that could have been prevented through early help, identification, assessment and support. Trafford Children's Services was inspected under the Inspection Local Authority Children's Service Framework in March 2019 and received an overall rating of inadequate. The sub-judgements were Requires Improvement for children in need of protection, Requires Improvement for children in care and care-leavers and Inadequate for Leadership. Following this judgement a number of actions are in place:</p> <ul style="list-style-type: none"> <li>• An Improvement Board has continued to be in place with an Independent Chair (DfE) and attended by senior politicians and senior officers from the Council and key partners.</li> <li>• A full and comprehensive Improvement Plan is being implemented, which is continually reviewed and updated in line with our internal findings from quality assurance</li> <li>• Progress towards improvement continues to be monitored by the Department of</li> </ul>

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						<p>Education regularly through the Involvement of our Improvement Advisor and DfE link officer.</p> <ul style="list-style-type: none"> <li>• A DfE 6 monthly review was undertaken in January 2022 which resulted in a letter to the Chief Executive dated 3<sup>rd</sup> March which highlighted that:  <i>“A huge strength in Trafford is how children and young people (CYP) run through all conversations. It is evident that achieving the best outcomes for CYP is at the heart of your strategic decisions, you know what good looks like and that’s purely focussed on achieving the best outcomes for CYP. Frontline staff genuinely care about providing the best support to the most vulnerable and recognise how improved systems / practice and structures are, and will, make a real difference for those they support.”</i> <p>There were a number of areas that were highlighted as requiring embedding/further work – Service redesign, workforce stability and quality of social work practice</p> <li>• We continue to provide monthly assurance data to DfE regarding vulnerable children – contacts/referrals and visits. Our performance relating to visits to children open to CSC, vulnerable children attending school has been consistently strong during the past several months. The DfE report that they are assured that we are seeing our children are safe and we no longer meet with them routinely around those issues</li> <li>• A further Monitoring Visit was undertaken by Ofsted in March 2022 (with a focus on Permanence), which was published in May 2022 which will be presented at CYP Scrutiny Committee. It stated:  <i>“Services for children in care have shown some improvements since the inspection in 2019. Children are regularly visited by social workers and some assessments &amp; plans are comprehensive and effective.”</i>            Similar issues of consistency, impact of service re-design and workforce stability were noted.</li> </li></ul>

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						<ul style="list-style-type: none"> <li>The Quality Assurance framework is embedded across the service which is enabling an accurate view about the quality of practice and identifying actions required to further improve.</li> <li>We have a 3 year workforce development programme which has commenced which will assist alongside effective supervision and performance management frameworks.</li> </ul>
10	<p>A successful Cyber Security Attack could lead to sensitive data being compromised , denial of access to the Council's computing services or severe degradation or loss of control of those services.</p> <p>(Finance &amp; Systems / Finance and Governance)</p>	3	5	15 Medium	↔ No change	<p>The Council is subject to cyber-attacks daily, but a range of technical solutions and processes are in place to protect Trafford's IT systems and data. The volume and level of sophistication of these attacks is increasing so the Council needs to continuously review and improve how it protects systems and data. The National Cyber Security Centre reported increased cyber threats during the COVID-19 crisis as criminals take advantage of vulnerabilities.</p> <p>In relation to events in and around Ukraine, the National Cyber Security Centre (NCSC) is not aware of any current specific threats to UK organisations. The Council's IT and Digital Service will be monitoring risks over the coming weeks and months. The NCSC has called on organisations in the UK to bolster their online defences and we are doing what we can in relation to this which will include communications and raising awareness of staff.</p> <p>We encounter multiple attacks daily so even though there is the potential of an increased threat, we would expect our defences to protect us in most instances. Our view is that the impact score remains at 5 (very high / extreme) but likelihood of an attack being successful remains 3 (medium). Risks will continue to be monitored and risk levels reviewed if intelligence emerges of targeted attacks on the UK.</p> <p>The increase in home working poses security challenges, but solutions have been put in place to maintain cyber security. The rollout of Microsoft Teams and the Pulse Virtual Private Network (VPN) have helped protect the Council's data and systems.</p>

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						<p>There remains a significant risk that the Council's defences could be breached even with effective tools and approaches in place, so it is equally important to ensure the processes for dealing with an attack are effective.</p> <p>A detailed assessment of the Council's and CCG's cyber security technical solutions and processes was completed in 2020 by Internal Audit. Response to the recommendations was delayed due to the Covid-19 crisis. Responses have now been provided and the final report completed. An improvement plan has been agreed and activities allocated to the IT teams.</p> <p>Delivery of the improvement plan has been slow, and aspects are paused due to capacity challenges. Funding for an additional temporary IT Security Manager post was agreed in 2021 but three attempts to recruit have been unsuccessful. Funding for an additional Cyber Security post has been agreed and alternative approaches to recruit both posts are underway. A specialist IT recruiter is being procured to help and advise on filling these posts as quickly as possible. Once in place both post holders will support delivery of the improvement plan and cyber security risks mitigation.</p> <p>Other controls and activities are:</p> <ul style="list-style-type: none"> <li>• An internal cyber security group meets monthly to review and manage the Council and CCG's cyber defences and processes. Progress against the audit review recommendations is monitored at the meetings.</li> <li>• IT Managers have attended the National Cyber Security Centre / iNetwork Cyber Resilience Training Programme.</li> <li>• Trafford is actively sharing information about potential cyber threats with partners including the North West Warning, Advice and Reporting Point (WARP) and nationally with the NHS CareCert service.</li> <li>• The Network People (TNP) provide Trafford Council with specialist security advice to</li> </ul>



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						<p>help develop, manage, and monitor Trafford's security defences and incident response.</p> <ul style="list-style-type: none"> <li>• A phishing awareness campaign began during 2021 to provide employees and Councillors with ongoing security awareness training. The campaign has successfully raised awareness of phishing risks and was extended for another year running through to July 2022.</li> <li>• The IT &amp; Digital Service have undertaken a cyber audit on the Trafford IT environment in conjunction with the Department for Levelling Up, Housing and Communities (DLUHC). A Cyber Treatment Plan has been agreed following the audit with planned improvement supported by funding.</li> <li>• Audits have identified applications exist on the Trafford network that are no longer supported by the software vendor. The unsupported applications are therefore not protected from the latest security threats. The IT &amp; Digital Service will work with directorates and business areas to identify alternative solutions so that the risk can be removed.</li> <li>• The procurement of a Cloud backup storage solution is in the final stages and implementation is expected by September 2022. This will provide offline backups with an "air-gap" between the backup mechanism and the copies of the data. This provides additional protection against ransomware attacks. The solution will support disaster recovery by providing access to backups in the event of a major incident that renders the on-premises data and backups unavailable.</li> <li>• Pen test Started at the beginning of June 2022, to date there have been no major vulnerabilities identified, the final report will be published at the end of June 2022.</li> </ul> <p>Trafford Council IT and Digital Unsupported Software Position has been clarified and the Business Continuity Project fulfilled its primary objectives to review and revise the Business Continuity plans of each service in the Council.</p>

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						<p>The Project has delivered a new corporate business continuity policy and plan. The project oversaw the development of business impact assessments (BIAs) and business continuity plans (BCPs) for all departments and it established a new network of Business Continuity Service Leads (BCSLs) across the Council.</p> <p>The project has worked closely with colleagues in IT throughout its lifespan. The project conducted an IT systems audit for non-supported systems. This is the first time this information has been collated and has been presented to IT to manage hereafter.</p> <p>There are several, specific remaining outstanding actions. These are mostly BIAs and BCPs that were unable to be scheduled during the project's timeframe due to the extenuating demands of the particular services involved. Each of these actions has been agreed with the respective service, has an assigned owner and an agreed timescale for completion this summer.</p> <p>The project's recommendations are to be presented in July/August 2022 and the Audit team will conduct a detailed review of the risk exposure in the summer 2022.</p>
11	Delay in completing the Business Continuity (BC) Programme Project, resulting in an increased risk that the Council may fail to deliver Council services in the event of significant disruption.	3	5	15 Medium	↔ No change	<p>The Business Continuity Project fulfilled its primary objectives to review and revise the Business Continuity plans of each service in the Council.</p> <p>The Project has delivered a new corporate business continuity policy and plan. The project oversaw the development of business impact assessments (BIAs) and business continuity plans (BCPs) for all departments and it established a new network of Business Continuity Service Leads (BCSLs) across the Council.</p> <p>The project has worked closely with colleagues in IT throughout its lifespan. The project conducted an IT systems audit for non-supported systems. This is the first time this information has been</p>

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12	Asset Investment Strategy (Finance & Systems / Finance and Governance).	3	5	15 Medium	↔ No change	<ul style="list-style-type: none"> <li>• In February 2022 the Council agreed to a continuation of the Investment Fund of £500m. To date £346m of commitments have been made.</li> <li>• Gross returns from the investments are used to cover the cost of any borrowing required to support the investment, provide for debt repayment and also contribute to a risk reserve.</li> <li>• This investment to date has already provided a net benefit to support the revenue budget of £1.67m, £3.12m and £6.37m in 2018/19, 2019/20 and 2020/21 respectively and a further £6.48m in 2021/22.</li> <li>• The returns in 2021/22 are approximately £1.1m lower than originally forecast and the specific reasons for this relate predominantly to the impact of the Covid-19 pandemic on some of our key town centre retail asset acquisitions and also the impact on income when investments are repaid caused by timing differences in identifying new investments to provide a replacement revenue stream. More specific detail is provided in the period 12 budget monitoring report presented to Executive in June.</li> <li>• The revenue budget for 2021/22 and 2022/23 assumes a level of net income from the Asset Investment Strategy of £7.6m. This is a challenging target and therefore in later years of the MTFP this has been reduced by £1.5m</li> </ul>

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						<p>in 2023/24 and a further £0.5m in 2024/25. The level of the investment fund will be reviewed as part of the budget setting for the 2023/24 budget. It will be important that sufficient headroom is left in the fund to cover the cost of a number of planned regeneration schemes in the borough.</p> <ul style="list-style-type: none"> <li>A list of the current commitments as at 31/3/22:-</li> </ul> <table border="1"> <thead> <tr> <th><b>Asset Investment Fund</b></th> <th><b>Total £m</b></th> </tr> </thead> <tbody> <tr> <td><b>Total Investment Fund</b></td> <td><b>500.00</b></td> </tr> <tr> <td><b>Property Purchase:</b></td> <td></td> </tr> <tr> <td>Sonova House, Warrington</td> <td>12.17</td> </tr> <tr> <td>DSG, Preston</td> <td>17.39</td> </tr> <tr> <td>Grafton Centre incl. Travelodge Hotel, Altrincham</td> <td>10.84</td> </tr> <tr> <td>The Fort, Wigan</td> <td>13.93</td> </tr> <tr> <td>Sainsbury's, Altrincham</td> <td>25.59</td> </tr> <tr> <td><b>Sub Total</b></td> <td><b>79.92</b></td> </tr> <tr> <td><b>Property Development:</b></td> <td></td> </tr> <tr> <td>Sale Magistrates Court</td> <td>5.49</td> </tr> <tr> <td>Brown Street, Hale</td> <td>6.91</td> </tr> <tr> <td>Former sorting office, Lacy Street, Stretford</td> <td>0.96</td> </tr> <tr> <td>GMP Site, Chester Rd, Old Trafford</td> <td>0.64</td> </tr> <tr> <td>Care Home Purchase</td> <td>2.94</td> </tr> <tr> <td>Various Development Sites/Tamworth</td> <td>0.72</td> </tr> <tr> <td><b>Sub Total</b></td> <td><b>17.66</b></td> </tr> <tr> <td><b>Equity:</b></td> <td></td> </tr> <tr> <td>Stretford Mall, Equity</td> <td>8.82</td> </tr> <tr> <td>K Site, Stretford Equity</td> <td>12.25</td> </tr> <tr> <td>Stamford Quarter, Equity</td> <td>24.69</td> </tr> <tr> <td><b>Sub Total</b></td> <td><b>45.76</b></td> </tr> <tr> <td><b>Development Debt:</b></td> <td></td> </tr> <tr> <td>Bruntwood; K site</td> <td>12.25</td> </tr> <tr> <td>Bruntwood Shopping Centre</td> <td>33.57</td> </tr> <tr> <td>CIS Building, Manchester</td> <td>34.00</td> </tr> <tr> <td>The Hut Group</td> <td>67.50</td> </tr> <tr> <td>Castle Irwell, Salford</td> <td>19.00</td> </tr> </tbody> </table>	<b>Asset Investment Fund</b>	<b>Total £m</b>	<b>Total Investment Fund</b>	<b>500.00</b>	<b>Property Purchase:</b>		Sonova House, Warrington	12.17	DSG, Preston	17.39	Grafton Centre incl. Travelodge Hotel, Altrincham	10.84	The Fort, Wigan	13.93	Sainsbury's, Altrincham	25.59	<b>Sub Total</b>	<b>79.92</b>	<b>Property Development:</b>		Sale Magistrates Court	5.49	Brown Street, Hale	6.91	Former sorting office, Lacy Street, Stretford	0.96	GMP Site, Chester Rd, Old Trafford	0.64	Care Home Purchase	2.94	Various Development Sites/Tamworth	0.72	<b>Sub Total</b>	<b>17.66</b>	<b>Equity:</b>		Stretford Mall, Equity	8.82	K Site, Stretford Equity	12.25	Stamford Quarter, Equity	24.69	<b>Sub Total</b>	<b>45.76</b>	<b>Development Debt:</b>		Bruntwood; K site	12.25	Bruntwood Shopping Centre	33.57	CIS Building, Manchester	34.00	The Hut Group	67.50	Castle Irwell, Salford	19.00
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					<ul style="list-style-type: none"> <li>• To mitigate the risks of the approach nationally recognised investment advisors are being used as part of the due diligence process with emphasis placed on securing investments in low risk assets.</li> <li>• Each year all investments are reviewed as part of a risk assessment process by our advisors together with an annual valuation. This review takes account of the rental market, financial health of the tenants and whether anything is likely to impact on future income streams. Since the outbreak of Covid-19 more frequent reviews have been undertaken to identify the potential risk to income streams. The impact is mitigated to some extent due to the broad range of asset classes in the Council's portfolio, including offices, retail and industrial assets. The vast majority of income is derived from tenants that are considered to be low, or below average, risk according to credit agencies Experian and Dunn and Bradstreet. In respect of the loan portfolio, these are made at prudent loan to value levels and to borrowers of good covenant.</li> <li>• The annual revaluation exercise is used to determine if an appropriate level of debt repayment is being made. It is inevitable there will be changes in valuation year on year but the risks of downward movements in value are being mitigated through a diversified portfolio of assets.</li> <li>• Further risk mitigation is being undertaken through the bolstering of a "Risk Reserve" through the ring-fencing of an element of the returns and an allowance for debt repayment (in accordance with national regulations). The reserve level was £6.31m as at 31/3/22.</li> <li>• All investments are scrutinised by an Investment Management Board which includes cross-party representation.</li> </ul>																

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						<ul style="list-style-type: none"> <li>• When evaluating potential opportunities extensive legal and property due diligence is undertaken which places a significant emphasis on security and liquidity and includes for example an assessment of the financial strength of the tenants and market sector, length of unexpired lease, location, asset condition and residual land value.</li> <li>• Coronavirus has had a marked impact on global economies with a significant impact on stock markets worldwide and cuts in interest rates. The impact of this on the Council's investments has been closely monitored and regular updates have been received from our external advisors. It is inevitable that there has been an impact on rental streams, particularly from some of our town centre investments. This impact has been closely monitored and reported through the Council's bi-monthly financial reporting process.</li> <li>• As certain investments are repaid the programme relies on these being replaced by suitable alternatives. The budget for 2022/23 assumes that new schemes will deliver £1m of benefit. Should this not occur, pressure will be faced in the annual revenue budget. This risk has been partially mitigated by the inclusion of a balance within the calculation of the minimum level of General Reserve, based on an assumed risk that 25% may not be delivered.</li> <li>• As part of the Asset Investment Programme, the Council has entered into three joint venture arrangement with Bruntwood Works to acquire three key sites in the Borough, namely the former Kellogg's HQ site in Old Trafford, Stretford Mall and the Stamford Quarter. The primary reason for acquisition of the assets was for regeneration and no assumptions are included in the budget for any additional income from the assets to support Council services. Significant master planning and options appraisal work is currently being undertaken around each assets and further updates will be provided to the Executive throughout the course of the year.</li> </ul>

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13	Loss / absence and retention of senior managers to the organisation.  (Strategy and Resources / Finance and Governance).	3	5	15	↔ No change	<ul style="list-style-type: none"> <li>• Strengthening of the senior leadership team – through introduction of Assistant Director level posts to aid succession planning for senior leadership roles.</li> <li>• Professional coaching is available for all managers/senior managers across the organisation to support them in leading and engaging their staff through transformational change and/or to support leaders with their health and wellbeing.</li> <li>• An EPIC People Manager offer is in place to ensure managers are conversant with all People management responsibilities.</li> <li>• We also offer a range of fully funded apprenticeships/qualifications from Operational to Senior Leadership (Level 7/MBA) and variety of apprenticeships at level 6 in role specific areas to support development.</li> <li>• A succession planning strategy approach helps to retain key skills, whilst up-skilling staff to take on higher graded roles. This approach has yielded several internal succession appointments. Successors will continue to be identified at senior manager level and targeted development initiatives provided to ensure that we are equipped to flex our workforce to react to resource and skills gaps. Each successor will also have access to a coach.</li> <li>• A refreshed performance management approach to the PDR process has been developed and launched. The framework makes clear reference to career development conversations (Broaden, Deepen, Step Up), which should support us to identify senior management potential early.</li> <li>• Trafford Let's Talk Leaders events are run regularly and are an opportunity for senior leaders to hear from our corporate leaders, keynote speakers, benefit from networking opportunities and sharing learning. Attendance also includes any colleagues stepping up or if relevant to their development.</li> <li>• EPIC values and a supporting behaviour framework have been developed in line with Trafford's vision aligned to corporate priorities.</li> </ul>

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						<ul style="list-style-type: none"> <li>• Pro-active attendance management strategy developed and will be rolled out across Trafford with and EPIC manager Module to support the implementation of knowledge and skills.</li> <li>• A Health &amp; Well-being strategy is in place with actions to maintain and improve employee morale and well-being.</li> <li>• Corporate Wellbeing Principles have been defined and regularly promoted along with support and resources advertised on our newly created health, safety and wellbeing pages.</li> <li>• Internal resources available to bespoke development plans for senior leaders identified at risk or potential for future/ready for growth.</li> <li>• Our next Engagement Survey is taking place in June 2022. Analysis of the results from this survey at senior leadership level will help identify areas of focus and further actions/support required.</li> </ul>
14	Significant disruption as a consequence of the COVID-19 outbreak (Authority-Wide)	3	4	12 Medium	Decrease in Risk Score ↓	<p>COVID restrictions have now ended, and we have now moved to a steady state; transitioning activity and governance back to BAU. Recovery governance and silver groups have been stood down. Increases in risk levels will be reported through the existing council governance structures.</p> <p>The risk score has been reduced to medium, recognising the continued risk of new COVID variants and potential challenges in the autumn.</p> <p>All project level risks have been reviewed, with residual risks assigned to appropriate owners. Business continuity plans have also been revised.</p> <p>A COVID Contain capability has been retained to continue necessary activities and to be in a position to respond quickly and effectively if we see a new variant / further surge. A tool kit is under development so that governance arrangements can be stood up quickly if required.</p>



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						<p>The neighbourhood based community engagement team continues to work in localities on community engagement and behaviour change, and vaccination uptake.</p> <p>Our ongoing communication programme for residents, staff and partners continues</p> <p>New hybrid working practices have been established to support ways of working for our staff.</p>
15	<p>Failure of the Adult Safeguarding Systems and Processes to prevent an adult at risk of abuse or neglect from being harmed or a failure of the council to adequately safeguard an adult at risk from neglect or abuse.</p> <p>(Adult Services / Adult Social Care).</p>	2	4	8 Low	↔ No change	<ul style="list-style-type: none"> <li>• In the previous risk update, the risk score reduced in likelihood due to a number of improvements to the safeguarding practice over the last 12 months;</li> <li>• The Safeguarding Hub was launched on the 7th of June 2021, creating one central point for all safeguarding referrals into Adult Social Care. The Safeguarding Hub will also be responsible for managing organisational safeguarding and complex safeguarding issues such as self-neglect and hoarding, coercion and control, and capacitated adults who are making unwise decisions where the risk is remaining or increasing and previous attempts to engage have failed. The Safeguarding Hub will also represent ASC at multi-agency meetings such as the Daily Risk Meeting, MARAC, MAPPA, and Prevent.</li> <li>• The process of handling provider concern notifications is more focused on reporting higher numbers of low level concerns and providing rich data across the care market.</li> <li>• Provider concern data is routinely reviewed in the Joint Quality Improvement Board to detect trends and provide a coordinated partnership response to adverse reporting through support and prevention in the first instance.</li> <li>• We have established a devoted Adult Protection phoneline for members of the public to directly contact social care to raise safeguarding concerns.</li> <li>• Work has commenced on developing the newly implemented Adult Safeguarding Hub into a multiagency safeguarding hub which aims to include GMP, IDVAs, Probation,</li> </ul>

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						<p>GMMH, Health, Drug and Alcohol Services, and Housing within the service to provide a holistic multi agency response to safeguarding concerns.</p> <ul style="list-style-type: none"> <li>• Daily Risk Meetings, for the optimum management of individual cases, takes place with ASC, GMP, Children Social Care, Mental Health, and Achieve (Drug &amp; Alcohol Service). This enhanced information sharing provides a multi-agency review of cases attended by the police in the previous 24 hours.</li> <li>• All safeguarding referrals received are triaged using a written risk assessment on receipt by the Adult Safeguarding Hub.</li> <li>• Considerable work completed on incoming safeguarding referrals resulting in significant improvement in the timeliness of allocation.</li> <li>• Learning Lessons from adverse cases through Safeguarding Adult Review Panel (SAR) and Adult Learning and Improvement Committee (LIC) disseminated to staff across Adult Social Care (ASC).</li> <li>• We have an internal joint Legal and Social Care Coroners process embedded in to practice, this is being reviewed for effectiveness throughout 2022</li> <li>• Targeted monitoring areas set by DASS and co-chairs of Joint Quality Improvement Board where concerns re quality or safety of providers is highlighted through usual reporting mechanisms.</li> <li>• Joint chairing arrangements introduced for MARAC as part of the MARAC review completed. A task and finish group is in place monitoring the effectiveness of the revised arrangements.</li> <li>• Response to Safeguarding Adult Review from the TSSP to optimise “lessons learnt” has been strengthened and includes managerial representation at strategic meetings that manage multi-agency safeguarding (DASS and JQIB), greater emphasis on practice change and embedding new ways of working.</li> </ul>