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**TRAFFORD
COUNCIL**

AGENDA PAPERS FOR BUDGET EXECUTIVE MEETING

Date: Wednesday, 16 February 2022

Time: 6.00 p.m.

Place: Wesley Hall, The LifeCentre, 235 Washway Road, Sale, M33 4BP

PLEASE NOTE: Owing to COVID-19 precautions, attendance for those who are not Elected Members is by prior registration only. A link to the meeting broadcast can be found at: <https://www.youtube.com/channel/UCjwbIOW5x0NSe38sgFU8bK>

A G E N D A	PART I	Pages
1. ATTENDANCES		
To note attendances, including officers, and any apologies for absence.		
2. DECLARATIONS OF INTEREST		
Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.		
3. EXECUTIVE'S REVENUE BUDGET PROPOSALS 2022/23 & MTFS 2023/24 - 2024/25		1 - 108
To consider a report of the Executive Member for Finance and Governance and the Director of Finance and Systems.		
4. CAPITAL STRATEGY, ASSET INVESTMENT STRATEGY, CAPITAL PROGRAMME AND PRUDENTIAL & LOCAL INDICATORS 2022/25		109 - 168
To consider a report of the Executive Member for Finance and Governance and the Director of Finance and Systems.		
5. TREASURY MANAGEMENT STRATEGY 2022/23 - 2024/25		169 - 200
To consider a report of the Executive Member for Finance and Governance and the Director of Finance and Systems.		

6. STRATEGIC LAND REVIEW PROGRAMME 2022 - 2023 - PART I 201 - 210

To consider a report of the Executive Member for Housing and Regeneration.
NOTE: A related report is to be considered in Part II of this agenda.

7. FEES, CHARGES AND ALLOWANCES 2022/23 211 - 258

To consider a report of the Executive Member for Finance and Governance and the Director of Finance and Systems.

8. EXECUTIVE'S RESPONSE TO SCRUTINY COMMITTEE'S RECOMMENDATIONS TO THE BUDGET PROPOSALS FOR 2022/23 259 - 264

To consider a report of the Executive Member for Finance and Governance and the Director of Finance and Systems.

9. URGENT BUSINESS (IF ANY)

Any other item or items which by reason of:-

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

10. EXCLUSION RESOLUTION

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

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

PART II

11. STRATEGIC LAND REVIEW PROGRAMME 2022 - 2023 - PART II 265 - 272

To consider a report of the Executive Member for Housing and Regeneration.

NOTE: A related report is to be considered in Part I of this agenda.

SARA TODD
Chief Executive

COUNCILLOR ANDREW WESTERN
Leader of the Council

Membership of the Committee

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

Further Information

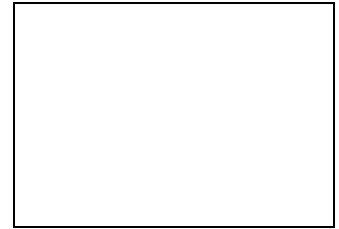
For help, advice and information about this meeting please contact:

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

This agenda was issued on Tuesday 8th February, 2022 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 16 February 2022
Report for: Decision
Report of: Executive Member for Finance and Governance and the Director of Finance and Systems

Report Title

Executive's Revenue Budget Proposals 2022/23 & MTFS 2023/24 - 2024/25

Summary

This report sets out the Executive's updated 3 year budget strategy proposals and detailed revenue budget proposals for 2022/23 and Medium Term Financial Strategy (MTFS) for the period 2023/24 - 2024/25.

The key summary of figures for the revenue budget are:

- The overall budget movement for 2022/23 is an increase in the net budget of £13.10m or 7.30%, from £179.47m to £192.57m.
- The budget funding gap for the three years before applying policy choice savings and funding proposals is now estimated to be £38.59m comprising :
 - £41.85m of additional cost pressures
 - £3.26m improvements in funding
- The budget gap for 2022/23 of £20.14m comprises
 - £13.04m of business as usual pressures
 - £7.10m of COVID-19 pressures
- The proposals contained in the report close the 2022/23 budget gap of £20.14m via a mixture of measures:
 - Additional funding from Council Tax of £3.39m
 - Income generation and Service delivery savings £5.32m
 - Use of reserves of £7.10m to address the COVID-19 pressures
 - Use of general reserves £4.33m for the remaining gap
- It should be noted that if all the proposals in this report are implemented there currently still remains a residual budget gap of:
 - £15.70m in 2023/24, and
 - £2.70m in 2024/25
- In order to ensure that we are able to manage the continued pressures on the Council's budgetary position throughout the period of the MTFS and to achieve a balanced budget in those years a Finance and Change Programme will be established to enhance our structured response to these issues and to provide

strategic direction and proactive governance around the management of our Finance and Change programme.

- 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.
- A high level Finance and Change programme timeline has been developed with activities commencing with immediate effect in preparation for the start of the first phase of the next budget round.

Recommendation(s)

That the Executive recommend to Council that it :-

- a) Approves the 2022/23 net Revenue Budget of £192.57m.
- b) Approves the 2023/24 to 2024/25 Medium Term Financial Strategy (MTFS) including the income and savings proposals.
- c) Notes the arrangements proposed in relation to an enhanced Finance and Change Programme and the establishment of a Finance and Change Board which will work with the Executive on the development of sustainable budget plans to support the Council in meeting the financial challenges from 2023/24 onwards
- d) Approves the calculation of the Council Tax Requirement as summarised in Section 8.1 and set out in the Formal Council Tax Resolution in Annex J (any update for changes in Mayoral Police and Crime Commissioner or Mayoral General (incl. Fire Services) Precepts, if any, will be tabled at the Council Meeting);
- e) Approves the proposal to increase Council Tax by 2.99% in 2022/23:
 - 1.99% general increase in the 'relevant basic amount' in 2022/23, 2023/24 and 2024/25, and
 - 1% for the 'Adult Social Care' precept in 2022/23.
- f) Approves the planned application of earmarked reserves as detailed in Section 7.
- g) Approves the Fees and Charges for 2022/23 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2023/24, as set out in the Fees & Charges booklet.

- h) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2022/23 in the event of any change in VAT rate, as appropriate.
- i) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges during 2022/23 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.
- j) Approves the proposal to increase the minimum level of General Reserve for 2022/23 at £9.5m, an increase of £1.5m from 2021/22 (Section 7.5).
- k) Approves the Capital Strategy, Prudential and Local Indicators and overall level of the Capital Programme and Asset Investment Fund of £417.38m (as detailed in the Capital Strategy, Capital Programme & Prudential Indicators 2022/25) of which £209.71m relates to 2022/23; including the proposal in relation to £50.52m of new prudential borrowing.
- l) Approves the Treasury Management Strategy 2022/23 to 2024/25, including the debt strategy (Section 3), the Treasury Investment Strategy (Section 5) and the Prudential Indicators, including the Authorised Limit (as required by Section 3(1) of the Local Government Act 2003, Operational Boundary, Minimum Revenue Provision and investment criteria as set out in Appendix 3 of the report.
- m) Approves the flexible use of capital receipts of up to £0.27m to support the cost of the Modernisation Team in developing the Council's Finance and Change Programme.
- n) Approves the proposed distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 8 and detailed in Annex I.
- o) Due to the late publication of the Final Local Government Finance Settlement, Council delegates authority to the Director of Finance and Systems to vary the level of Budget Support Reserve needed to balance the 2022/23 revenue budget in the event of any change at final settlement.
- p) Delegate to the Director of Finance and Systems in consultation with Executive Member for Finance and Governance to administer the energy related discretionary schemes as announced on 3 February 2022 in accordance with the guidance, which will be fully funded by a section 31 grant.

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

- q) The objective assessment by the Director of Finance and Systems of the robustness of budget estimates and adequacy of the financial reserves (Section 1 and 7).
- r) The Executive's response to the Scrutiny Committee's recommendations to the budget proposals as included in a separate report on the agenda.
- s) The Council's Public Sector Equality duty.
- t) The results of the consultation on the budget proposals where required.
- u) The changes to the Council Tax Scheme 2022-23 and Council Tax Hardship Fund as detailed in a separate report to Executive on 24th January 2022.

In addition, Executive recommends that Council notes the following :

- v) The approval on 11 January 2021 under delegated powers by the Corporate Director of Finance and Systems of the Council Tax Base for 2022/23 at 77,601 Band D equivalents.
- w) The estimated Council Tax surplus for 2021/22 has been calculated at £1.89m, sufficient to release £(1.550)m to support the Council's budget plans and a distribution of £(240)k and £(100)k representing the respective shares of the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services).
- x) The base budget assumptions as set out in the Medium Term Financial Strategy (MTFS) as detailed in Annex A.
- y) The budget gap for the two years 2023/24, £15.70m and 2024/25, £2.70m.
- z) The recurrent budget gap caused by the COVID-19 pandemic is expected to continue into 2022/23 and is estimated that £7.1m will be met from reserves.
- aa) That the Capital Programme for 2022/23, 2023/24 and 2024/25 is to be set at an indicative £209.71m, £143.60m and £64.07m respectively (indicative at this stage as a number of capital grants are not yet known).
- bb) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the recommended provisional amounts pending their formal approval.

Contact person for access to background papers and further information:

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

Background Papers – None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2022/23 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed budget for 2022/23, allocating available resource across service objective heads as detailed in Annex G of the report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. If the budget for a directorate is to be exceeded, which will result in a call on reserves, the Executive will need to identify the impact on reserves and when they will be replenished.
Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision. Measures have been subject to equality impact assessments where necessary.
Sustainability Implications	There are a number of measures throughout these budget papers which support the Council's ambition of becoming carbon neutral by 2038.
Carbon Reduction	Various budget proposals in the revenue and capital budgets (Annex D and A of the respective reports) support the carbon neutral action plan.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications where they apply.
Risk Management Implications	The risks associated with the budget proposal have been considered.
Health and Wellbeing Implications	Equality Impact Assessments have been carried out where appropriate. The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.
Health and Safety Implications	The health and safety implications of the budget proposal have been considered.

Other Options

The Executive is recommending an overall increase to the level of council tax of 2.99% in 2022/23 comprising the increase of 1% for the 'adult social care precept' to be earmarked for adult social care expenditure and 1.99% general increase in the 'relevant basic amount'.

An alternative option is not to increase council tax but there would be insufficient funding to pay for the Council's services in 2022/23. If this option were pursued then further savings of £3.27million would need to be identified over and above the significant level of savings already included in this budget report. Alternatively a decision could be made to increase its 'relevant basic amount of council tax' above the levels proposed in this report, however this would exceed the current permitted limits, which would mean a local referendum would be required before any higher increase could be implemented.

The use of reserves has been reviewed (See Section 7) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a prudent level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.

The Innovation and Change Programme provides a framework for delivering organisational change that supports the delivery of the MTFP. The scale of the financial challenges over the life of the MTFP requires a structured and controlled programme management approach. All change projects will be supported by clear business cases setting out the net business benefits of the changes being proposed.

Doing nothing is not considered a valid option as this would result in an unacceptably high risk of not achieving the MTFP. The impact of this would be the greater likelihood of the Council having HM Government intervention as a result of being unable to set a legal budget.

The Innovation and Change programme provides a coordinated approach to business change activity. An un-coordinated approach to delivering cross cutting business change risks key projects competing in relation to the time and resources need to secure their delivery increasing the risk of non-delivery.

Consultation

The Council has undertaken consultation on the budget proposals where relevant. The outcome is detailed in Annex K

The Public Sector Equality Duty

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

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

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

- The elimination of unlawful discrimination;
- The advancement of equality of opportunity between people who have protected characteristics and those that do not; and

- The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.

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

Reasons for Recommendation

To enable the Council to set a Budget Requirement and Council Tax level for 2022/23. The reasons for these recommendations are to deliver a balanced budget for 2022/23 in relation to the proposals set out in this report, whilst having due regard for equality impact and risk mitigation.

The Innovation and Change Programme will support the implementation of the Council's corporate objectives by ensuring the Council is as effective and efficient as possible. This will lead to the optimisation of Council resources in relation to delivering the corporate objectives, priorities and outcomes.

The Innovation and Change Programme will be developed to align closely with the Council's Medium Term Financial Strategy. Business cases brought forward for approval will have a direct link to the achievement of managing demand pressures as well as the required efficiencies over the life of the Strategy reducing core spend.

The approval of Council is being sought to enable officers to proceed with implementing the Innovation and Change Programme.

Key Decision

This is a key decision currently on the Forward Plan: Yes
If Key Decision has 28 day notice been given : Yes

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

Legal Officer Clearance ...JL.....



DIRECTOR'S SIGNATURE

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



TRAFFORD
COUNCIL

**Executive's
Revenue Budget Proposals
2022/23 & 2023/24 - 2024/25
Medium Term Financial
Strategy**

16 February 2022

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FOREWORD by the EXECUTIVE MEMBER for FINANCE and GOVERNANCE TOM ROSS

I am pleased to present the Council's budget report for the period 2022/23 to 2024/25.

It's never easy to put together a council budget where we know that local demand is greater than the resources that are available, but this year has proved particularly difficult. Not only have we had a great amount of uncertainty including the continuing impact of the pandemic, and the impact of Brexit on our businesses and communities, but we have also been impacted by the rising costs on services caused by the recent increases in inflation.

These circumstances, alongside yet another single year Local Government Finance Settlement, makes planning for the future an even greater challenge than usual. At the start of the COVID-19 crisis, the government promised to do 'whatever it takes' to ensure that councils and our communities were supported through the crisis. However, it is clear this has not been the case with a continuing impact on demand for services and on our income streams outstripping the levels of support received. Despite some very welcome one-off grants, we still had to take the unprecedented step of increasing expenditure controls in the current financial year, as the council suffered major losses of income and significant additional costs.

The impact of COVID-19 will cast a shadow over budgets in Trafford for several years. Instead of recognising this, and increasing central grants accordingly, the government have set out an expectation that councils will raise Council Tax and the adult social care precept by the maximum amount available to cover the financial gap and growing cost pressures. We are faced with the difficult choice to increase Council Tax by 1.99% and use the 1% adult social care precept increase to help towards the rising cost of caring for older people and some of the most vulnerable in Trafford.

Nevertheless, we remain confident that we can improve services, facilities and the environment. Our proposals contain commitments to tackle health inequality, support people out of poverty and push forward with our ambitious climate change initiatives through the net zero action plan.

Our commitment to transform many of our care services, working with our stakeholders in the borough, will make sure they are as effective and efficient as possible and have the best outcomes for anyone who uses them. However, the demand for support through these services outweighs the resources available. Campaigning for a national solution to the social care crisis will continue to form part of our lobbying to national government. Businesses remain committed to our area and are looking to invest in Trafford. Despite the setback that the COVID-19 crisis has posed, we will continue to work with them to create more and better jobs.

We face difficult choices, and we must decide how we best cut our cloth in these trying times. But, as ever, our commitment to maintaining Trafford as a place where residents, communities and business prosper remains our overriding vision.

More detail on our updated priorities is included in **Section 2**, which also includes key outcomes that will allow us to measure how successful we have been.

The financial context and challenges faced by the Council are detailed in **Section 3**. After over a decade of funding reductions which has seen a reduction of £15bn in core local government funding, the next few years will still pose an extremely difficult financial challenge to the Council.

In a normal period the financial strain caused by inflationary costs on budgets covering pay and contracts, the cost of the national living wage and increasing demand for social care services outstrip any funding increases available to the Council. This challenge to setting a balanced and sustainable budget is further compounded by the uncertainty of the longer-lasting service demands and income stream pressures caused by COVID-19, including the impact on the dividend the Council would normally expect to receive from its shareholding in Manchester Airport; although a recovery is expected in the industry, we have taken a prudent approach to our budget assumptions and have excluded any dividend for the foreseeable future.

The pressures faced by local government have been well articulated by the Public Accounts Committee in their findings following a review of local government finance earlier in the year. These findings recommend the rest of government to be mindful of the unsustainable funding pressures faced by local government when allocating resources to the sector in future years.

There is still a high level of uncertainty surrounding local government finance, given the lack of a three-year settlement, the impending Fair Funding Review and reset of the business rates retention scheme. In addition, the recently announced plans for health and social care reform in the White Paper give little certainty or solution to the immediate funding challenges facing our social care services.

Since the draft budget was presented to Executive on 11 October 2021 there have been a number of factors which have contributed to an overall reduction in the budget gap for 2022/23 from £21.75m to £20.14m and over the next three years from £43.62m to £38.59m. This reduction of £5.03m primarily relates to announcements by the government in the Spending Round in October, changes in the national living wage, social care levy, offset by additional government support grants and assumptions regarding the reset of the business rates retention scheme

There has been a full review of budget assumptions and review of inflationary pressures on pay, goods and services and contractual expenditure as well as including the implications of the Local Government Financial Settlement. The implications of the projected outturn for 2021/22 have also been considered together with full robustness review of the budget by the Director of Finance and Systems (See Section 1). The Council's Scrutiny Committee has also contributed positively to the budget process and reviewed the budget assumptions and proposals and we will continue to support the work of Scrutiny Committee during 2022/23.

The 2022/23 revised gross budget gap of £20.14m has been met by a combination of the following:-

- Policy Choice Funding Increases amounting to £14.82m, comprising
 - Adult Social Care Precept of 1% to generate £1.20m
 - Increase in the basic rate of Council Tax of 1.99%, generating £2.18m

- Application of COVID-19 General Reserve of £7.1m as per previous budget plans.
- Application of Budget Support, Innovation and Change Reserve £4.33m

➤ Income generation and savings amounting to £5.32m

Summary of the Budget Proposals	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Revised Gross Budget Gap	20,137	10,552	7,899	38,588
Policy Choice Funding Proposals				
(*) General Increase in basic Council Tax to 1.99%,1.99%,1.99%	(2,183)	(2,289)	(2,400)	(6,872)
(*) Social Care Precept increase 1%, 1%, 1%	(1,201)	(1,165)	(1,112)	(3,478)
Contribution from COVID-19 General Reserve	(7,097)	7,097		0
Contribution from Budget Support Reserve (General Budget)	(4,334)	4,334		
Total Policy Choice Funding	(14,815)	7,977	(3,512)	(10,350)
Savings and Income proposals	(5,322)	(2,832)	(1,691)	(9,845)
Revised Budget Gap (Feb 22)	0	15,697	2,696	18,393

(*) reflects the referendum principles set by MHCLG for allowable increases to council tax in 2022/23. Other years assume the same increase will be allowed.

Our budget plans for 2022/23 include for some significant levels of additional investment, including within the revenue budget:-

- Additional funding for children's and adults social care £10.06m, (excluding grants and savings) with the major items including:-
 - Demographic pressures and increasing social care costs £6.0m
 - Additional investment to support increases in the Fair Price for Care which includes increases due to the National Living Wage and National Insurance Levy £3.54m
 - Other contractual inflation £0.52m
- Recurring gross pressures associated with Covid-19 £7.1m, associated with the loss of income from our investments in Manchester Airport, including a contingency of £1.5m.
- An additional £500k investment in our leisure centres to ensure the sustainability of these critical facilities. The resource will be used to manage the recurrent impact which both the pandemic and the wider refurbishment programme will have on trading over the next five years.

The capital investment plans of £79.56m include proposals for some major new investment; these include in 2022/23:-

- Investment in school infrastructure of £19.77m
- Major highways and other key infrastructure improvements £12.60m
- Improvements and provision of cycling and walking routes £3.61m
- Leisure Strategy and Sports Facility Provision £8.12m
- Targeted support to some of our most vulnerable residents £5.56m
- Investment to open up Trafford Waters, Trafford Park for residential development £4.00m
- Improvements to green spaces and Biodiversity £0.84m
- Public realm works in our town centres £1.54m
- Community Safety improvements £0.35m
- Installation of Cleaner Resomation Cremators £1.4m
- Town centre and business loans £0.55m
- Investments in Systems and Assets to improve the way we work £2.54m
- Future High Street Fund - £13.38m (this is second year phasing. Part of total allocation of £17.6m)
- Maintenance and improvements to public buildings £0.67m
- Investment in a number of other small schemes £3.65m

The Council's Asset Investment Strategy is continuing to support the achievement of a balanced budget in later years and is providing invaluable revenue streams to support the budget. To date commitments of £366m have been made from the Fund and are budgeted to generate a net revenue benefit of £7.61m in 2021/22. This is not without risk but we have taken a prudent approach to our investments and are building up a healthy risk reserve to mitigate against any future risks as well as setting amounts aside for future debt repayment. The importance of this risk reserve was reinforced during 2021/22 when the reserve was drawn upon to smooth a shortfall in income largely due the pandemic. Some of the acquisitions involved some key regeneration sites in the Borough and now they are in the Council's control provide a real opportunity to develop them into assets we can be proud of in the future. An example here is the acquisition of Stretford Mall in Stretford Town Centre and Stamford Quarter in Altrincham which will form a key part of our long term plans to support improvements to the town centre; something which we have been consulting on over recent years.

In respect of climate change - our last medium-term plan set out a bold ambition to transition to net zero by 2038. We have made significant progress in this ambition, reducing the council's own CO2 emissions by 11% between April 2020 and 2021, and in December 2020 launched our Carbon Neutral Action Plan.

The Plan sets out over 100 actions that the Council can take to decarbonise its own operations over the next decade whilst working with our partners to support borough wide Carbon reductions, taking advantage of the huge opportunities for green growth in the local

economy. Alongside the Council's own operations, the main areas targeted in the plan include homes, transport, commerce and industry – with industrial & Institutional Buildings alone accounting for 42% of the estimated Carbon emissions for the Borough.

While many of the actions set out in the Action Plan need to be taken by national government, we remain committed to progressing action locally on a number of priorities, often supported by match-funding from other sources, and leveraging in further funding from the private sector. The net zero ambition requires a step change in the scale of Borough investment and in our own assets. The Council is currently working with Borough partners, GMCA and central government to assess the scale of investment required, seek collaborative opportunities and identify sources of funding and finance.

The Council has embarked on an ambitious programme of Carbon literacy training for senior staff which not only raises awareness of the cross cutting implications of carbon reduction for all services but promotes individual action as well. Elsewhere the Trafford Council Climate Change commission, convened with partner organisations is now well established and work is underway to hold a citizens panel on carbon reduction in the spring, following a successful preparatory event in November.

The proposals in this report still leave a budget gap of £15.7m in 2023/24 and £2.7m in 2024/25. 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; more details are provided in Section 5. This is also reiterated in the S151 Officer's review of the robustness of the budget in Section 1. The Council's Executive and Leadership Team will continue to work on developing further budget proposals during 2022/23 to meet this future financial challenge and these will be reported to Executive in October as part of the draft budget proposals for 2023/24.

Councillor Tom Ross

Executive Member for Finance and Governance

1 ROBUSTNESS of the PROPOSED BUDGET ESTIMATES and the ADEQUACY OF FINANCIAL RESERVES

REPORT of the DIRECTOR OF FINANCE AND SYSTEMS to the COUNCIL 16 FEBRUARY 2022 (S25-26 LGA 2003)

1.1 Background

1.1.1 The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26).

1.1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.

1.1.3 Further detail of robustness exercises supporting this report, relating to the Adequacy of Reserves, Budget Risk Assessment and the Financial Management Code are included in Section 7.

1.1.4 In drafting the budget reports close consideration has been given to various publications and relevant information from Cipfa, namely:-

- **Financial Management Code** which provides a useful framework to assist local authorities in demonstrating their financial sustainability and sets expected standards of financial management for local authorities;
- **Prudential Property Investment** which provides a useful update on the Prudential Code and how they relate to the expansion of commercial activity by local authorities; and
- **Financial Resilience Index (FRI)** which usefully compares the Council against similar local authorities across a range of key financial measures to give an indication of financial stability.

1.1.5 During 2021, the Council requested the Local Government Association to undertake a financial peer review and the findings from this are also taken into consideration in drafting these budget proposals.

1.1.6 In addition, the National Audit Office requires our external auditors to formally consider whether the Council has made proper arrangements for securing Value for Money. This assessment considers themes centred around Financial sustainability, Governance and Improving economy, efficiency and effectiveness. The latest Auditor's Annual Report, presented to the Accounts and Audit Committee in February 2022, concluded that the Auditor was satisfied there were no significant weaknesses in the Council's arrangements in all three areas, other than the matters arising from the Ofsted's inspection of Children's Social Care Services, for which the Council has an active improvement plan in place.

1.2 The Requirement to Deliver a Balanced Budget

- 1.2.1 Members will be aware that the Council has a legal requirement to deliver a balanced budget. If spending is likely to exceed the available resources for a council the Officer charged with responsibility for the effective financial management of the council, the Section 151 Officer, must issue a Section 114 (S114) notice under the relevant section of the Local Government Act, section 114.
- 1.2.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued modified guidance to council Chief Finance Officers (CFOs) in 2020/21 to allow councils under budgetary pressure due to COVID-19 the time and space to explore alternatives to freezing spending via a S114 notice.
- 1.2.3 It is testament to the hard work of the Members and Officers who have embedded a strong culture of financial management across the Council that we have been able to continue to deliver services within the Council's budgetary framework despite the significant financial challenges faced. Whilst this report highlights the continuing financial challenge over the medium term, 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. On the basis that the Council embarks on a programme of innovational change at pace as detailed elsewhere in this report the Section 151 Officer believes that the Council will be in the best position to be able to manage spending within its available resources such that the likelihood of being placed in the position where he would be required to consider whether it was appropriate to issue a S114 notice is not a significant risk in the short term. It will also provide a firm foundation for the Council's continued financial recovery as the impacts of the pandemic and other recent challenges recede.

1.3 General Fund Revenue Balances

- 1.3.1 The Council's reserves and balances are reviewed annually in line with the Medium-Term Financial Plan, the Reserves Policy, best practice guidance on Local Authority Reserves and Balances, and as required by the Local Government Act 2003. Use of reserves and balances are monitored on a regular basis to identify and report any proposals which carry ongoing risks or financial implications.
- 1.3.2 In comparison to other similar authorities the Council's reserve levels were at an average level using the latest available information, however this does not take into account the risk to financial sustainability given the significant use of reserves in 2021/22 and planned to be used to support the revenue budget in 2022/23. To mitigate the impact of this application of reserves, these budget plans include for a "repayment of reserves" over the medium to long term.
- 1.3.3 Whilst reserves levels are low it is important that they are actively managed and reviewed to ensure they provide resilience, not just in the short term but more importantly over the medium to long term. During 2021/22 the Council has been able to bolster and realign reserves in a number of areas to provide a cushion to

enable investment in future efficiency and innovation work. It is imperative that the Council invests in the development and delivery of a bold and ambitious innovational programme during the next financial year which is capable of delivering recurrent budget savings over the short and medium term to balance the Council's budget position in the coming years.

- 1.3.4 A full risk assessment of the Executive's budget proposals has been undertaken and this has been used to inform the appropriate level of specific earmarked reserves for the major financial risks. The assessment has also concluded that the recommended minimum level of General Fund Balances for 2022/23 is £9.50m, an increase of £1.5m above the current level. This level has been achieved through the Section 151 Officer's (Director of Finance and Systems) review and recommended realignment of reserves to ensure the 2022/23 budget remains robust and resilient to potential financial risks that may materialise during the year.

1.4 Process

- 1.4.1 The Section 151 Officer has to consider the resilience of the Council and its ability to withstand and mitigate the impact of unknown costs as a result of local and national changes across the medium-term period. The financial impact of the Covid-19 pandemic illustrates the importance of ensuring the Council's financial robustness and resilience to the impact of unplanned for events. This ensures the Council is able to mitigate the financial impact in the short term whilst permanent funding options are identified and implemented. There are a number of ways the Council demonstrates its financial resilience to Members and Trafford residents, these are summarised below and expanded on in section 7 :-

- **MTFP Summer Review and Updates** – regular reviews of the key assumptions and forecasts that underpin the Council's MTFP to ensure they remain robust and based on the most up to date information throughout the year;
- **Reserves Policy** – annual update of the Council's Reserves Policy to ensure earmarked reserves are aligned to the Council's corporate and strategic objectives over the medium-term period;
- **Budget Risk Assessment** – annual assessment of the adequacy of the Council's General Fund Balance to mitigate the impact of risks;
- **Scrutiny Committee and Accounts and Audit Committee** - regular Member scrutiny of the Council's Financial Management throughout the year; and
- **Internal and External Audit** – independent audits of the Council's financial management throughout the year.

- 1.4.2 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2021/22 budget monitoring process and planning process review have been addressed in the 2022/23 budget wherever appropriate.

- 1.4.3 The process has involved the Executive Portfolio Holders, members of the Corporate Leadership Team and other service management supported by the Financial Management Service.
- 1.4.4 All budget managers have been requested to agree their budget working papers and are therefore aware of their proposed budget for 2022/23 and the assumptions the budget is based on, which includes income targets.
- 1.4.5 With the support of the senior finance staff within the Financial Management Service, the Section 151 officer has undertaken a review of the Executive's budget proposals (both revenue and capital budget and reserves) at varying levels of detail taking into account known factors that will have a significant bearing on the conduct of the Council's business in 2022/23 and in the medium term. Importantly it includes discussion, information and assurances supplied by Directors and other senior staff.
- 1.4.6 At a detailed level budgets are based on forecasted activity and have been subject to appropriate challenge, sensitivity analysis and to ensure that they reasonably allow for a degree of error. Risks can be mitigated through a variety of management actions and the Corporate Leadership Team (CLT) has ensured that in higher risk areas additional capacity and rigour has been put in place to ensure forecast savings are robust and are capable of being delivered during the year with monthly updates on financial performance reviewed. Savings will continue to be monitored through CLT as part of the budget monitoring process which is a well-established bi-monthly financial monitoring of all Council activity on an outturn basis from May each year. In addition monthly budget monitoring is reported to CLT on all high risk budgets.
- 1.4.7 The Council has a controlling interest in a number of companies; these are monitored through a number of structured boards. The viability of these companies is regularly assessed, and any support is provided based on sound evidence. Members and officers sit on these boards and members are provided with all the relevant information to allow them to make informed decisions. External advice on complex structures is taken as required to minimise the risk to the Council and its reserves.
- 1.4.8 The Section 151 officer has also taken account of how the Council is likely to react if an adverse financial situation was to arise during the year. This helps in assessing the adequacy of reserves.
- 1.4.9 In assuring the robustness of the Council's budget it is also important to have regard to the financial management capabilities across the organisation and this includes regular updates to the training given to budget holders and also to Council Members and the range of available training, supported by the Financial Management Service, will be reviewed during the year.

1.5 Budget 2022/23

- 1.5.1 The year ahead presents a number of financial challenges, and in particular I would draw Members' attention to areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required. These are detailed below and paragraph 1.6 refers specifically to concerns for 2023/24 given the potential reset of

the business rate retention scheme baselines, implementation of fairer funding and compounded by the use a one-off reserves supporting the 2022/23 budget.

- The Government has now indicated that the national reset of the business rate retention scheme baselines and introduction of fair funding review of local government needs and resources will take place, at the earliest, in 2023/24. This will give rise to significant financial turbulence and has made financial forecasting extremely difficult. Whilst the reset in itself poses a significant financial risk to the Council the Government is likely to include a transitional protection system to protect authorities from any significant financial cliff edges. The current budget assumptions include for these protections and are based on the Council's current funding levels from the original retained business rate and 100% GM Pilot schemes. There is a risk the Government does not afford protection to the additional funding derived from the 100% Pilot in which case this will put further pressure on the budget gap in future years. The delay in resetting the system, whilst in part good news, exposes the Council to a further year of potential decline in business rate funding and ongoing impact of the Covid-19 pandemic. To mitigate against any adverse impact priority has been afforded to maintaining a material Business Rate Risk Reserve.
- The delivery of the savings programme will be a challenge. All proposals have been subject to review and all business cases have been examined by budget holders and Strategic Finance Managers. There will continue to be significant demands on the capacity of managers and staff and particularly given the size of savings programme. The implementation of the Finance and Change Programme will enable the Council to effectively manage this risk (See Para 5.4).
- The uncertainty that exists on demand led services, following the pandemic particularly in adults and children's social care continues to pose the biggest threat to the Council's budget in the future and significant new investment has been incorporated into the 2022/23 and later years to reflect the latest demand pressures. Furthermore, uncertainty remains on the impact the pandemic will have on future key income streams. Whilst the full implications are not known at this stage this poses a risk to the budget. **Therefore, an additional temporary increase will again be made to the general contingency within the "council wide" section of the budget of £1.5m for 2022/23 to mitigate these risks.**
- A review and realignment of earmarked reserves has been undertaken to ensure specific earmarked reserve balances are maintained at an appropriate level, general balances reflect the risk on the overall revenue budget and budget resilience reserves are sufficient to support innovation and change activity that will be required to deliver recurrent savings that will help balance the Council's budget work after 2022/23.
- The approach to investments as included in our investment strategy has mitigated to a certain extent the need to make further efficiencies in service delivery. The assessment of risks is crucial to ensure this course of action continues to provide a secure source of income to support the revenue

budget and remains proportionate. In this regard close attention continues to be given to all updates from MHCLG and the Cipfa Prudential Code. The strategy remains a key risk and it is imperative the council can recycle maturing investments promptly, with due consideration to the security and liquidity of the investments in order to maintain the net income streams the Council's budget is reliant on. This is a major challenge and as a result, assumptions have been included in the MTFP to reduce the levels of net income that are budgeted from 2023/24. To mitigate any reduction in the income generated through the strategy, if they arise, during 2022/23 as a result of some large investments maturing, the asset strategy risk reserve would need to be applied. At this stage, the potential reduction to the income currently being generated could be in the region of £3.4m if investments cannot be recycled.

- There is also risk with regard to the ability of the external care market to provide sufficient capacity at a price supported by the Fair Price for Care review in order to support our growing care needs. Further work and consultation with care providers around market sustainability will be undertaken during the course of 2022/23;
- Pressures are continuing to be felt on school budgets and also in high needs provision where government funding increases are not keeping pace with the demands on expenditure. A working group has been established to look at how this pressures can be addressed in 2022/23.
- Significant work has been done over the past year to review the Council's Legal and Governance services to ensure that they are aligned to the needs of the Council and will be able to support the ambitious programmes for regeneration and development and innovation and change more widely across the Council, whilst ensuring that we continue to meet our statutory duties in relation to the delivery of services; that we support our regulatory services and functions; and manage risk across the Council as a whole. The changes proposed will require investment but a better resourced service will then reduce the extent to which the council is currently required to 'buy in' additional legal support. Whilst the full financial implications are not known at the time of writing this report, there is potential that future budget plans will need to include an element of growth in this area.

1.6 Future Years

- 1.6.1 The decisions in this report and the utilisation of a reserves to balance the 2022/23 budget increases the challenges for future years. Current projections still leave a budget gap of £15.7m in 2023/24 even after assumptions on additional funding raised from general council tax increases and the social care precept. After over a decade of making savings and achieving additional income to balance the budget there is limited scope to achieve future savings particularly given the increased demand pressures in adults and children's services. Whilst Government has started to acknowledge some of these pressures any additional funding which has been provided has failed to keep pace with these demand pressures.

- 1.6.2 In addition, the impact on the Council's finances that the recently announced Social Care White Paper on the future funding arrangements for personal social care, will need to be clarified and quantified as the mechanics of the scheme become clear.
- 1.6.3 It is therefore crucial that the proposed Finance and Change Programme delivers traction and is bold and ambitious enough to deliver at pace recurrent budget savings. More details of this Programme are included in Section 5 of the report.

1.7 Summary

- 1.7.1 The Council has a strong track record of developing and delivering robust financial plans. This is against a continued very challenging fiscal backdrop, which has seen concerns raised about the financial sustainability of many high-profile councils, requiring specific government intervention.
- 1.7.2 Although the Council is facing some in-year pressures, Executive agreed appropriate management action in year in order to bring the budget back into balance for 2021/22. This is starting to address the in-year position with the latest monitoring information showing a projected overspend of £1.44m, a reduction of £1.0m on the previous position. However, a risk remains which may require calling on some of our reserves set aside for this purpose in 2021/22.
- 1.7.3 The current assessment is that, whilst the proposals in this report will secure a balanced budget position for 2022/23, Trafford like other local authorities faces serious concerns in achieving a sustainable budget position beyond next year. The Council has historically had a reliance on some key income streams from both its strategic investments and asset investment strategy but the reliability of these is now under stress due to the ongoing impacts of the pandemic and the wider economic recovery. The MTFP, whilst reflecting the current impact of this, will need to be updated during the year and this could result in some in year pressure particularly if income streams cannot be maintained.
- 1.7.4 The proposals set out in this report can secure a robust budget for 2022/23 but do require a use of reserves to enable a balanced budget to be presented; this is not sustainable beyond 2022/23 and reserves cannot be used to avoid the requirement for permanent savings.
- 1.7.5 Reserves, whilst relatively low, are adequate for the risks we face and allow for support to the medium-term plan and finance and change programme as set out in the report. However, reserves are a one-off source of funding and the Council needs to make permanent reductions in its net expenditure, with significant progress needing to be made during 2022 through the developing Finance and Change Programme. Without significant progress during 2022, there will be a significant challenge to the Council in being able to present a robust budget beyond 2022/23.
- 1.7.6 In respect of the capital programme, I am confident that the plans outlined for capital investment over the next three years can be funded through available capital receipts and resources.
- 1.7.7 More details on the robustness of the budget plans are included in this report and specifically Section 7 which provides details on the major financial risks facing the

Council and projected reserve levels and Section 5.3 which provides further details in the Finance and Change Programme.

1.8 Conclusion

1.8.1 This statement is not a guarantee that expenditure will be contained within each budget line as the nature of the Council's business means that some services will be placed under financial pressure at various times throughout the year. Therefore it is an assessment of the overall budget package and whether there is a reasonable expectation that the budget overall will not be breached. On the basis of the above-mentioned financial planning and monitoring processes and risk assessment of the budget, the Section 151 Officer is able to report (in accordance with section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget for 2022/23 are robust and the recommended level of earmarked reserves and balances are adequate.

1.8.2 In addition, the Section 151 Officer recommends ;

- (in accordance with Section 26 of the Local Government Act 2003) the minimum level of general reserve be set at £9.5m (a £1.5m increase in General Fund Reserve) for 2022/23
- a continuation of the £1.5m temporary COVID-19 contingency budget for a further 12 months to cover potential unknown moderate risks, such as a shortfall in Sales, Fees and Charges income.

2 Budget Approach and Process

2.1 Budget Approach 2021/25

- 2.1.1 The budget for 2021/22 was set at the height of the COVID-19 pandemic and this past year has seen local government at its best. Almost overnight, the way the Council had to deliver services and support changed at the start of the pandemic and the Council has continued to adapt to evolving events as the country responds to an ever changing national and local scene. There remains a significant impact on the way Council services are delivered and there are subsequently many financial challenges it faces.
- 2.1.2 Alongside our efforts to deal with COVID-19 have been our plans to build back better. The Council is determined that, as we emerge out of this pandemic, the future should be bright for everyone in Trafford – residents, businesses and communities alike.
- 2.1.3 The Corporate Plan is a living document and was approved by the Council in 2018. In 2021 given the COVID-19 recovery and response impacts, it was considered timely to review our strategic priorities and the kind of council we want to be to ensure that the vision and priorities were still relevant. We need to acknowledge the changing role of Voluntary, Community, Faith and Social Enterprise (VCFSE) groups, and the invigorated partner working that had occurred. The pandemic has also highlighted the emerging and new ways of delivering our health and social care services as well as the need to focus on supporting digital services and reducing inequalities.
- 2.1.4 The review of the Corporate Plan included mapping both the Council’s emerging priorities as well as the Greater Manchester priorities to ensure alignment.
- 2.1.5 In November 2021 the Executive approved a refreshed Corporate Plan – Our Trafford, Our Future, setting out the Council’s strategic vision, outcomes and priorities for the borough.
- 2.1.6 The new vision for Trafford is:
- ‘Trafford - where all our residents, communities & businesses prosper’***
- 2.1.7 The key outcomes are:
- All our residents will have access to quality learning, training and jobs ;
 - All our communities will be happy, healthy and safe;
 - All our businesses and town centres will be supported to recover and flourish for the benefit of everyone.
- 2.1.8 Revisiting the Corporate Plan and strategic priorities also provided the opportunity to review our performance framework to be more data led and outcome focused. We will continue to look at key performance indicators and increased visualisation methods; using dashboards and case studies to ‘tell the story’ and the impact to the borough. The refreshed priorities and performance indicators which will measure success against the Plan include:-

- **Reducing health inequalities:** Working with people, communities and partners, particularly in deprived areas, to improve the physical and mental health of all our residents. Performance measures include:-
 - Improve % of 'social value' spending (as % of total tendering/contracting)
 - Improve number of housing completions
 - Reduce the % of children who are classified as obese
 - Reduce the % of adults who are classified as overweight or obese
 - Percentage of adults who are active (increase)/fairly active/inactive (decrease)
 - Improve the % of children who are active
 - Reduce the under 75 mortality rate from causes considered preventable (per 100,000 population)
 - Improve the healthy life expectancy (by deprivation and gender)
 - Reduce the proportion of five year old children with experience of visually obvious dental decay
 - Reduce the depression (recorded prevalence age 18+)
 - Reduce smoking in routine/manual workers vs general population (inequality in smoking rates)

- **Supporting people out of poverty:** Tackling the root causes to prevent people from falling into poverty, and raising people out of it. Performance measures include:-
 - Reduction in those receiving Universal Credit and the Claimant Count
 - Number of people prevented from becoming homeless
 - Improve the number of affordable housing completions
 - Reduction in % of children in poverty
 - Maintain the low level of 16-17 year olds who are not in education training or employment (NEET)
 - improve the number of people being rehoused (from Trafford's housing waiting list)
 - Reduce % of households fuel poverty levels
 - Improve overall employment rate (aged 16-64) (%)
 - Improve school readiness (free school meal status)
 - Improve employees paid at/above real living wage

- **Addressing our climate crisis:** Reducing our carbon footprint and tackling the impact of climate change. Performance measures include:-
 - Reduce borough wide CO2 emissions (kilotonnes)

- Reduce corporate CO2 emissions (kilotonnes)
- Increase number of electric charging points per 100,000 population (Absolute)
- Improve percentage of household waste which is collected for recycling
- Improve number of staff trained in carbon literacy
- Reduce vehicle miles travelled on roads in Trafford (millions)Xxx
- Reduce number of licenced vehicles with Trafford addresses
- Increase number of licenced Ultra Low Emission Vehicles with Trafford addresses (Number registered at year end)
- Improve proportion of Energy Performance Certificates (EPC) registered to Trafford addresses that are A,B or C
- Reduction in annual mean concentration of nitrogen dioxide
- Reduce household waste not sent for recycling (Tonnes)

2.1.9 Trafford's recovery plan continues to be updated to reflect the changing circumstances caused by the pandemic. It is designed to support our strategic priorities while building on the momentum and positive experience of collaborative action and care shown by those involved in meeting the evolving needs of residents and businesses impacted by COVID-19. The work delivered through recovery is aligned to and will accelerate the ambitions set out in the refreshed corporate plan.

2.1.10 A Trafford Partnership Recovery and Renewal Strategy is now adopted with a joint action plan based around the four themes of:

- Business Recovery;
- Employment and Skills;
- Children and Young People; and
- Living Well in the Community.

These themes have one central focus - job creation and development – helping people to get on in life by improving their skills, obtaining employment, assisting business, and investment. Digital skills, greenspace, carbon neutrality and sustainability run throughout the action plan and are at the root of everything we do.

2.1.11 It is acknowledged that our people are our greatest asset and throughout the pandemic have demonstrated our EPIC values in the ways they have worked and risen to the challenge of change. This has been achieved despite experiencing personal changes and continually balancing the conflicting priorities presented by COVID-19. Our key values are:-

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

2.1.12 It is essential that we do not lose sight of our key ambition and objectives for 2022/23 and beyond and the budget proposals remain closely aligned to these. These include:-

- Implementing the carbon neutral framework action plan and Clean Air Plan to deliver net zero emissions, and with the other GM authorities and the GMCA undertake the activities required to implement the clean air plan, improving air quality across the Borough.
- Continuing the strategic regeneration for the Civic Quarter and Stretford town centre.
- Progressing the development of new housing on Council land including Sale Magistrates Court site, and Lumina Village, the former Kellogg’s headquarter site, owned jointly with Bruntwood.
- Advancing the Asset Investment Strategy.
- Reviewing the One Trafford Partnership contract - to progress how the delivery of these services could be improved to meet agreed standards.
- Continuing to respond to the consequences of Brexit.
- Progressing “living well in my community” - supporting and educating Trafford residents, working with them to ensure that they can live a happy healthy life with the access to the services that they need at the right time by developing a place-based community model that can respond to local resident’s needs.
- Developing “living well at home” – to provide a range of support to enable people to live fulfilling independent lives in their own homes (and other home-settings) for as long as possible.
- Advancing “a step closer to home” – to ensure that there is a range of services that will wrap round our residents when they need additional support, enabling people to both stay in their normal place of residence when they need additional care and supporting people to leave hospital.

- Progressing “a short stay in hospital” – delivering a number of programmes that will aim to address a number of challenges which will need to be managed at a locality, system and national level in order to run an efficient and safe service that does not create health inequalities.
- Continuing with ‘A Framework for Change’ – the review of all our Legal and Governance Services and exploration of opportunities for developing shared services and alternative business models in order to better support and protect the Council in the delivery of its objectives.
- Reviewing our libraries and cultural provision across Trafford - to understand what it takes to facilitate and create a quality and diverse cultural experience that has a lasting impact on people’s lives and the communities they live in.
- Enhancing our approach to Social Value across the Council.
- Progressing the Ofsted improvement plan and modernising Children’s Services to ensure collaborative high quality service delivery that makes a difference.
- Promoting the learning of all our children and support especially for our most vulnerable children where learning has been lost as part of COVID-19.
- Continuing to develop our People Strategy – by focussing on our people with specific attention on how we attract and retain great talent within Trafford Council. We will seek to develop career pathways and create opportunities for continued professional development ensuring that Trafford is a place where career ambitions can be achieved.
- Supporting employee wellbeing - continuing to be a key area of focus and our commitment to support colleagues to have a balanced home and working life will remain a priority. We recognise that in the current COVID-19 climate colleagues are facing new and different anxieties and worries and as such we will ensure that we continue to offer a range of interventions to support colleagues to maintain good mental and emotional health.
- Enhancing our Traded Services – by being commercially competitive and developing and enhancing our range of commercial services to schools (and more broadly) we will seek to review all current contracts and engage new clients in the process.
- Enhancing the borough wide Trafford Partnership - working with Trafford Partnership as part of the recovery strategy to ensure our residents, businesses and communities achieve their potential, particularly those who have been impacted more than others by COVID-19.
- Refreshing and delivering the financial strategy in light of the Spending Review and COVID-19 – to set a new financial strategy for 2022/23 and beyond that addresses the long term budgetary impact of COVID-19.

- Developing the Digital Strategy and investing in new technology – ensuring that digital innovation is at the heart of service changes. This digital strategy will build on the innovation at pace during the first phase of the COVID-19 pandemic and will allow more services to be delivered on line and will enhance customer experience and create an increasingly agile workforce.
- Progressing the modernisation programme and remodelling of services – to rethink the way we deliver our services through to co-design and co-produce our future service delivery.
- Maintain progress to the Ethical Care Charter and in particular the commitment to the Real Living Wage. This will initially involve progressing towards Real Living Wage Accreditation, which is a formal declaration of intent and will enable engagement with suppliers. The financial impact of this ambition will be considered as part of future MTFP proposals.
- Deliver the refreshed Corporate Plan and Strategic Priorities.

2.1.13 With this framework as the context, the budget proposals have been developed. A robust MTFP will allow the Council to work towards the achievement of these goals. The medium-term plan is underpinned by a number of key principles which are currently under review and which will be developed as part of the Finance and Change Programme – see section 5.3.

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

2.1.15 However, it must be said that the scale of the challenge for 2022/23 represents yet another significant budget gap the Council has had to address and, after many years of austerity, budgeting will place an immense strain on the Council's finances.

2.1.16 A full review of all assumptions used in developing the budget plans has been undertaken, to ensure they are still relevant and up to date, including a review of all continuing savings programmes. To bridge the budget gap for 2022/23, a number of new savings proposals have been identified and business cases developed.

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

2.1.18 The draft budget for 2021/22 was agreed by the Executive on 11th October 2021 and set out the overall approach to the budget to address a budget gap of £43.62m in the revenue budget over the next three years, of which £21.75m related to 2022/23.

2.1.19 At draft budget in October 2021 a number of income generation and savings proposals totalling £5.52m were identified and assumptions were made on

increases to the rate of council tax and use of reserves. At that stage a budget gap of £4.65m remained in 2022/23.

<i>Summary of the Budget Proposals</i>	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Revised Gross Budget Gap (Oct 21)	21,752	11,334	10,529
Policy Choice Funding Proposals			
General Increase in basic Council Tax to 1.99% (*)	(2,183)	(2,289)	(2,400)
Reinstate Social Care Precept increase 2.0% (*)	(2,296)	(2,356)	(2,412)
Contribution from Budget Support Reserve to Support COVID-19 Pressures	(7,097)	7,097	0
Total Policy Choice Funding	(11,576)	2,452	(4,812)
Savings and Income proposals	(5,523)	(2,836)	(1,796)
Revised Budget Gap (Oct 21)	4,653	10,950	3,921

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

- **Section 3** – Review of the Financial Background for Local Government, including the Spending Round and Provisional Local Government Finance Settlement
- **Section 4** – Review of the current year budget monitoring position
- **Section 5** – Budget Update including the changes to the budget pressures and funding assumptions since draft budget and how the budget gap is met for 2022/23
- **Section 6** – Proposed Budget 2022/23 – 2024/25
- **Section 7** – Budget robustness and review of risks and update on the planned application of reserves
- **Sections 8** – Schools Funding and Budgets
- **Section 9** – Council Tax Requirement and Statutory Calculations

2.2 Consultation

2.2.1 In order to assist the evaluation of the budget proposals and to ensure that the Council is sufficiently informed to enable it to meet its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) have been carried out to ensure that due consideration was given to those with the protected characteristics

and to identify the likely impact of the proposals on each of these groups for the savings measures included in the report.

- 2.2.2 The Council has undertaken consultation on the budget proposals where relevant. The outcome of the consultation has been considered as part of these budget proposals and has resulted in no change to the draft proposals. Further details of the consultation are shown in Annex K.
- 2.2.3 A number of the proposals involve staff, notably an early retirement/severance scheme and terms and conditions changes have been undertaken on a voluntary basis.

2.3 Scrutiny Review

- 2.3.1 The Scrutiny process for the budget was undertaken across three different sessions in November and December to look at the budget plans, key assumptions, risks and challenges and covered:-
- Session 1 – Review of all budget assumptions included in the draft budget proposals
 - Session 2 - Review of the Place Directorate, Investment Strategy budget, impact of Covid-19 and a review of Council reserves
 - Session 3 – Review of the budgets for Adult Services and Children’s Social Care.
- 2.3.2 All sessions were attended by relevant Executive Members and senior officers to give background to the budget proposals and answer questions.
- 2.3.3 Scrutiny Committee comments were submitted to the Executive on 24 January 2022 in the Overview and Scrutiny Review of the Executive’s Draft Budget Proposals for 2022/23 report.
- 2.3.4 The Committee recognised the challenging financial position and the risks faced by the Council and a number of updates were requested from the Executive to support their work over the coming year, including:-
- An update on the in-year budget deficit and details of any contingency plans in place to address any shortfall in savings at its March 2022 meeting;
 - Regular updates on the use of Reserves at its meetings during 2022/23;
 - That recruitment and retention of social workers and foster carers, particularly regarding support provided by the Council, be a key priority for the Council within the refreshed Corporate Plan.
 - That the Children and Young People’s Scrutiny Committee be consulted on the reduction of external placements and receive updates on implementation.
 - That the economic risks identified by budget Scrutiny be reported by exception to the relevant Committee during the 2022/23 municipal year.
 - Further updates on the work undertaken to address delayed discharges of care.

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

3 FINANCIAL BACKGROUND

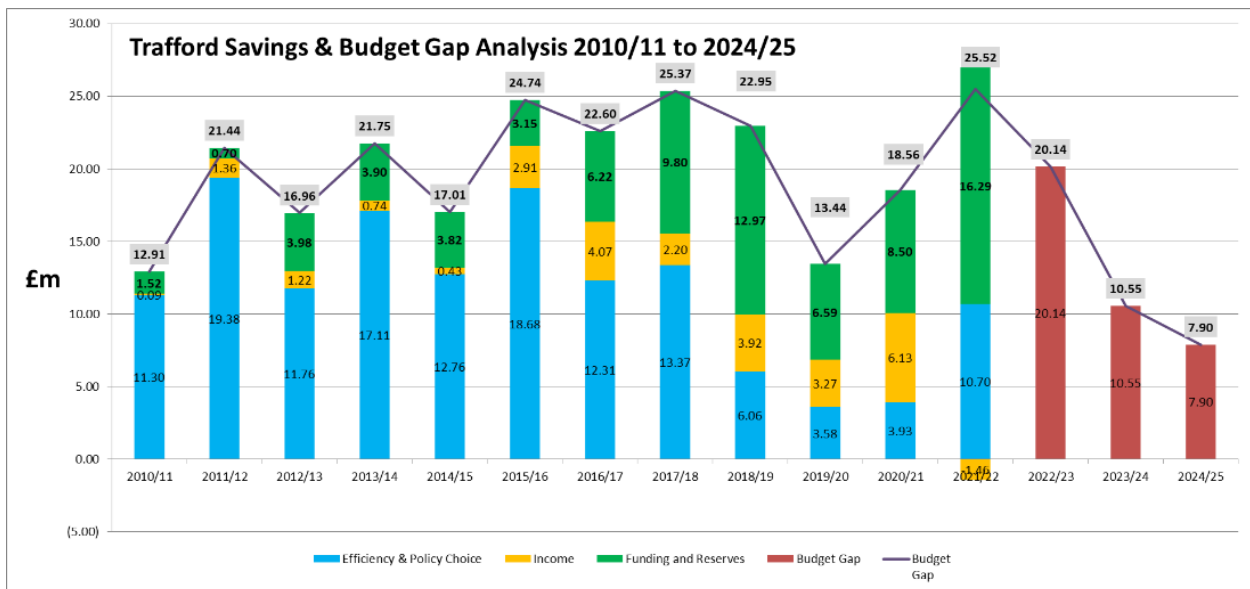
3.1 Background

3.1.1 Since 2010 Local Government has faced substantial reductions to overall funding as part of Government plans to reduce fiscal deficits resulting in a £15bn real terms reduction to core government funding between 2010 and 2020.

3.1.2 Alongside reductions in funding, local authorities have had to deal with growth in demand for key services, most notably adults and children’s social care; this demand is expected to continue. Other pressures have also been faced including higher national insurance contributions, inflationary pressures on goods and services, the apprentice levy and the National Living Wage. In addition to the business as usual pressures, the Council has also faced additional demand on services and loss of income as a result of COVID-19.

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

3.1.4 By 2022/23 the total value of budget gaps caused by the expenditure pressures and funding reductions since 2010/11 to 2021/22 was £243.25m. There is a further forecast gap for the next three years of £38.59m, of which £20.14m relates to 2022/23.



3.1.5 The future gap of £38.59m poses a significant risk for Trafford due to the comparably low levels of funding as well as low levels of spend, making future savings and efficiencies difficult:

- Trafford receives the lowest funding per head of population across all greater Manchester authorities based on Core Spending Power at a rate of £746.88 for 2022/23 compared to a GM average of £890.75
- Low level of council tax – Despite the proposal to increase council tax by 2.99% in 2022/23, Trafford will still maintain lower than average council tax rates. Currently, Trafford has the second lowest across all Greater Manchester Authorities and would remain the second lowest if Trafford increased council tax by 2.99% whilst all other authorities remained static.
- Low spend per head of population – Trafford has the lowest total expenditure per head of population across all GM authorities and 5th lowest across all metropolitan authorities at £1,368.82.
- If Trafford received the same funding per head as its GM neighbours it would benefit from an additional £34.2m.

3.2 Events during the year impacting the budget

3.2.1 Spending Round 2021

3.2.2 The Chancellor announced the Spending Round on 27th October 2021 and included headline numbers for government departmental spending for the three years 2022/23 – 2024/25. Whilst the multi-year spending round was welcomed news, there remained some uncertainty around future funding streams and distribution methods. The main national headlines included:-

- £4.8bn increase in Local Government grant funding over the next 3 years (£1.6bn in each year).
- Additional funding will be made available for social care reform (£3.6bn over 3 years to implement “the cap on personal care costs and changes to the means test”).
- £1.7bn will be allocated over 3 years to improve the wider social care system. £500m will be made available to “improve” the social care workforce
- Core Spending Power (CSP) will increase by £8.5bn (3% real terms growth), of which £4.8bn is new grant and £3.7bn from additional council tax.
- CSP includes an assumption local authorities will increase Council Tax by the core 2% and a further 1% for the adult social care precept.
- No new funding was announced for ongoing COVID pressures within local government.
- No announcements on the Fair Funding Review

3.2.3 Local Government Provisional Finance Settlement

3.2.4 The 2022/23 Local Government Finance Settlement was announced on 16th December 2021. At a headline level the provisional settlement reiterated the figures highlighted from the October spending round with the main headlines being:-

- The Council Tax referendum limits for local authorities are in line with those outlined in SR21. There will be a core council tax referendum principle of up to 2% for unitary authorities; and an adult social care precept of 1% on top of the core principle;
- Rolling over the current approach to the New Homes Bonus worth £554m.
- Increasing the Revenue Support Grant in line with inflation; an increase of £70m.
- Increasing the Public Health Grant by 2.81%.
- A one-off 2022/23 Services Grant worth £822m that will be distributed through the existing Settlement Funding Assessment. The grant allocation method was stated as one off, although it was indicated that the funding will remain in future years.
- £636m increase in the Social Care Grant.
- £162m in Adult Social Care reform funding will be allocated in 2022/23 to support local authorities as they prepare their markets for adult social care reform and to help move towards paying a fair cost of care.
- Maintaining the Lower Tier Services Grant at £111m with an updated cash terms funding floor
- Keeping the Rural Services Delivery Grant at £85m.
- Improved Better Care Fund increased by inflation +3.02% (September CPI)

3.2.5 The local government finance settlement was met with some disappointment due to the lack of clarity given to local authorities over future years budgets with only 1 year being announced. Furthermore, whilst the additional grants announced was welcomed news, this will merely support the increase in National Insurance and National Living Wage. It will however be insufficient to cover the pressures felt by inflationary increases

3.2.6 **Core Spending Power** - The headline funding measure used by Government to reflect changes in overall funding is called the Core Spending Power (CSP) which includes all the key funding streams available to a local authority. CSP will increase from £50.4bn to £53.9bn (6.88%) in 2022/23

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

Core Spending Power	2021/22 £m	2022/23 £m
Settlement Funding Assessment	41.833	42.002
Section 31 BR compensation grants	1.898	2.992
Council Tax	106.963	110.514
Improved Better Care Fund	7.983	8.224
New Homes Bonus	1.078	1.292
Social Care Support Grant	6.516	8.989

Market Sustainability and Fair Cost of Care Fund	0.000	0.638
Lower Tier Services Grant	0.266	0.280
2022/23 Services Grant	0.00	2.511
Total	166.54	177.44
% Increase		6.55%

3.2.8 Trafford's increase is £10.9m or 6.55% (2021/22 £166.5m to £177.4m in 2022/23) which is driven by the relatively high council tax-base and assumes authorities will take advantage of the full extent of the council tax referendum principles outlined below.

3.3 Outlook of Spending Review and local government finance settlement

3.3.1 **Fair Funding** - The Ministry of Housing, Communities and Local Government (MHCLG) has announced a delay in the fair funding review for local government, which will include a complete review of the relative needs and funding required by different councils to fund their services. The new methodology will be now be effective from 2023/24.

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

An announcement following the Spending Round has confirmed that the GM 100% Pilot will continue in 2022/23 and the full reset of business rates baselines, originally expected for 2020/21, is to be postponed and is now likely to take place in 2023/24. At the time of setting the budget an assumption was made that the reset would take place in 2024/25. Although this is positive news for Trafford as any reset will put at risk the majority of the benefit the Council currently receives from business rates growth rewards, there is a significant risk associated with the financial reliance of business rates.

The 12 members of the GM and Cheshire pool were invited to re-join the business rates pool from 2022/23, however all members have agreed that the pool should remain disbanded as in 2021/22. Trafford will remain as an individual authority for the purposes of the business rates retention scheme, but will still be part of the Greater Manchester 100% retention scheme.

The Spending round made a number of announcements regarding business rates including:

- Freezing the business rates multiplier in 2022/23, authorities will be compensated for any loss in income
- Extension of the one year Retail, Hospitality and Leisure relief (50% relief subject to £110k cap), and support for investment in property improvements and green technology.

- Confirmation that rateable values will be revalued in 2023 and triennially thereafter

The local government provisional finance settlement confirmed the COVID-19 Additional Relief Fund (CARF) of £1.5 billion, previously announced on 25 March 2021. The fund will be available to support those businesses affected by the pandemic but that were ineligible for existing support linked to business rates (e.g. non retail). Authorities are able to grant relief using discretionary powers, and the guidance asks them to design and adopt a local scheme. The government will fully reimburse the cost of the relief within a cash cap grant for each local authority. Trafford's allocation is £6.4m

- 3.3.3 The overall benefit from business rates growth supporting the Council's 2022/23 budget is £13.4m as detailed in Annex C. This is an increase of £6.1m from the 2021/22 levels, and includes an assumed recovery of £3.5m from the one off impact of the pandemic built in to the 2021/22 budget.
- 3.3.4 There still remains uncertainty over the level of funding that will be available from 2023 due to the reset to business rate baselines and a redistribution of the funding formula and the overall reserves strategy as outlined in these budget proposals recognises this risk.
- 3.3.5 **Adult Social Care Reform** – the government announced plans to reform adult social care in September 2021 and later released the Social Care white paper in December 2021. As a result of these reforms, local authorities will incur additional costs due to changes in the contribution an individual will make towards their costs. This means that local authorities will have to fund a greater proportion of care costs that are currently paid for by self-funders. Further to this there will be an increase in costs due to market equalisation as self-funders will be able to ask their local authority to arrange care on their behalf so that a better value of care can be sought.
- 3.3.6 In an attempt to compensate local authorities for these additional costs, a number of new grants were announced as part of the settlement and Social Care white paper totalling £5.4bn over the next three years, in addition to funding to stabilise the provider market. Most of this increase in resources will be funded by an increase in National insurance contributions:
- £3.6bn to fund the cost of the social care reforms, including:
 - £2.2bn over 3 years to cover the cost of the cap and means testing
 - £1.4bn over 3 years for the fair cost of care/market sustainability
 - £1.7bn to improve the wider social care system, including the quality and integration of care. The white paper gave further details of how this will be used, including:
 - At least £300m to integrate housing into local health and care strategies
 - £150m of additional funding to drive greater adoption of technology and achieve widespread digitisation
 - £500m for the social care workforce

- £570m for Disabled Facilities Grants
- Up to £25m to support unpaid carers
- £30m to help local areas innovate around the support and care they provide in new and different ways
- £5m to pilot new ways to help people understand and access the care and support available
- £70m to increase the support offer across adult social care to improve the delivery of care and support services
- Continue to invest in the Care and Support Specialised Housing funding with £210m available over the next 3 years.

3.3.7 **Council Tax** - As previously set out in the 2021 Spending Review, to allow Local Authorities to increase their Council Tax by up to 2% without the need to hold a referendum i.e. allow a 1.99% general increase in the 'relevant basic amount'. This budget report includes for a 1.99% increase in 2022/23 and a further 1.99% for 2023/24 and later years.

3.3.8 For local authorities with social care responsibilities continuation of the flexibility offered by the use of the 'adult social care precept' by allowing an additional 1% increase of Band D precept. This budget report includes a 1% increase for 2022/23 and 1% for years thereafter.

3.4 Summary

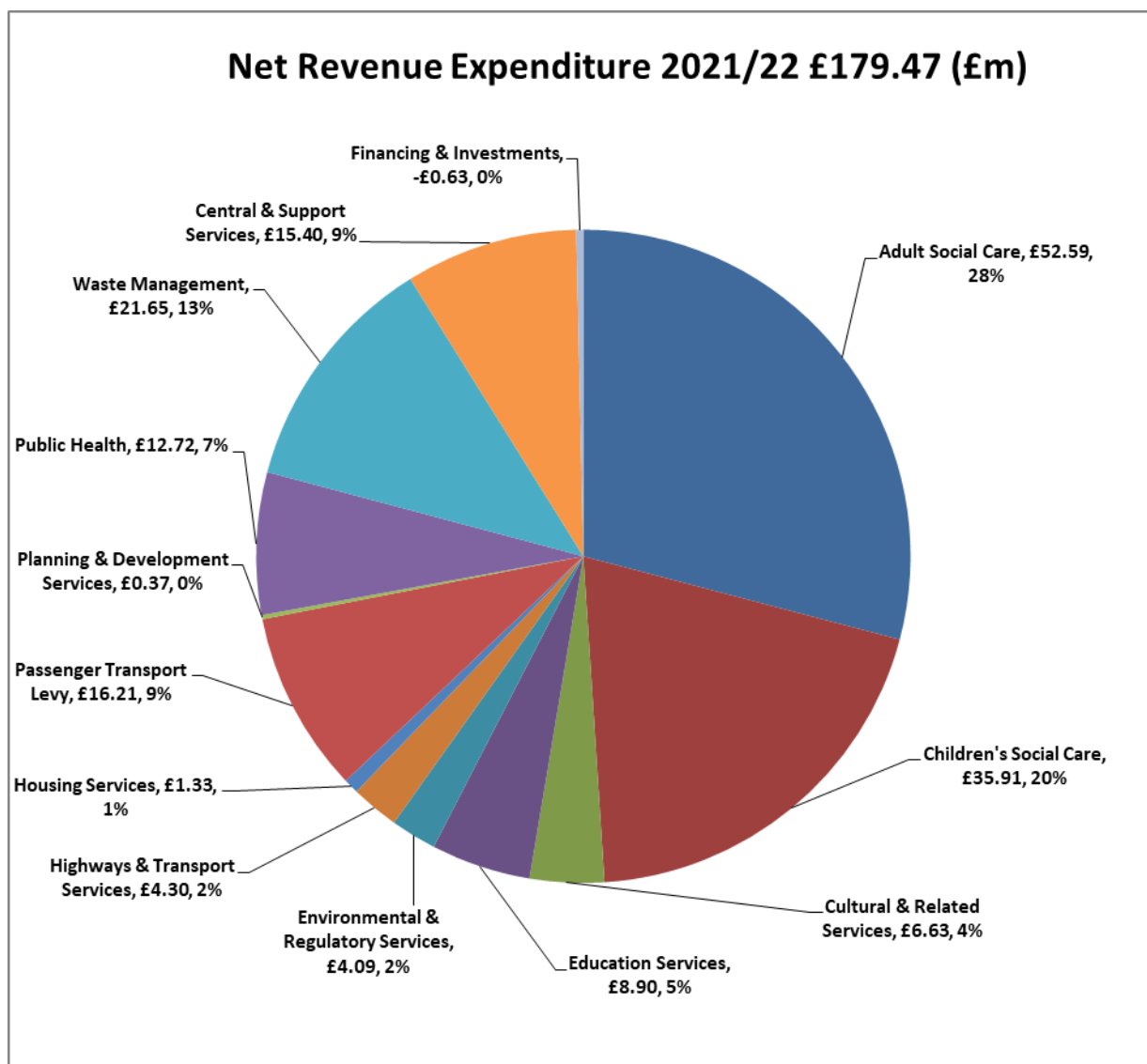
3.4.1 On the surface, the spending review appears to be a positive one with a sizeable increase in funding alongside delays in the business rates reset and fair funding review. However the increased investment does not go far enough to address the increased cost of national living wage, social care National Insurance levy and inflation. This, coupled with the uncertainty of a 1 year settlement and financial impact of the social care white paper, makes planning the future budget exceptionally difficult.

3.4.2 Further more, current budget assumptions estimate that the business rates reset will occur in 2024/25. Whilst no announcement has been made on the date of this review, current indications are that the review will begin in 2023/24. If the reset is implemented before 2024/25 there will be a negative impact on the budget.

4. 2021/22 BASE BUDGET & MONITORING POSITION

4.1. Base Budget 2021/22

4.1.1. The approved net budget for 2021/22 is £179.47m and is allocated across service areas as shown in the chart below



4.2. Revenue Budget Monitoring 2021/22 Period 8 (November 2021)

4.2.1. Detailed below is a summary breakdown of the service and funding variances against budget as at November 2021.

Table : Budget Monitoring results by Service	2021/22 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	42,456	43,335	879	2.07%
Adult Services	52,520	52,987	467	0.89%
Public Health	12,494	11,612	(882)	(7.06)%
Place	31,132	32,321	1,189	3.82%
Strategy & Resources	5,540	5,199	(341)	(6.16)%
Finance & Systems	7,683	7,867	184	2.39%
Governance & Community Strategy	6,159	6,392	233	3.78%
Total Directorate Budgets	157,984	159,713	1,729	1.09%
Council-wide budgets	21,488	21,196	(292)	(1.36)%
Net Service Expenditure variance	179,472	180,909	1,437	0.80%
Funding				
Business Rates (see para. 22)	(62,459)	(62,459)	0	
Council Tax (see para. 19)	(105,869)	(105,869)	0	
Reserves Budget Support	(2,803)	(2,803)	0	
Reserves to Support COVID-19	(8,341)	(8,341)	0	
Funding variance	(179,472)	(179,472)	0	0.00%
Net Revenue Outturn variance	0	1,437	1,437	0.80%
Dedicated Schools Grant	150,236	152,212	1,976	1.32%

4.2.2. Although the estimated outturn is still showing a sizeable adverse variance of £1.44m, it is encouraging to see a favourable direction of travel resulting during the year. More details are included in the Period 8 monitoring reported to Executive on 24th January 2022.

4.3. Impact on Future Years

4.3.1. Despite continuing efforts to control expenditure and uncertainties in the forecasts, there are a number of areas where evidence of pressures in 2021/2022 are sufficiently robust to provide additional resource. Therefore the budget plans for 2022/23 have been bolstered by new investment in the following areas:-

- Children's Services - £0.5m – to reflect the increase in complexity of cases; a reduction of £0.5m since the draft budget to reflect an improvement in the the latest forecast case profile.
- Adults Services - £1.0m – to reflect risk of a budget shortfall when the one off resources for COVID-19 care costs pressures included in the 2021/22 budget are reversed in 2022/23; No change since draft.

- Savings Programmes unlikely to be delivered in 2021/22 relating to adults services of £0.586m and £0.321m in Place Directorate; An increase of £321k since draft budget.
- The additional net costs relating to the provisional Local Government Pay Award at £0.1m; No change since draft budget.
- £0.33m as a prudent measure, due to uncertainties surrounding the forecast levels of income for Council Tax. This has been reduced by £0.17m since draft budget in reflection of the improved position.
- £0.5m additional resource to support the Leisure CIC from the medium term impacts of the pandemic and loss of income during the impending refurbishment programme. This is in addition to the £0.215m already included in our budget giving total recurrent resource of £0.715m; an increase of £0.5m since draft budget.
- The favourable Council Tax outturn of £1.55m will be released in 2022/23, however due to the level of ongoing uncertainty, particularly surrounding the demand for Council Tax Support in next financial year an amount of £500k will be added to a Council Tax Risk Reserve. The remaining balance of £1.05m will be used towards bolstering the budget resilience reserves to support future plans.
- The favourable Business Rates outturn of £4.35m will be released in 2022/23 and will be used towards bolstering the budget resilience reserves to support future plans.

4.3.2. The uncertainties relating to the forecast income for 2022/2023 in the areas of the Asset Investment Programme have been considered under our reserves policy in future years as described later in the report.

5. BUDGET UPDATES & PROPOSALS

5.1. This section identifies:-

- The revised budget gap for 2022/23 and later years and explains the changes since the draft budget was published in October 2021;
- The final budget proposals to address the budget gap.

5.2. Updated Budget Gap

5.2.1. In the draft budget report in October 2021 the timescale of the Medium Term Financial Strategy had been expanded from the previous three year timeframe to five years and included the financial years 2025/2026 and 2026/2027. This enabled the potential ongoing pressure of the pandemic and impacts of major changes, such as the business rate reset, to be modelled over a more relevant time period.

5.2.2. With the additional financial years added to the timeframe, the gap at draft budget was £49.86m for the period 2022 to 2027. Whilst the five year timeframe remains relevant for the strategic planning purposes, attention on the medium term must remain our priority and as such the final budget report has refocused on the three year period 2022 to 2025.

5.2.3. The budget position reported to Council in the October 2021 Draft Budget Report showed an overall gross budget gap of £43.62m over the three year period 2022/2023 to 2024/2025 with £21.75m relating to 2022/23.

5.2.4. Due to the changes announced in the Spending Review, the Provisional 2022/23 Local Government Finance Settlement and pressures and updates to policies, assumptions and estimates, the gross budget gap for the three years has now reduced by £5.0m to £38.59m.

5.2.5. In respect of 2022/23 the overall gap moved from £21.75m to £20.14m, a reduction of £1.62m.

5.2.6. Details of the improved position of £1.62m are included in the following paragraphs, however in summary the significant movements since draft relate to :-

- £1.5m additional provision for demographic growth and pressures within Adults care budgets
- £1.42m addition in adults services budget related to increased Fair Price for Care in Adults service provision, to cover the increases in National Living Wage, Inflation and National Insurance Social Care Levy. This brings the total increase for Fair Price for Care in 2022/23 to £3.5m
- £700k related to increase costs of National Insurance Levy for Trafford's staff.
- Additional Government grant support towards meeting part of the above investment, consisting of £638k Market Sustainability and Fair Cost of Care Grant, £2.51m Services Grant and £2.47m Social Care Grant.

- £500k additional investment in our Leisure CIC, supporting these vital facilities through the impact of the pandemic and refurbishment programme.
- £321k related to 2021/2022 savings programme which will not be achieved.
- £214k increase in the New Homes Grant
- an improvement of £188k related to income from Council Tax and Business Rates.
- £33k of other movements.

5.2.7. A full breakdown of the changes to the gross budget gap from Draft to Final are detailed in Annex B and summarised below :-

	2021/22	2022/23	2023/24	Total
<i>Budget Gap</i>	(£'000)	(£'000)	(£'000)	(£'000)
Gross Gap at Draft Budget (Oct 21)	21,752	11,334	10,529	43,615
Movements in Budget Assumptions	(1,067)	907	549	389
Movements in Funding	(548)	(1,689)	(3,179)	(5,416)
TOTAL BUDGET MOVEMENTS	(1,615)	(782)	(2,630)	(5,027)
REVISED BUDGET GAP (Feb 22)	20,137	10,552	7,899	38,588
CUMULATIVE BUDGET GAP (Feb 22)	20,137	30,689	38,588	

The following paragraphs provide an update on how the pressures have changed since the draft budget was presented. These changes can be separated out into Business as Usual (BAU), COVID-19 and Funding.

5.2.8. Business As Usual Pressures :-

The significant features of the 2022/23 gap and changes since draft are detailed below with a summary of the base budget assumptions shown in Annex A:

- **Pay** – includes an amount of £3.17m in 2022/23 reflecting a 2% pay award plus an additional 1.75% for the impact of the unbudgeted 2021/22 pay award (previously assumed as a pay freeze) plus the additional costs of the National Insurance Social Care Levy relating to Trafford staff announced since the draft budget. A core provision for a 2% increase has been assumed for all other years; an impact of £6.43m over three years. **An increase of £736k in 2022/23 since draft budget.**
- **National Living Wage, Real Living Wage, NI Levy (Fair Price for Care)** - an allowance of £3.54m in 2022/23 or £8.51m over three years. This covers projected increases in the National Living Wage as announced in the 2021 Spending Review to reach the proposed target for external care staff, plus the impact of inflation and the National Insurance Levy. Since the draft budget, the

above costs have been amalgamated together under the umbrella of Fair Price for Care. **An increase of £1.4m since draft.**

- **Treasury Management Strategic Investment Income from Manchester Airport Group (MAG) and other-** prior to the pandemic the Council budgeted for £5.6m of dividend income from our strategic investments in MAG. The impact the pandemic has had on the aviation industry is well documented and although a full recovery is expected, the uncertainty of the longer term economic impact of the pandemic makes budget forecasting difficult. In order to remain prudent, the income from our MAG investments has been excluded from our three year MTFs. The 2023/24 budget recognises the loss of dividend as a recurrent pressure, as a result of the contribution from COVID-19 reserve in 2022/23 dropping out. As the situation becomes clear, both the aspiration and the assumptions on the income can be adjusted. Other Treasury Management pressures includes £0.744m over three years. **A small increase of £70k since draft budget relating to additional borrowing costs for highways investment within the Capital Programme.**
- **Inflation General and Contractual** - General Inflation relates to non-staffing budgets and had included a general allowance of 2% per annum over the three years resulting in £0.118m in 2022/23 or £0.605m over five years. Other contractual inflation has been assumed totalling £2.25m in 2022/2023 and £11.68m over five years. Changes since draft include a transfer of £0.5m held against contractual inflation now shown against the National Living Wage. **In addition, a further £360k has been included for Public Health budgets reflecting an the inflationary increase in the public health grant.**
- **Levies:** includes inflationary allowances for waste disposal, transport and Environment Agency (flood defence) of £0.335m in 2022/23 or £0.815m over five years. **No change since draft budget.**
- **Demography-** an annual budget increase to reflect the increasing pressures and number of adults and children requiring social care with £6.0m added in 2022/23 and £2.9m and £2.5m in the following two years. A total of £11.4m over three years. The higher figure in 2022/23 largely reflects the full year impact of demand pressures being experienced in the current year. An increase of £1.5m since the draft budget loaded within Adults services.
- **Income from the Asset Investment Strategy** - because some investments are due for planned repayment by third parties over the next three years this means the net returns will cease. Whilst it is anticipated that a pipeline of investment opportunities will be maintained, this does create a pressure on the budget until suitable replacement investments can be identified. At draft budget this was a total pressure of £1.1m in 2022/23 and £3.3m over five years.

The income generated from the investment programme has contributed towards the council maintaining a balanced budget over time, however the impact of the pandemic and the current volatility in the economic climate have resulted in pressures being experienced in the current year. The use of the earmarked investment reserve has helped to smooth this volatility, however given the medium term outlook and proposed changes to the MRP guidelines which are

currently being consulted on, the reliance on the income generated from the programme has been tailored down by £1.5m in 2023/24 and a further £500k in 2024/25. **An increase in pressures of £2.0m over three years but nil in 2022/23.**

- **Service Area Grants** – The draft budget assumed a zero growth in service related grants, the 2021 Spending Review announced additional resources for Adults Social Care to finance both demand pressures as well as facilitate the stabilisation of the care market and changes in the way social care is paid for as set out in the recent White Paper. Since draft budget, changes in grants over three years include £2.36m Market Sustainability and Fair Cost of Care Grant, £2.51m Services Grant and £2.47m Social Care Grant with a total additional amount of £5.62m in 2022/23. The Government has indicated that the Services Grant is a one off grant, although has indicated that the funding will remain in future years. Our plans have therefore assumed that it will continue to benefit Trafford. Other changes since draft include £214k increase in New Homes Bonus and other minor indexation movements of £51k; **resulting in a net increase in grants since draft of £5.89m in 2022/23;**
- **Other Changes** - additional pressures of £2.23m in 2022/23 or £5.34m over three years. The pressure in 2022/23 includes unachieved savings within Adults Services and Place relating to 2021/22 of £0.91m, an increase of £0.31m since draft, additional investment of £0.5m in our Leisure CIC to address both recurrent pressures due to the pandemic and loss of income arising during the proposed refurbishment programme, amendments in Adults charging policy following a change in legislation £0.25m and £0.63m added to the general contingency to accommodate potential future uncertainty. **A net increase in 2022/23 of £0.56m since draft.**

Funding Pressures

The gross budget gap includes the following changes in non-policy choice funding:

- **Collection Fund Deficit 2020/21 net benefit:** as part of the package of support measures to assist in offsetting COVID-19 costs in 2020/21 authorities were allowed to spread the estimated cost of both the Council Tax and Business Rates deficits over a three year period 2021/22 to 2023/24. These estimates were subsequently built into our medium term budget plans. When the 2020/21 accounts were closed, the actual deficit was lower by £1.88m for Council Tax and £1.97m for Business Rates. These one off positive movements have now been included in our income assumptions and have been released over two financial years 2022/23 and 2023/24 with £1.93m in each year. **No change since draft.**
- **Collection Fund Council Tax :** At the time of the draft budget, due to uncertainty in the Council Tax forecasts such as the end of the Government's Job retention scheme, the levels of Council Tax Support and the end of the local Council Tax Hardship scheme, an ongoing pressure of £0.5m was included in or plans for 2022/23. Uncertainties surrounding the wider economy continue to be faced, however as a result of improved collection of historic debt in 2021/22 of which

£0.5m has been set aside in an earmarked risk reserve, the ongoing pressure has been revised downwards resulting in a which **positive movement of £0.17m since draft.**

- **Business Rates Review** – The Council had a budget for Businesses Rates of £62.46m in 2021/22 which included an estimate for growth of £8.4m and a one off reduction of £3.49m relating to the impact of the pandemic in 2021/22. The figure also included the estimate of the 2020/21 rates deficit which the Government had allowed authorities to spread over three years 2021/22 to 2024/25.

The business rate reset was anticipated in 2022/23, however at the time of the draft budget was assumed to be delayed until 2023/24. The 2021 Spending Review did not add any further detail on the timeframes for the reset, however due to the magnitude of the changes involved, the MTFS has been amended to show a reset in 2024/25 at the earliest. This delay has seen a benefit of £1.68m and £3.17m in 2023/24 and 2024/25 over our draft budget assumptions.

A number of changes announced in the Provisional Settlement have **resulted in a minor benefit of £18k relating to Business Rates in 2022/23 plus a further £360k increase in the Public Health Grant element included in the baseline funding.**

Annex B gives details of the separate components of the rates budget.

- **Fair Funding Review** – Prior to the pandemic the Government had announced a review of the method of distribution of resources across local government under the Fair Funding Review. This review has been delayed due to the pandemic and was expected in 2023/24. No further detail was made at the Provisional Local Government Based other than a consultation exercise will take place in 2022. **Therefore no change since draft budget.**
- **Reserves** - Use of reserves to support the budget in 2021/22 amounted to £11.14m made up from £2.80m Budget Support Reserve and £8.34m COVID-19 General Reserve; because reserves are a one-off resource this means that their removal adds to the gap in 2022/23. **No change since draft budget.**

COVID-19 Related Pressures £7.097m 2022/23:-

At the time the 2021/22 budget was prepared, an assumption was made that the pandemic would have an impact lasting for 2021/22 and 2022/23 and an approach was taken to treat COVID-19 pressures separately from Business as Usual pressures recognising their time limited nature. The use of Council reserves, along with non-recurrent Government support would be used to support the impact of these pressures.

Our previous medium term budget plans assumed net COVID-19 pressures of £8.3m in 2021/22 and £7.1m in 2022/23. The pressure in 2022/23 related to the ongoing loss of the Manchester Airport Dividend of £5.6m plus a general contingency budget of £1.5m.

The Council continues to monitor the impact of the pandemic on a monthly basis and at the time of the draft budget, additional resources had been added to the business as usual base budget for items such as additional demand in Adults social care. As time has progressed the separation of COVID-19 pressures from business as usual activity has become increasingly difficult. Many COVID-19 pressures have now been considered under business as usual activity.

Regular monitoring returns continue to be provided to the Government Departments which have been used at a national level to inform the debate on whether additional resources are required. The Government announced a number of support packages as a result of the recent pressures experienced as a result of the Omicron variant and it is anticipated that additional support would be forthcoming if future variants cause a similar impact.

5.3. Approach to managing the budget gap

5.3.1. The draft budget report presented the strategic principles as to how the Council intended to manage the budget gap and risks and uncertainties over the medium term. A reminder of these principles, and an update on the strategy, is as follows :-

- **COVID-19 Related Pressures** – continuation of the original strategy in 2022/23 of separating out COVID-19 pressures, where they can reasonably be identified and meeting these from reserves. There is nothing to suggest that the previous assumptions relating to those pressures purely caused by COVID-19 for 2022/23, which relate to the loss of the dividend from Manchester Airport and a £1.5m contingency budget, need to be changed at this stage.
- The temporary COVID-19 contingency of £1.5m already included in our plans for 2022/23, will be used to alleviate potential moderate risks, such as shortfall in Sales, Fees and Charges income. Other COVID-19 related risks which may cause pressures associated with Business Rates income, the Asset Investment Strategy are managed against the established specific earmarked risk reserves. In addition, since draft budget, the expectations on the level of income generated from the investment strategy have been reduced by £2.0m over the timeframe of the MTFS.

In a refinement to the draft budget proposals, the risks associated with the long term impact the pandemic has had on our Leisure CIC, will be addressed by the redirection of annual resource of £0.22m previously targeted at bolstering a Leisure risk reserve and an additional £0.50m to give a combined £0.72m investment per annum into the service budget. This resource will also be used to absorb income losses during the proposed refurbishment of the centres over the next five years.

An investment of £0.50m per annum in our existing plans, aimed at replenishing reserve levels depleted by the pandemic, will be directed towards a MTFP Budget Resilience, Innovation and Change Reserve.

The planned growth in general contingency of £0.75m per annum over the next three years also remains in place to absorb further uncertainty, as reported at draft.

- **Reserves** - The use of reserves as part of the strategy was highlighted in the draft report and a detailed review has been undertaken to assess their adequacy and availability to support the budget. The outcome of this review and the statement on their adequacy is highlighted in section 1 and 7 of this report.
- **Business as Usual Pressures** – As a result of the Government clarifying the level of funding available for local government in the 2021 Spending Review, the Council is now clear on the size of the budget gap and challenges this poses over the short term.

Although a significant part of the gap will be closed through annual increases in Council Tax, it is estimated that a balance of £18.4m over three years will remain. Given the significance of this gap, the Council must undertake a radical approach in how it will achieve a balanced budget.

5.4. Meeting the Gap

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

Summary of the Budget Proposals	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000
Revised Gross Budget Gap	20,137	10,552	7,899	38,588
Policy Choice Funding Proposals				
General Increase in basic Council Tax to 1.99%, 1.99%, 1.99%	(2,183)	(2,289)	(2,400)	(6,872)
Social Care Precept increase 1%, 1%, 1%	(1,201)	(1,165)	(1,112)	(3,478)
Contribution from COVID-19 General Reserve to support COVID-19 Pressures in 2022/23	(7,097)	7,097		0
Contribution from Budget Resilience, Innovation and Change Reserve	(4,334)	4,334		0
Total Policy Choice Funding	(14,815)	7,977	(3,512)	(10,350)
Savings and Income proposals (*)	(5,322)	(2,832)	(1,691)	(9,845)
Revised Budget Gap (Feb 22)	0	15,697	2,696	18,393

(*) Full details are included in Annex D

- 5.4.2. In order to ensure that we are able to manage the continued pressures on the Council's budgetary position throughout the period of the MTFs and to achieve a balanced budget in those years a Finance and Change Programme will be established to enhance our structured response to these issues and to provide strategic direction and proactive governance around the management of our Finance and Change programme.

5.4.3. The Finance and Change Programme will:-

- provide strategic direction and cross council working to ensure that a three year financial plan is developed aligned to the corporate priorities and strategic objectives
- deliver a structured and proactive governance arrangement that focuses on outcome delivery, benefit realisation and savings, managing interdependencies and tracking impacts to strategic priorities and delivery against manifesto pledges
- provide oversight and monitoring in one place, driving Management Information and reporting with a single view of the truth with an emphasis on best practice, continuous improvement and the building of robust relationships

5.4.4. It will be important to provide sufficient resources to provide capacity in the Programme, to be financed from budget resilience and innovation reserves. The Board will focus on

- **Service Reviews** – reviewing all services to include a financial target while giving consideration to existing strategy, the local context and previous decisions
- **Managing Service Demand**– reviewing demand led services and pressures and undertaking deep dives on key areas of spend
- **Digital First** - considering Trafford’s digital solutions to manage information/data and support service delivery
- **Budget Proposals** – assessing and analysing all new ideas and determining any quick wins
- **Asset Management** – consider the assets that are required to deliver the strategy and services

5.4.5. A high level programme timeline has been developed with activities commencing with immediate effect, including options to engage in external support if necessary. Milestone objectives will be presented back during the early part of the new financial year in preparation for the start of the first phase of the next budget round.

5.4.6. An initial savings and income programme was developed as part of the draft budget proposals and specific details are included in Annex D.

5.4.7. It is recognised that such a significant change programme will take time to deliver its objectives of a sustainable budget and the time limited use of our reserves will be considered essential in meeting the remaining gap over the next two financial years.

6. PROPOSED 2022/23 BUDGET and 2023/25 MTFS

6.1. The proposed net budget for 2022/23 is £192.221m an increase in the net budget of £12.749m or 7.1%, from £179.472m. Full subjective and objective summaries providing a breakdown of the 2022/23 net budget can be found in Annexes E & H.

6.2. An objective breakdown is shown below:-

Objective Summary The 2022-25 Budget	Final Budget February 2022		
Budget	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)
Service:			
Children's Services	44,100	45,406	46,392
Adult Services (incl. Public Health)	69,807	75,361	79,775
Place	31,003	34,067	36,335
Governance and Community Strategy	6,210	6,404	6,567
Finance and Systems	7,962	8,083	8,226
Strategy and Resources	5,189	5,776	5,744
Total Service Budgets	164,271	175,097	183,039
Council-wide Budgets	28,302	27,670	28,438
Net Budget	192,573	202,767	211,477
Funding:			
Council Tax	(112,601)	(117,133)	(122,001)
Business Rates: Local Share	(150,195)	(150,195)	(153,199)
Business Rates: Tariff Payment	95,023	94,542	96,803
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	(13,369)	(14,784)	(15,687)
Fairer Funding Assumptions	0	500	1,000
Funding	(181,142)	(187,070)	(193,084)
Movement in Reserves			
Budget Support Reserve (COVID-19)	(7,097)	0	0
Budget Resilience, Innovation and Change Reserve	(4,334)	0	0
Movement to/(from) Reserves	(11,431)	0	0
Cumulative Budget Gap	0	15,697	18,393
Annual Budget Gap	0	15,697	2,696

6.3. Whilst the budget gap has now been closed for 2022/23 the size of the challenge over the following two years remains significant. For that reason the budget process for 2023/24 will, commence immediately, supported by the Finance and Change Programme as described in the previous section.

7. ROBUSTNESS, RESILIENCE, RISKS & RESERVES

7.1. Robustness

- 7.1.1 The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). This report is presented in Section 1.
- 7.1.2 In meeting the legal obligation, the Council must demonstrate that it has set a balanced and robust budget, which is sufficient to meet its legal obligations, and then its aspirations. This requires all plans to be costed, forecasts and estimates to be checked for reasonableness, and risks to be assessed across the many varied services the Council provides. This also includes an assessment for emergencies, severe weather and other service and strategic risks.
- 7.1.3 Robustness does not guarantee that all possible eventualities are identified, or that all budget estimates are exact. Actual income and expenditure is likely to vary from the established budgets, but in the round these will compensate, and the approved budget need only be sufficient to meet overall expenditure requirements.
- 7.1.4 In exercising their statutory duty the Director of Finance and Systems, in conjunction with the Corporate Leadership Team, will take all matters and issues into consideration and will make a reasoned assessment of whether the budget is sufficient, robust and all significant risks have been considered. The Executive will ensure the minimum reserve level is maintained to ensure the Council can meet its obligations.

7.2. Financial Resilience

- 7.2.1. The past two years have illustrated the importance of the Council's financial resilience in managing the impact of unplanned/unforeseen events. Inevitably the pandemic has tested the Council's financial resilience and it is expected to continue to do so over the medium-term period. The Council's strong financial management has ensured its robustness and resilience to the many challenges during 2021/22 evidenced by the Council's ability to mitigate the financial impact and set a balanced budget in 2021/22. It is important that the Council continues to build on this to address and mitigate the financial challenges ahead.
- 7.2.2. As reported in Section 1 there are a number of ways the Council demonstrates its financial resilience to Council Members and residents and these include, MTFP Regular Review and Updates, Reserves Policy reviews, Budget Risk Assessment, regular Member scrutiny via Scrutiny Committee and Audit Committee and independent Internal and External Audit of the Council's financial management throughout the year.
- 7.2.3. This section of the report provides further detail on the activities relating to

➤ The Financial Management Code

- **Risk Assessment of MTFP and Budget Proposals**
- **Reserves Policy Review**

7.3. Financial Management Code

7.3.1. As part of the wider focus on Local Authority financial resilience particularly following the past twelve months, CIPFA's Financial Management Code of Practice is now expected to come into effect from April 2022. The Financial Management Code is based on six principles supporting financial resilience, which the Council will need to demonstrate it complies with:

- **Organisational leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to **professional standards** is promoted by the leadership team and is evidenced.
- **Sources of assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The **long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources

Many aspects of the Financial Management Code reinforce procedures which are already baked into Trafford's existing practices, such as the Governance arrangements evidenced in the Council's Constitution and Standing Orders.

A self-assessment review against the Code has been undertaken and this has reiterated a high level of existing compliance, however it identified a number of areas where improvements can be made and samples of these are shown below. The full self-assessment will be reported and considered by the Corporate Leadership Team before the start of the new financial year.

Effective Oversight of Alternative Delivery Models – focus on improving regular updates on company performance to the Executive and the Accounts and Audit Committee relating to Joint Ventures. In addition periodic training should be provided to councillors where appropriate. Any key company risks should also be included on the Strategic Risk Register. The arrangements for Board Meetings need strengthening and formalising with more time to consider reports and brief Board Members.

To enable financially informed decision making: The Chief Finance Officer should be able to provide the leadership team with sound advice on the key principles of local government finance. Need to establish annual reviews of the Council's scheme of delegation and financial procedure rules.

Need to report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions. Continued work to develop local indicators to support the Asset Investment Strategy and compliance with the Prudential Code. Need to develop the links between the capital programme and the Council's asset management planning.

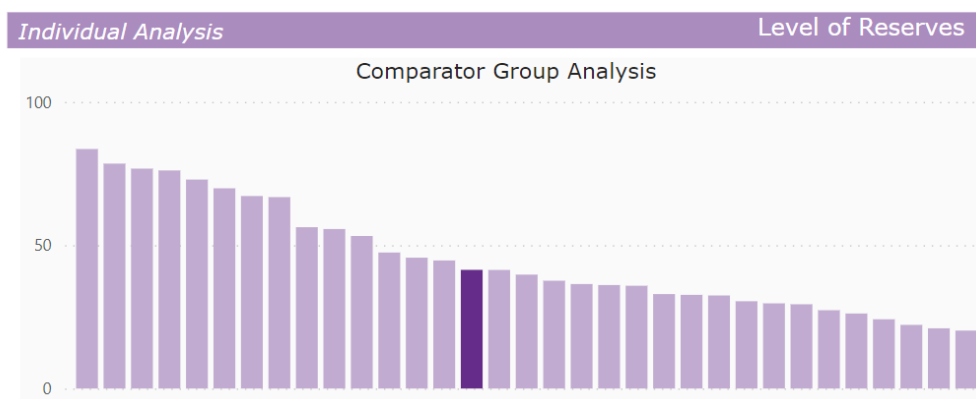
7.4. Risk Assessment of MTFP and Budget Proposals

- 7.4.1. It is clear that the financial environment facing local authorities is subject to significant uncertainty, volatility and risk as a result of changes to funding arrangements and the spending pressures that they will face over the medium term period.
- 7.4.2. The MTFP tries to forecast the main changes anticipated over this period, however it is clear that the medium term will bring much more uncertainty, volatility and risk than previously experienced. The financial impact of the pandemic and the uncertainty caused on the economy has exacerbated this.
- 7.4.3. Careful management and identification of these risks has been essential over the last two years and updates to the MTFP forecasts and assumptions have been undertaken on a regular basis during the year.
- 7.4.4. The revised MTFP ensures that Members and Senior Officers have an informed financial basis on which to make decisions by forecasting the main changes anticipated over the medium term period based on the best available information. However, as Covid-19 pandemic has demonstrated the financial landscape can change quickly. The Council's Finance Team will continue to monitor the assumptions and forecasts that underpin the MTFP to ensure they are based on the latest information available. Full details of the MTFP risks are included at Annex H for information.

7.5. Reserves Policy Review

- 7.2.1 The future of local government funding is still uncertain; changes as a result of the fairer funding review and business rates reset have been delayed until at least 2023/24 and the financial impact of the changes relating to sustainable funding of social care remain unclear. In this context the reserve policy is crucial in helping the Council deal with the risk, uncertainty and complexity of this policy context.
- 7.2.2 Balancing the annual budget by drawing on Earmarked reserves may be viewed as a legitimate short-term option but it is not prudent for reserves to be deployed to finance recurrent expenditure. Holding reserves is primarily to assist in cushioning the effects of financial shocks and aids resilience.

7.2.3 Trafford has historically seen reserves below average for metropolitan councils, though this gap has narrowed in recent years and in 2019/20, the screenshot below taken from the CIPFA's Financial Resilience analysis, demonstrates that the Council's earmarked reserves (as at 31 March 2020) were considered to be at an average level compared to other Metropolitan Districts.



7.2.4 Reserves have increased considerably in 2020/21 due to the carry forward of Section 31 business rate grant and other COVID related monies of £114m, however excluding these the level of reserves has largely remained static at 31/3/21 compared with 31/03/2020. It must also be considered that the budget for 2021/22 and 2022/23 includes a significant contribution from reserves, including £15.4m to support COVID-19 pressures and £7.1m general budget support. It is apparent that the level of uncommitted reserve is insufficient to meet the substantial budget gap over the medium term, however it is anticipated that the flexible use of reserves will form part of the Councils strategy in its response to the financial challenge.

7.2.5 The Council's reserves policy sets out the methodology for the creation, classification, review and approval process for the use of reserves to enable a more corporate approach to be taken, ensuring reserves are aligned to the Council's priorities over the medium term.

7.2.6 In line with the requirement to provide the statement on the adequacy of the Council's reserves, the Reserves Policy is reviewed as part of the draft and final budget process and supplemented with regular reviews as part of the monitoring and financial closedown process. This ensures the judgements on the adequacy of reserves are informed and remains appropriate, particularly in relation to the potential impact of new risks and financial challenges faced by the Council. The key features of the revisions at final budget stage are set out below.

7.3 Classification

7.3.1 For ease of management, reserves have been grouped into nine categories as follows:-

- **MTFP Budget Resilience, Innovation and Change Reserve** – This category of reserve was previously included in Budget Resilience and Smoothing, however has been separated out at final budget stage, due to the scale of the challenges faced by the Council in meeting a balanced budget in the medium term. The reserve is to support the MTFP as the Council continues its recovery from the financial impacts of the pandemic and will be used specifically to meet the budget gap over the short-term and necessary Finance and Change programme to deliver a balanced budget;
- **Smoothing and Business Risk Reserves** - earmarked reserves linked to the financial resilience of the Council, for example being able to respond to unexpected demand pressures and smoothing of irregular budget spending;
- **COVID-19 Reserves** – This is a new category of reserves which specifically holds the resources earmarked to support COVID-19 pressures and timing differences relating to the accounting treatment of the Collection Fund deficit caused by the pandemic;
- **Strategic Priority Reserves** - earmarked reserves linked to the Council's priorities over the medium term financial plan;
- **Corporate Reserves including General Reserve** - statutory and ring fenced reserves. The General Reserve is the minimum level of reserve the Council is required to hold to protect against In year financial shocks;
- **Reserves Linked to Service Area Priorities** - earmarked reserves linked to the Council's transformational change and service area priorities;
- **Capital Reserves** – consist of capital receipts, grants and contributions which can only be used to fund capital expenditure and are all allocated to support the current capital programme. These will not be considered as part of the Reserves Policy;
- **Schools Reserves** - represent the carry forward balances of individual school surpluses and deficits along with the accumulated balance of DSG grant. Individual school balances will not be considered as part of the Reserves Policy.

7.4 Balances and Review of Reserves

7.4.1 The Council's usable reserves at 31st March 2021 stood at £200.34m, of which £166.18m relates to Earmarked revenue reserves as shown below, along with their projected usage over 3 years including the current financial year.

	Opening Balance 1/4/2021	Estimated Balance 1/4/2022	Estimated Balance 1/4/2023	Estimated Balance 1/4/2024
<i>Usable Reserves</i>	£m	£m	£m	£m
MTFP Budget Resilience, Innovation and Change Reserve	6.35	11.16	12.17	12.67
Smoothing and Business Risk Reserves	15.64	14.03	14.00	12.65
Strategic Priority	13.76	9.38	4.97	4.75
Corporate	(2.94)	0.50	1.07	0.00
General Reserve	8.00	9.50	9.50	9.50
Service Area Priorities	11.10	5.08	1.56	0.87
Earmarked Reserves (exc COVID-19)	51.91	49.65	43.27	40.44
COVID-19 Reserves (*)	114.27	10.39	1.59	0.00
Earmarked Reserves	166.18	60.04	44.86	40.44
Capital Related Reserves	18.99	11.44	4.48	4.48
School Related Reserves	15.17	15.17	15.17	15.17
Total Usable Reserves	200.34	86.65	64.51	60.09

(*) Excludes balances to be confirmed for COVID-19 rates reliefs in 2021/22. The COVID-19 Reserves mainly relate to compensation grants received from the Government making good the shortfall in Business Rates and Council Tax income as a result of the Government's various rate and council tax relief schemes. These reserves are therefully used to compensate the Collection Fund for the accumulated shortfall and cannot be used for any other purposes.

7.4.2 At the time of writing the draft budget report the following observations on reserves were made and these still stand when preparing the final budget.

Although the reserve balance brought forward is substantial at £166.18m, the majority of this relates to COVID-19 reserves which are ring fenced to meet the 2020/21 Collection Fund shortfall.

Current budget plans have already assumed that £22.24m of reserves will be drawn down, including £2.80m in 2021/22 from the Budget Support Reserve and £8.34m in 2021/22 and £7.10m in 2022/23 from the COVID-19 General Reserve.

The Council faces significant risks in a number of areas such as:

- In year budget pressures and the potential shortfall of the current savings programme cascading into 2022/23;
- Unknown pressures in future years associated with risk from Business Rates uncertainty and potential shortfalls in the income derived from the Asset Investment Strategy;

- Supporting the risks of the strategic priority programmes, the biggest of which relates to managing the risk associated with the Strategic Investment Programme. Also included in this group of reserves, is the the Leisure Centre Risk Reserve providing smoothing support for the Leisure CIC following the impact the pandemic and the long term plans for a major refurbishment of the centres to make them fit for purpose for the future.

7.4.3 Although the Council has significantly lower levels of reserves than its Greater Manchester neighbours, the ability to redirect these resources to support our budget has never been so critical in Trafford's history and therefore any decision around the use of Earmarked reserves to support its budget decisions has not been taken lightly.

7.4.4 As part of the development of the final budget proposals a further review of reserve levels has been undertaken with due regard placed on ensuring any remaining reserves are sufficient to cover the range of risks faced by the Council.

7.4.5 The review has enabled the Council to develop sufficient resource within an MTFP Budget Resilience Innovation and Change Reserve to provide capacity to meet the budget gap in the medium term whilst the Council develops a suitable innovation and change programme to deliver a balanced budget. Furthermore, each reserve has been reviewed to ensure it remains at an adequate level given the range of risks faced by the Council. Revisions in the in-year estimated outturn position as at period 8 have also informed how reserve levels can be bolstered.

7.4.6 The rationale for holding some key reserves, an analysis of their balance, proposed commitments and transferred values against each reserve is shown in detail in Annex F.

7.5 GENERAL RESERVE

7.5.1 General Reserve: the Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure. In February 2021 Council agreed to set the minimum level of the General Fund Reserve at £8.00m as recommended by the Director of Finance and Systems. It is recommended for 2022/23 that this level be increased to £9.5m with some of the significant reasoning behind this decision set out below:-

- In 2022/23 there remains to be significant uncertainty regarding the economic outlook. The implications on the wider economy from the ongoing impact of COVID-19, increases in inflation and pay awards and Brexit remain as significant concerns which could lead to a further economic downturn.
- Uncertainty relating to pay and conditions in the social care market will continue for the foreseeable future. The Fair Price for Care negotiations and the long term plans set out in the Social Care White Paper by the Government are aimed at addressing long term market sustainability. In the meantime, the allowance for Pay & Inflation with the General Reserve has been increased to in reflection of the ongoing uncertainty.

- The income from the Strategic Investment Programme represents a significant resource for the Council and has helped deliver a balanced budget over recent years, as well as being a key enabler in the economic regeneration of the area. The programme has its own risk reserve with the objective of absorbing fluctuations in the programme income as it develops over time. The programme's risk reserve was not however designed to absorb the general impact of an economic downturn and it is thought prudent that given the increased uncertainty that the minimum General Reserve is increased to cater for this risk.

Advised minimum level of General Reserve	2022/23 £m
Tax & Treasury Management	0.05
Pay & inflation	2.39
Fees and Charges	0.19
Emergency & Disaster Recovery	1.45
Efficiencies	3.34
Demand led budgets	2.00
Other Pressures	1.46
Funding Risk	3.98
TOTAL	14.86
Risk reduction of 34%	-5.36
Advisory level of minimum reserve	9.50

7.6 Summary

7.6.1 In summary, the Council's overall budget plans include for a specific application of earmarked reserves in 2022/23 of £13.41m.

- **Budget Resilience, Innovation and Change Reserve - £4.33m** required to balance the 2022/23 business as usual budget plans.
- **Covid-19 General Reserve - £7.097m** required to meet the estimated recurrent COVID-19 pressures in 2022/23.
- **Council Tax and Business Rates Compensation Reserve - £1.59m** Government support towards the estimated 2020/21 Council Tax and Business Rates shortfall will be drawn down over three years at £1.59m per annum in line with our previous plans.
- **Business Rates and Council Tax Smoothing Reserves - £0.38m** net drawn down of reserves largely related to the release of the better than expected outturn position of Business Rates and Council Tax in the previous financial year.

8. SCHOOLS FUNDING & BUDGETS 2022/23

8.1 Background

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

There are 4 blocks within the DSG:

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

8.1.2 Summary Position 2021/22

The latest monitoring position as at the end of November, updated to reflect latest DSG allocations, forecasts a £2m over spend for 2021/22.

The overspend position forecast within the 2021/22 financial year is within the HNB and is largely due to a significant increase in demand for out of borough places due to the increasing complexity of need and limited capacity in-borough as well as requests for top-up funding from primary, secondary and special schools.

DSG Overall Position P8	2021/22 Budget (£m)	2021/22 Expected Outturn (£m)	Variance (£m)
Schools Block	187.120	187.075	(0.045)
Central School Services Block	1.553	1.412	(0.141)
High Needs Block	32.619	34.781	2.162
Early Years Block	18.754	18.754	0
Total	240.046	242.022	1.976

The level of central DSG reserve at 1 April 2021 was £1.753m and most is ring-fenced to support specific expenditure.

DSG Central Reserve	Reserves (£m)
High Needs	(0.181)
Growth Fund	0.739
De-delegation	0.669
Central Schools Services Block (CSSB)	0.222
Pupil Referral Units (PRU)	0.184
Early Years	0.120
Total	1.753

At this point it is expected that the overall DSG will be in deficit at the end of 2021/22.

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

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

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

The authority would be required to complete a deficit management plan which would be submitted to the Department for Education (DfE) to show how the future DSG spend will be managed.

8.1.3 **Budget Position 2022/23**

The table below outlines the provisional allocations for 2022/23 and how they have moved from 2021/22.

DSG Allocations	2021/22 (£m)	2022/23 (£m)	Change (£m)
Schools Block	187.120	194.344	7.224
Central School Services Block	1.553	1.527	(0.026)
High Needs Block	32.619	35.355	2.736
Early Years Block	18.754	17.417	(1.337)
Total	240.046	248.643	8.597

In addition to the above allocations there has been supplementary funding awarded following the spending review of £5.437m for schools and £1.313m for the high needs block. This is to be paid as a separate grant in 2022/23 and will be rolled into the blocks in future years. School-level allocations will be published in Spring 2022.

This extra funding recognises the additional costs that local authorities and schools will face in the coming year which were unforeseen when the original allocations were calculated such as the Health & Social Care Levy (increased employers NI contributions) and also takes into account that colleges and other providers offering extra hours of study to students with High Needs may require extra High Needs top-up funding to support these students. This will be considered by the High Needs sub-group.

Schools block

The increase in funding is £7.224m (3.86%). The minimum per pupil funding levels ensure that every primary pupil receives at least £4,265 per pupil (2% increase, £4,180 in 21/22), and every secondary school at least £5,525 per pupil (2% increase £5,415 in 21/22).

Central School Services Block (CSSB)

There are 2 elements to the CSSB: ongoing responsibilities that local authorities have a statutory duty to deliver for all pupils; and historic commitments made prior to 2013/14. In line with the government's reforms to move to a fairer funding system, these have been reducing year on year. The allocation for 22/23 has reduced by £0.026m.

High Needs Block (HNB)

The allocation is £35.355m an increase of 8.4%, with the additional supplementary grant, the total funds available are £36.668m.

Early Years Block (EYB)

Despite an increase in the hourly rate for free entitlements for 2, 3 and 4 year olds of 21p (2 year olds) and 17p (3 & 4 year olds), there has been a reduction in participation of 760 hours which has resulted in a reduction in funding of £1.337m.

There are still significant pressures within the HNB due to:

- A continued increase in the numbers and complexity of Education Health Care Plans (EHCPs) (the Council is currently funding 2438 EHCPs which is an increase of 176 (7.8%) from this time last year at an average cost of £15,778);
- School age population growth – advances in life-expectancy for children with complex conditions; more awareness and better diagnoses; and increasing poverty;
- Increase in the number of places funded in our own special schools (which are now close to capacity – 3 additional places are being funded in 22/23)
- Lack of places in our own Special Schools resulting in costly out of borough places being sought;
- Staffing cuts in mainstream schools impacting on their ability to cater for children with SEND and other agencies unable to meet their share of costs and/or provide supporting services; and

- The sharp focus on inspection and through the broader accountability framework does not incentivise mainstream schools to be inclusive.

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

A full review of budget assumptions for future years has been undertaken with expenditure expected to increase by approximately £3.2m in 22/23 and £1.2m in 23/24 and 24/25. Over the three years this will amount to £5.6m based on the following:

- Continued increase in the volume and complexity of EHCP payments to schools (£1.5m)
- An uplift in complexity of need leading to a rise in special school top-ups (£2m)
- Increase cost of out of borough placements caused by increasing complexity and lack of places in our own special schools (£1.1m)
- Inflationary cost increases on out of borough placements, pay and running costs (£1m).

The High Needs allocation including the supplementary grant for 2022/23 is £36.668m, an increase of just over £4m (12.4%) on the 2021/22 allocation. The assumption is that this will increase by 5% in 2023/24 and 3% in 2024/25 as advised by the Education and Skills Funding Agency (ESFA).

Although Local Authorities have seen increases in their HNB funding for 2022/23, the government has committed to pursue a review of the special educational needs and disability (SEND) system to see what further improvements are necessary to ensure that it supports children and young people with SEND as effectively as possible. This was expected to begin in spring 2021 but has been delayed. The table below sets out a summary of the HNB position.

High Needs Block Summary	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Required HNB budget	38.148	39.369	40.593
HNB grant	36.668	38.501	39.656
(Surplus)/Deficit	1.480	0.868	0.937

Although the additional grant is welcome it is insufficient to keep up with increasing costs over the years. Trafford is not alone in that the grant received is not keeping up with demand. Almost all LAs recently surveyed expected HNB budgets to be in deficit for 2021/22 with deficit budgets sometimes doubling each year.

High Needs share of the DSG Central Reserve	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
High Needs Deficit brought forward	(0.181)	(2.343)	(3.823)	(4.691)
Movements in year	(2.162)	(1.480)	(0.868)	(0.937)
Useable reserves remaining	(2.343)	(3.823)	(4.691)	(5.627)

Options being considered to address the funding pressures are as follows :

- Developing inclusion & preventative services;
- Reducing the reliance on Independent and Non Maintained Special Schools (NMSS);
- Promoting independence within the post-16 cohort;
- Review of EHCP bandings; and
- Transfer of 0.5% from the School's Block (this has been approved by funding forum and equates to £965k);

There are risks associated with these options, such as :

- Increases in demand may be higher than expected;
- Increases in costs may be higher than anticipated;
- The pandemic may bring additional cost pressures as children/young people will require extra support over a longer period; and
- Developing capacity in-borough requires adequate capital funding and physical space in existing provisions.

The HNB sub-group is leading on these options and reports back to the Schools Funding Forum. Membership includes Headteachers, Trafford Parent/Carer Forum and officers from across Finance, Inclusion, Education, Commissioning and Social Care. The options will be presented to the Executive in March for agreement to proceed and consult where necessary.

8.1.4 **Future Changes**

National Funding Formula (NFF)

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

The introduction of a hard formula, in which the Education Skills and Funding Agency (ESFA) will calculate and distribute allocations directly to schools and academies using the NFF, was to take place in 2020/21 after 2 years of a soft

formula. The ESFA has begun consulting on this but that implementation is not likely to take place until 2024/25 or 2025/26.

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

9. COUNCIL TAX REQUIREMENT AND STATUTORY CALCULATIONS

9.1 Budget Requirement

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

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

9.1.2 If the proposals in this budget report are agreed, the calculation for the 2022/23 Council Tax Requirement will be as follows:

Calculation of Council Tax Requirement & Relevant Basic Amount of Council Tax 2022/23	£
Service Budget	
Gross Expenditure	
Service expenditure	514,903,209
Gross Income	
Fees, charges and specific grants	(322,331,222)
Service Area Net Budget	192,571,987
Financing Budget	
Retained Business Rates Baseline	(54,812,394)
Business Rates Growth, Other Items, Prior Year Movements	(13,728,014)
Other Council Tax Items, Prior Year Movements	154,465
Application of COVID-19 General Reserve	(7,097,000)
Application of Budget Resilience Reserve	(4,334,015)
Financing Net Budget	(79,816,958)
Council Tax Requirement	112,755,029
Council Tax Base in Band D's	77,601
Relevant Basic Amount of Council Tax	£1,453.01

9.1.3 The Director of Finance and Systems in accordance with his delegated powers approved the 2022/23 Trafford Council Tax Base (number of equivalent Band D properties in the borough) on 11 January 2022 at 77,601, which is an increase of 1,785 Band D equivalents on 2021/22. The 2022/23 Council Tax Base for each of

the four Parish Councils was also approved as: Partington 1,669, Dunham Massey 231, Warburton 163 and Carrington 144.

9.2 Energy Bills Rebate

9.2.1 On 3rd February, the Chancellor of the Exchequer announced a number of support packages to help households with rising energy bills, this included

- **A £200** discount on their energy bill this Autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.
- **A £150** non-repayable rebate in Council Tax bills for all households in Bands A-D in England.
- **£144 million** of discretionary funding for Local Authorities to support households who need support but are not eligible for the Council Tax rebate.

9.2.2 At the time of drafting this report, the details of how the Council Tax rebate will operate have yet to be formalised, however details given at the time of the announcement are as follows

- Households in England in Council Tax Bands A-D will be eligible for a £150 rebate in their council tax bill in April this year.
- The rebate to bills will be made directly by local authorities and will not have to be repaid.
- The rebate will not be paid for second homes or empty properties.
- The Government expects the vast majority of people who pay by Direct Debit to receive this money in April. For households in Bands A-D who do not pay by Direct Debit, their councils will be ready to process their claims in April.
- For those with council tax bills lower than £150 that month, it will take a bit longer to receive the benefit in full. Almost all households should see the full benefit by May.
- The government is providing new funding to local authorities for these rebates, as well as extra funding to help with increased administrative costs.
- For those who need help with their energy bills but are not eligible – such as households on income support in higher bands (E-H) or with properties in bands A-D that are exempt from council tax – local authorities will receive £144 million of discretionary funding to help.
- council tax energy rebate payments must be disregarded as income for the purposes of calculating eligibility for both working-age and pensioner local council tax support schemes in 2022-23.

9.2.3 In addition, and most importantly, the Government has clarified the rebate payment will operate outside of the Council Tax mechanism, and only use the council tax lists and system to identify eligible households and administer the payment. **The rebate does not affect council tax setting, the calculation of bills and the presentation of charges will not be impacted.**

9.3 Council Tax Increases

9.3.1 The Localism Act 2011 abolished Council Tax capping and replaced it with a requirement to hold a Council Tax Referendum if an authority wishes to increase its “relevant basic amount of Council Tax” by an amount equal to or exceeding a level set out by the Government annually. For 2022/23 a figure of 3% has been set, which is a combination of the core principle of 2% and the ‘adult social care precept’ of 1%.

9.3.2 As highlighted elsewhere in this report, it is proposed to raise the level of council tax in 2022/23 by 2.99%:

- 1.99% general increase in the ‘relevant basic amount’, and
- 1.0% for the ‘Adult Social Care’ precept.

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

	2021/22	2022/23
Council Tax Base	75,816	77,601
Council Tax Requirement with Levies (£)	106,963,487	112,755,029
Basic Amount of Council Tax (£) (excluding Social Care Precept)	1,252.66	1,280.74
Social Care Precept	158.17	172.27
Relevant Basic Amount of Council Tax	1,410.83	1,453.01
% increase in Relevant Basic Amount of Council Tax	4.99%	2.99%

9.3.4 It is proposed to increase the ‘relevant basic amount’ of Council Tax by 2.99%, which is within the 3% figure set by Government in 2022/23 for social care authorities. As this remains in line with Government policy it would therefore not be deemed ‘excessive’ and as a result there is no requirement to hold a Referendum.

9.3.5 Of the two major precepting bodies, the Mayoral Police & Crime Commissioner is recommending a £10.00 increase in their Band D precept and the Mayoral General Precept (including Fire Services) is proposing a £12.00 increase in their Band D precept.

9.3.6 Partington Town Council, at its meeting on 1 November 2021, elected to keep the level of Band D Council Tax at £52.04 in 2022/23, the same as in 2021/22. Carrington Parish Council passed a resolution on 21 June 2021 to keep the Band D Council Tax at £30.00 in 2022/23, the same as in 2021/22. Warburton Parish Council at its meeting on 4 January 2022, elected to set a Band D Council Tax of £50.00 in 2022/23, the same as in 2021/22. Dunham Massey Parish Council is not setting a Precept in 2022/23.

9.4 Council Tax Levels and Bandings

9.4.1 The overall Precepts and Council Tax levels for 2022/23 for Trafford properties are as follows:

Council Tax per Precepting Body	Precept Amount £	Council Tax per Band D Property £	Council Tax Level Increase
Trafford Services (inclusive of 'Adult Social Care Precept')	112,755,029	1,453.01	2.99%
Mayoral Police and Crime Commissioner (see note)	17,716,308	228.30	£10.00/ 4.58%
Mayoral General Precept (including Fire Services) (see note)	7,989,023	102.95	£12.00/ 13.19%
Total (excluding Parishes)		1,784.26	3.73%
Partington Precept	86,855	52.04	0.00%
Total for Partington		1,836.30	3.62%
Carrington Precept	4,320	30.00	0.00%
Total for Carrington		1,814.26	3.67%
Warburton Precept	8,150	50.00	0.00%
Total for Warburton		1,834.26	3.63%

9.4.2 Note: The Council Tax figures for the Mayoral Police and Crime Commissioner and Mayoral General Precept (including Fire Services) included above are recommended amounts and are subject to formal approval on 11 February 2022.

9.4.3 The council tax for 2022/23, inclusive of the 'adult social care precept', for each of the eight valuation bands would be as follows:

Band	Valuation range (in 1991 prices)	Council Tax (Excl. Parishes) £	Council Tax for Partington £	Council Tax for Carrington £	Council Tax for Warburton £
A	Up to £40,000	1,189.49	1,224.18	1,209.49	1,222.82
B	Over £40,000 and up to £52,000	1,387.74	1,428.22	1,411.07	1,426.63
C	Over £52,000 and up to £68,000	1,585.99	1,632.25	1,612.66	1,630.43
D	Over £68,000 and up to £88,000	1,784.26	1,836.30	1,814.26	1,834.26
E	Over £88,000 and up to £120,000	2,180.75	2,244.35	2,217.42	2,241.86

F	Over £120,000 and up to £160,000	2,577.25	2,652.42	2,620.58	2,649.47
G	Over £160,000 and up to £320,000	2,973.75	3,060.48	3,023.75	3,057.08
H	Over £320,000	3,568.52	3,672.60	3,628.52	3,668.52

BASE BUDGET ASSUMPTIONS

Base Budget Assumptions	2022/23 £m	2023/24 £m	2024/25 £m
Service Expenditure			
Pay: Inflation – 2021/22 (not yet agreed)	1.75%	n/a	n/a
Pay: Inflation	2.00%	2.00%	2.00%
	£2.47	£1.62	£1.65
Pay: Pension Inflation	0.0%	0.0%	0.0%
	£0.00	£0.00	£0.00
Pay: National Living Wage/ Fair Price for Care	£3.54	£3.05	£1.93
General Inflation: Prices	2.0%	2.0%	2.0%
	£0.13	£0.13	£0.14
Contractual Obligations: Inflation Specific e.g. energy	£1.73	£2.27	£2.33
Levies: Waste (GMWDA) Levy Increase/ (Decrease)	£(0.67)	£0.49	£0.49
Demographics: Children	£1.50	£1.00	£1.00
Adults	£3.50	£1.90	£1.50
Treasury Management			
Investment Rates	0.64%	0.94%	1.09%
Debt Rates	2.50%	2.50%	2.50%
Funding			
Council Tax rate increase (Adult Social Care)	1.00%	1.00%	1.00%
Council Tax rate increase (Relevant Basic Amount)	1.99%	1.99%	1.99%
Council Tax base increase	(0.25)%	1.00%	1.00%
Change in Baseline Funding Level :-			
Baseline Funding (Core) %	2.00%	2.00%	2.00%
Baseline Funding (Core) £m	£0.73	£0.74	£0.76
Baseline Funding (RSG) %	0.00%	0.00%	0.00%
Baseline Funding (RSG) £m	£0.00	£0.00	£0.00
Baseline Funding (PH) %	0.00%	0.00%	0.00%
Baseline Funding (PH) £m	£0.00	£0.00	£0.00

Budget Movements & Proposals: Draft Budget Oct 21 to Final Feb 22

MOVEMENTS & PROPOSALS	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
REVISED BUDGET GAP AT DRAFT (Oct 21)	4,653	10,950	3,921	19,524
Movements Since Draft affecting the Gross Gap				
Social Care (Inflation increases Fair Price for Care, NLW)	1,253	827	79	2,159
Increase in Social Care Contracts RPI	167	0	0	167
H&SC Levy Increase Council Staff	700	0	0	700
Savings not achieved in 21/22	321	0	0	321
Increase in New Homes Bonus	(214)	0	0	(214)
Adults Demographic pressures	1,500	0	0	1,500
Norfolk Judgement Adults Clients charging	(250)	250	0	0
Leisure CIC annual support (COVID and Refurb)	500	0	0	500
Reduce income expectations from Strategic Investment Programme	0	1,500	500	2,000
2022/23 Services Grant	(2,510)	0	0	(2,510)
Market Sustainability and Fair Cost of Care Fund Grant	(638)	(1,722)	0	(2,360)
Social Care Grant	(2,473)	0	0	(2,473)
Increase in Public Health Expenditure reflecting increase in grant (inflation)	360			360
Other Budget Assumptions	217	52	(30)	239
CHANGES TO BUDGET ASSUMPTIONS	(1,067)	907	549	389
Rates adjustments to assumptions	(378)	(1,682)	(3,173)	(5,233)
Changes to Council Tax Base	(170)	(7)	(6)	(183)
CHANGES TO FUNDING (NON POLICY CHOICE)	(548)	(1,689)	(3,179)	(5,416)

MOVEMENTS & PROPOSALS	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
CHANGES IN MEETING THE GAP				
CHANGES TO SAVINGS AND INCOME PROPOSALS	201	4	105	310
Increase in Adult Social Care Precept limited to 1% (2% assumed at draft)	1,095	1,191	1,300	3,586
Contribution from Budget Resilience, Innovation and Change Reserve	(4,334)	4,334	0	0
TOTAL CHANGES TO POLICY CHOICE FUNDING	(3,239)	5,525	1,300	3,586
REVISED BUDGET GAP (Feb 22)	0	15,697	2,696	18,393

Business Rates Retention GM Pilot
Annex C
Business Rates Benefit Calculation 2021/2022 to 2025/2026

	2021/22 (*) £000	2022/223 £000	2023/24 £000	2024/25 £000	2025/26 £000
Gross Rates Payable	183,901	184,323	184,323	197,991	202,054
Transitional Adjustments and Mandatory & Discretionary Reliefs	(16,678)	(19,803)	(20,199)	(20,607)	(21,020)
NET RATES PAYABLE	167,223	164,520	164,124	177,383	181,034
Accounting Adjustments (Appeals & BDP) & Cost of Collection	(14,151)	(7,042)	(7,896)	(8,414)	(11,617)
NNDR Income	153,072	157,478	156,228	168,969	169,417
Local Share	151,541	155,903	154,666	167,279	167,723
Tariff	(95,720)	(95,022)	(94,542)	(96,803)	(99,109)
Retained Business Rates	55,821	60,881	60,124	70,476	68,613
Baseline Funding Level (BFL)	54,643	55,172	55,652	56,395	57,153
Growth	1,347	5,708	4,471	14,081	11,460
SAICA Renewable Energy	83	83	85	86	88
Section 31 Compensation Grants	9,002	11,410	14,159	11,184	11,843
Growth/(Decline) to Baseline	10,432	17,201	18,715	25,351	23,391
GM Pilot 'No Detriment' Over Payment	(5,544)	(8,753)	(9,671)	(15,154)	(14,197)
GM Pilot 'No Detriment' Over Payment Rebate	2,772	4,376	4,835	7,577	7,098
Business Rates Benefit over BFL	7,660	12,825	13,880	17,774	16,293
Release of Prior Year Surplus/ (Collection of Deficit)	91,715				
Contribution from reserves	(91,715)				
Contribution from Business Rates Risk Reserve	600				
Business Rates Growth Reset					
Business Rates Growth	8,260	12,825	13,880	17,774	16,293

Total Benefit from Business Rates

Benefit from Business Rates	2021/22 (*) £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Core Baseline Funding	36,418	36,418	37,146	37,889	38,647
Revenue Support Grant	5,415	5,584	5,696	5,695	5,695
Public Health Grant	12,809	13,170	12,809	12,809	12,809
Total Baseline Funding Level (BFL)	54,642	55,172	55,652	56,395	57,153
Business Rates Benefit above Baseline	8,260	12,825	13,880	17,774	16,293
Assumptions on Transitional Protection				(3,447)	(5,441)
Assumption on Growth Post Reset				1,000	1,500
Collection of 2020/21 COVID deficit over three years	(1,773)	(1,773)	(1,773)		
Government Support at 75% of estimated 20/21 deficit	1,330	1,330	1,330		
Release of Prior Year Surplus/Smoothing Reserve		987	987		
Business Rates Benefit over BFL	7,816	13,369	14,424	15,327	12,382
Total Benefit from Business Rates	62,460	68,541	70,076	71,723	69,535
Yearly Change					
Change in BFL		529	840	743	758
Change in Business Rates Benefit		5,165	1,055	3,894	(1,481)
Change in 2020/21 COVID deficit		387		(987)	
Change in Business Rates Benefit post reset				(2,004)	(1,464)
Yearly Change		6,081	1,895	1,646	(2,187)

(*) This excludes adjustments for :-

- COVID Additional Restrictions Fund (CARF) relief in 2021/22 which will reduce retained rates by £6.4m. This is fully funded via a section 31 grant and therefore has nil impact on the total benefit from business rates.
- Retail and Hospitality and Leisure Relief in 2021/22 which will reduce retained rates by £47.7m. This is fully funded via a section 31 grant and therefore has nil impact on the total benefit from business rates.

Increase in Business Rates over period £6.081m + £1.895m + £1.646m + £(2.187)m = £7.436m

Income & Savings Proposals 2022/23

Theme/Title	Service Area	Description of Saving	2022/23 £000's
Children Placements	Children's	A review of demand and placements for looked after children.	(1,358)
Review Family Time (Contact) service	Children's	Review of staffing establishment to follow a realignment of the service.	(45)
Staffing Efficiencies	Children's	Review of staffing establishment outside of the main redesign programme.	(65)
Sub-Total			(1,468)
Direct payments (DP)	Adults	Increase the uptake in DP usage to reduce commissioned or other expenditure.	(50)
Smoking Cessation	Adults	Reduce the prevalence of community smoking and thereby reduce long-term health conditions that result and the support required.	(40)
Weight Management	Adults	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	(16)
Liberty Protection Safeguards (LPS)/Portal – Reshaping.	Adults	The implementation of the LPS scheme and a whole system portal which will drive through efficiencies and costs savings.	(100)

Theme/Title	Service Area	Description of Saving	2022/23 £000's
Learning Disabilities - supported accommodation	Adults	Working with providers to identify efficiencies that can be achieved in the learning disability supported living accommodation contracts.	(113)
Sub-Total			(319)
Review of estates income	Place	Realignment of 21/22 savings assumed in 22/23	(90)
Electric vehicle (EV) charging points	Place	Expand number of EV charging points on a revenue share model.	(50)
Strategic Investment Income	Place	Recycling of receipts to maintain net income at achievable levels	(1,040)
Waste disposal levy	Place	Savings in waste disposal costs charged through the GM contract. Achieved by improved recycling and use of smoothing reserve.	(1,000)
Resident parking permits and parking charges	Place	A range of measures will be undertaken to ensure charges are suitable whilst also recognising potential impact on users, businesses and the environment.	(100)
Safety at Sports Grounds certificates	Place	Increased charge to better recover costs.	(20)
Decarbonisation of Public Sector Buildings	Place	Expected energy savings	(75)
sub-total			(2,375)

Theme/Title	Service Area	Description of Saving	2022/23 £000's
Traded Services	Strategy & Resources	Traded Services income - increase in charges to offset pay and cost inflation.	(148)
Flexible use of capital receipts/one off resources to cover transformational activity (phase 1)	Strategy & Resources	To utilise the flexibility in the use of capital receipts to fund transformational activity.	(500)
Sub-Total			(648)
Traded Services	Finance & Systems	Traded Services income - increase in contributions to offset pay and cost inflation.	(37)
Digital Strategy	Finance & Systems	Increased use of digital technology to deliver better and more efficient services.	(100)
Sub-Total			(137)
Civic function/ Mayoral Attendant/Car	Governance and Community Strategy	A range of temporary measures.	(54)
Sub-Total			(54)
Voluntary Redundancy/Severance Scheme	All Services	Introduction of a VR/VS scheme which allows colleagues to apply to leave the Council's employment through voluntary means. Year 2 impact of 2020/21 scheme.	(211)
9 day fortnight	Council Wide	Continuation of the voluntary scheme	(10)
Additional Savings from Advanced Pension Payment	Council Wide	Realisation of recurrent savings from advance pension payment	(100)
Sub-Total			(321)
TOTAL SAVINGS AND INCOME PROPOSALS			(5,322)

2022/23 Subjective Budget Analysis

Annex E

	CHILDREN £000's	ADULTS £000's	PLACE £000's	GOV AND CS £000's	FINANCE & SYSTEMS £000's	STRATEGY & RESOURCES £000's	COUNCIL- WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
NET BUDGET Brought Forward	42,748	65,291	31,496	6,328	7,818	5,755	20,036		179,472
<u>Budget Pressures :</u>									
Pay	606	406	262	172	287	401	1,031		3,165
National Living Wage	40	3,496	0	0	0	0	0		3,536
General Inflation	19	7	54	33	9	7	2		131
Contractual Inflation & Obligations	438	443	1,115	6	63	25	0		2,090
Levies	0	0	335	0	0	0	0		335
Demographics/ Care Costs/ Social Worker	1,500	4,500	0	0	0	0	0		6,000
Grants, Legislative & Service Transfers	64	(3,352)	0	0	0	0	(2,730)		(6,018)
Loss of Income	0	0	(259)	0	0	0	0		(259)
Treasury Management	0	0	0	0	0	0	644		644
Strategic Investment Programme	0	0	1,090	0	0	0	0		1,090
Short Term COVID-19 Service Pressures	0	(1,120)	(1,470)	(240)	0	(350)	0		(3,180)
Short Term COVID-19 Service Grants	0	0	0	0	0	0	8,667		8,667
Other	153	483	821	8	(8)	21	744		2,222
Total Budget Pressures	2,820	4,863	1,948	(21)	351	104	8,358		18,423
<u>Budget Savings</u>									
Income Generation	0	0	(100)	0	(37)	(148)	0		(285)
Savings Proposals Efficiencies & Policy Choice	(1,468)	(347)	(2,341)	(97)	(170)	(522)	(92)		(5,037)
Total Approved Budget Proposals	(1,468)	(347)	(2,441)	(97)	(207)	(670)	(92)		(5,322)
PROPOSED NET BUDGET	44,100	69,807	31,003	6,210	7,962	5,189	28,302		192,573

	CHILDREN £000's	ADULTS £000's	PLACE £000's	GOV AND CS £000's	FINANCE & SYSTEMS £000's	PEOPLE & TRADED £000's	COUNCIL- WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
Funding:									
Council Tax								(109,482)	(109,482)
Council Tax - 1.99% General Increase								(2,179)	(2,179)
Council Tax - 1% Adult Social Care Increase								(1,095)	(1,095)
Council Tax 20/21 Estimated Deficit (1/3)								1,353	1,353
Council Tax Govovernment Support (COVID)								(258)	(258)
Council Tax 21/22 Estimated Surplus								(1,550)	(1,550)
Council Tax use of smoothing reserve								609	609
Business Rates: Local Share								(150,195)	(150,195)
Business Rates: Tariff Payment								95,023	95,023
Business Rates: Growth Assumptions, S31 Grants, GM Pilot								(16,609)	(16,609)
Business Rates 20/21 Estimated Deficit (1/3)								1,773	1,773
Business Rates Gov Support (COVID-19)								(1,330)	(1,330)
COVID Rates diff est/act and Gov Grant Support Smoothing Reserve								2,798	2,798
PROPOSED FUNDING								(181,142)	(181,142)
Additional Use of Reserves:									
Budget Support Reserve								(4,334)	(4,334)
COVID Support								(7,097)	(7,097)
FUNDING FROM RESERVES								(11,431)	(11,431)
BUDGET GAP									0

Details of Reserves by Category

Annex F

CATEGORY	RESERVE NAME	BALANCE AT 31st MARCH 2021	TOTAL COMMITTED 21/22 to 23/24 £000	BALANCE AFTER COMMITMENT (UNDER)/ OVER £000	TOTAL TRANSFERS 21/22 to 23/24 £000	REVISED BALANCE £000	Narrative
Budget Resilience	MTFP Budget Resilience, Innovation and Change Reserve (BRICR)	(6,347)	(1,750)	(8,097)	(4,568)	(12,665)	<p>Target balance of 100% of budget gap required (approx. £16m) plus a further £5m for Innovation and Change Programme.</p> <p>Reserve movements :-</p> <p>Transfers from Other Reserves :-</p> <p>£5.23m transferred from COVID-19 General Reserve</p> <p>£1.5m moved to General Reserve to bring to £9.5m.</p> <p>£250k from Insurance Reserve</p> <p>£365 from Emp. Rationalisation</p> <p>£218k Finance & Systems Reserve</p> <p>Period 8 21/22 Monitor :-</p> <p>£1.05m Council Tax estimated surplus</p> <p>£4.35m Business Rates surplus.</p> <p>Other :-</p> <p>£500k per annum previously identified to replenish MAG dividend reserve (see below)</p> <p>£1m anticipated return of Rates Growth Pilot monies from GMCA</p> <p>£1m anticipated return of waste levy monies from GMCA</p> <p>Budget 22/23 :-</p> <p>Budget Support £4.34m</p>
Sub-Total Budget Resilience		(6,347)	(1,750)	(8,097)	(4,568)	(12,665)	
Smoothing and Business Risk	Manchester Airport Group Dividend	0	0	0	0	0	Reserve utilised in full to support the pandemic in 20/21. Revenue budget growth of £500k was originally included in order to replenish this reserve to balance of 50% of the budgeted dividend cover. The £500k has been redirected to the MTFP Budget

							Support Reserve to manage the short term gaps and savings agenda
Smoothing and Business Risk	Business Rate Risk Reserve	(6,529)	600	(5,929)	0	(5,929)	£0.6m to be committed to support budget in 21/22. Remaining balance deemed minimum balance to meet underlying business rate volatility.
Smoothing and Business Risk	Insurance Reserve	(1,700)	0	(1,700)	250	(1,450)	Sufficient to cover four excess property claims (£250k per claim) plus a further £0.500m to cover historic claims relating to MMI and £0.200m balance of risk. Reduce to 3 claims at £250k. Release £250k to budget support (BRICR)
Smoothing and Business Risk	Earmark Gen - Employment Rationalisation	(1,166)	0	(1,166)	366	(800)	Established to cover costs of VS/VR scheme. Brought forward balance of £1.166m included draw down for the costs of the 2021 cycle. Reduce reserve to a balance of £800k for future potential restructuring costs. £366k to budget support (BRICR)
Smoothing and Business Risk	Housing Benefit Overpayment Reserve	(500)	300	(200)	0	(200)	Reserve balance brought forward was reinstated at £0.5m to reflect risk of 21/22 budget pressures due to COVID-19. A pressure of approx. £300k is now expected in 21/22 and this reserve will be utilised to offset this. The uncertainty on the Housing Benefit budget is expected to continue and the £200k is the minimum recommended balance. This may be increased at year end should resources allow.
Smoothing and Business Risk	Timperley Sports Club Synthetic Pitch	(93)	78	(15)	0	(15)	This will be used towards replacing synthetic pitches across the Borough
Smoothing and Business Risk	Earmark Gen - Local Search Litigation Costs Settlement	(93)	0	(93)	0	(93)	Reserve established as a contingency for potential back claims regarding changes in local search litigation costs and Central Land Charges Register.
Smoothing and Business Risk	Earmark Gen - Civic vehicle reserve	(24)	24	0	0	0	Replacement of mayoral vehicle. No change.
Smoothing and Business Risk	Smoothing - Waste Levy	(571)	550	(21)	0	(21)	To smooth the effects on the Council's budget of movements in the waste levy over the medium term.

Smoothing and Business Risk	Smoothing - Winter Maintenance	(120)	0	(120)	0	(120)	To provide emergency funds to cover the costs of highway & footway maintenance during periods of adverse weather conditions. Has not been required as risk is managed within revenue budget.
Smoothing and Business Risk	Smoothing - Elections	(308)	320	12	0	12	To smooth the elections budget across the 4 year Municipal cycle.
Smoothing and Business Risk	Smoothing - Interest Rate	(2,161)	390	(1,771)	0	(1,771)	Balance sufficient to meet potential short term volatility in the financial markets
Smoothing and Business Risk	Exchequer Services Reserve	(237)	230	(7)	0	(7)	Accumulated underspend of unspent grants (ring-fenced for activities such as fraud work, ICT systems, Universal Credit)
Smoothing and Business Risk	EU Exit Funding Reserve	(300)	300	0	0	0	Government funding to be used to enhance capacity and capability within local authorities in preparation for EU Exit related activities and risks
Smoothing and Business Risk	Sale PFI Bullet Payment	(1,086)	(360)	(1,446)	0	(1,446)	Reserve used to hold the final bullet payment relating to the programme. Previously held as a provision but reclassified as a reserve in 20/21. Not Available for any other purpose.
Smoothing and Business Risk	Admin Building Cyclical Maintenance Reserve	(758)	450	(308)	0	(308)	Reserve was previously classified as Capital. To provide a reserve sufficient to cover major lifecycle maintenance and unexpected costs associated with the maintenance and repair of all major administrative sites.
Smoothing and Business Risk	Council Tax Risk Reserve	0	(500)	(500)	0	(500)	Reserve to manage risk of shortfall in Council Tax Income due to uncertainty in take up of LCTSS/Hardship. Initially seeded by £500k from 21/22 Council Tax Surplus (period 8 monitor)
Sub-Total Smoothing and Business Risk		(15,646)	2,382	(13,264)	616	(12,648)	
COVID-19	Covid General Reserve	(20,672)	15,438	(5,234)	5,234	0	Reserve created to hold support for one off Covid pressures in 21/22 and 22/23 in line with MTFP plan. Plus balances of unspent Covid general grant. £4.0m transferred to budget support reserve at draft budget

							22/23 stage. Balance of £1.23m has also been transferred to BRICR.
COVID-19	Council Tax Hardship Reserve	(1,131)	1,131	0	0	0	Balance of Council tax Hardship Grant not spent in 2020/21. To be used to support hardship cases in 2021/22
COVID-19	Council Tax Compensation Grant Covid (75%)	(767)	767	0	0	0	Reserve established to hold Government support in meeting 20/21 Council Tax deficit. Will be drawn down over 3 years as planned in MTFP
COVID-19	Business Rates Compensation Grant Covid (75%)	(3,990)	3,990	0	0	0	Reserve established at Final budget stage to hold Government support in meeting 20/21 Business Rates deficit. Will be drawn down over 3 years as planned in MTFP
COVID-19	NDR Rates Exceptional Deficit Reserve (Section 31 Grants)	(87,713)	87,713	0	0	0	Reserve established towards meeting Trafford's share of the NDR Deficit. This is a requirement of collection fund accounting and is not available for any other purpose
Sub-Total COVID-19 Budget Resilience and Smoothing		(114,273)	109,039	(5,234)	5,234	0	
Strategic Priority	Transformation Fund	(532)	532	0	0	0	see below
Strategic Priority	Transformation Fund Match Funding Reserve	(3,750)	3,750	0	0	0	Monies allocated from Greater Manchester Health and Social Care Partnership for the transforming of health and social care services. This money can only be used on the activities that were laid out in the Transformation programme and some of this money will be allocated to the CCG for their share of programme costs.
Strategic Priority	Strategic Investment Programme Risk Reserve	(6,201)	1,730	(4,471)	0	(4,471)	Reserve established as a contingency for potential loss of income, additional cost due to delays in investment property fund. Reserve has been used/contributions adjusted during 21/22 in order to manage variations in the programme. Balance is minimum considered necessary to manage the underlying risks.
Strategic Priority	Leisure Centres Risk Reserve	(1,368)	1,368	0	0	0	Reserve to manage the risk during leisure centre refurbishment programme and any economic downturn due to pandemic. Particularly loss of income, changes in

							assumptions for demand, inflation and also risk of potential default on development loan. A budget provision of £715k is included in Place Directorate to manage these pressures. The reserve will be used to smooth net expenditure over the programme.
Strategic Priority	Children's Action Fund Reserve	(138)	138	0	0	0	A new reserve of £1.5m which was established in 2019/20 for investment in Children's Services following the recent OFSTED inspection. Remaining balance will be used in 21/22.
Strategic Priority	Bus Reform	(1,500)	1,500	0	0	0	Reserve established to hold Trafford's share of redistributed GM reserves. Will be released in 22/23 for GM Bus Reform.
Strategic Priority	Major Projects Reserve Abortive costs and DSG Academy Trans	(275)	0	(275)	0	(275)	Major Projects can result in abortive costs and the transfer of schools with deficits can also result in costs which need to be written off and so a small reserve has been created to protect against these two write off risks. Reserve maintained at current levels.
Sub-Total Strategic Priority		(13,764)	9,018	(4,746)	0	(4,746)	
Corporate	NDR Deficit Reserve	4,124	(4,124)	0	0	0	Reserve established towards meeting Trafford's share of the NDR Deficit. This is a requirement of collection fund accounting and is not available for any other purpose
Corporate	Star Procurement Earmarked Reserve	(546)	546	0	0	0	STAR revenue budget under/overspends to be carried forward. Commitment to spend is approved by STAR Board (Stockport, Trafford, Rochdale and Tameside). Ring-fenced reserve for members of STAR
Corporate	Planning Income Reserve	(358)	358	0	0	0	A reserve established to hold surplus planning income in line with Government requirements to reinvest increases in fee income towards improvements in planning services. This is a ring fenced reserve with specific statutory conditions attached to it.

Corporate	Prepaid Rev Grants Res (IFRS)	0	0	0	0	0	
Corporate	Council Tax Smoothing Reserve	(285)	285	0	0	0	Reserve established to hold Trafford's contribution towards Council Tax over distribution 19/20 to be settled in 21/22.
Corporate	General Reserve	(8,000)	0	(8,000)	(1,500)	(9,500)	This is the reserve that the Council is required to hold to protect against in year financial shocks. Balance was increased by £1m in 20/21 and a further £1.5m to bring to £9.5m as part of Robustness Review at Final budget stage. This will bring the balance to approximately 5% of the Net Revenue Budget.
Sub-Total Corporate		(5,065)	(2,935)	(8,000)	(1,500)	(9,500)	
Service Area Priority	Earmark Gen - ICT Development	(589)	340	(249)	0	(249)	Reserve established to ensure there are funds available for the replacement of equipment such as ICT and to smooth out maintenance costs as a result of the Digital Investment programme.
Service Area Priority	Economic Development	(704)	937	233	0	233	Reserve set aside specifically for economic development related projects.
Service Area Priority	Earmark Gen - Libraries and Customer Services Reserve	(20)	20	0	0	0	Funds earmarked for ICT upgrades plus additional costs associated with the libraries
Service Area Priority	Earmark Gen - Vol Sec Grants Reserve	(4)	4	0	0	0	Carry forward of prior year spend due to slippage on projects - committed on schemes.
Service Area Priority	Earmark Gen - Community Safety	(568)	268	(300)	0	(300)	Investment in Community Safety initiatives related to unspent grant from prior years.
Service Area Priority	Earmark Gen - Modernisation	(306)	306	0	0	0	Hold rolling balance of Modernisation Team budget underspend for future commitment
Service Area Priority	One Trafford Partnership Reserve	(1,859)	1,858	(1)	0	(1)	Established to hold contractor penalty payments to be invested in one-off Partnership schemes.
Service Area Priority	Sports Partnership Reserve	(165)	165	0	0	0	Ring-fenced funding from Sports Partnership to be used on specific projects
Service Area Priority	Earmarked Service C/fwd. Place	(967)	719	(248)	0	(248)	Service Carry Forward Place.

Service Area Priority	Earmarked Service C/fwd. G & CS	(95)	95	0	0	0	Service Carry Forward Governance and Community Services
Service Area Priority	Earmarked Service C/fwd. F & S	(1,057)	548	(509)	218	(291)	Service Carry Forward Finance and Systems. Balance of £218k has been released to BRICR
Service Area Priority	Earmarked Service C/fwd. S&R	(612)	612	0	0	0	Service Carry Forward Strategy & Resources
Service Area Priority	Earmarked Service C/fwd. Children	(111)	111	0	0	0	Service Carry Forward Children's
Service Area Priority	Earmarked Service C/fwd. Adults	(3,779)	3,779	0	0	0	Service Carry Forward Adults.
Service Area Priority	Traded Services Reserve	(261)	243	(18)	0	(18)	Service Carry Forward Traded Services.
Sub-Total Service Area Priority		(11,097)	10,005	(1,092)	218	(874)	
		(166,192)	126,868	(40,433)	0	(40,433)	
Capital Related Reserves		(18,993)				(4,485)	
School Related Reserves		(15,167)				(15,167)	
SUB-TOTAL		(34,160)				(19,652)	
Total Reserves		(200,352)				(60,085)	

Narrative Summary of Key Issues

Budget Resilience

➤ MTFP Budget Resilience, Innovation and Change Reserve (BRICR)

This reserve previously categorised within Budget Resilience and Smoothing group, has now been classified separately under a Budget Resilience group at the final budget stage due to the scale of the challenges faced by the Council in meeting a balanced budget in the medium term.

Each year the Council faces unavoidable base budget pressures relating to pay, general inflation and demographic growth which is offset by an assumed level of growth in Council Tax, leaving a net budget pressure. The current policy recommends that as a minimum that the budget support reserve be maintained at a level of 50% of the net pressure, which would equate to approximately £5.5 m.

Although this principle remains in place, the challenges the Council is facing over the medium term and continued uncertainty in how to address a balanced budget has emphasised the importance of having sufficient capacity within this reserve.

The reserve has been bolstered significantly to provide a cushion and support the MTFP as the Council continues its recovery from the financial impacts of the pandemic and will be used specifically to meet the budget gap over the short-term and necessary Finance and Change programme to deliver a balanced budget.

The reserve includes a number of significant movements, including revisions undertaken as part of the final budget; these can be summarised as follows:-

- A planned drawdown of £2.8m to support the 2021/22 budget;
- An increase of £5.40m as a result of the positive outturn relating to Council Tax and Business Rates income, as reported in the Period 8 budget monitoring;
- An increase of £0.5m per annum over the next three years, as a result of the redirection of existing revenue budget resource previously identified with the objective of replenishing the Manchester Airport Dividend Reserve (see below for further background)
- An increase of £2.0m relating to potential return of monies from Greater Manchester Combined Authority relating to the 2021/22 Business Rates Growth Pilot (£1.0m) and surplus Waste Levy reserves (£1.0m).
- Transfer of balances following the review of reserves as part of the draft and final budget preparations. Details of movement are shown in bold above, however in summary includes
 - £5.23m released from the COVID-19 General Reserve, largely accumulated from uncommitted grant support received in the previous financial year.
 - £0.83m released from various earmarked reserves
 - A transfer to the General Reserve of £1.5m to provide a revised balance of £9.5m.

The final budget for 2022/23 also includes a proposal that £4.34m will be met from the MTFP Budget Resilience, Innovation and Change Reserve in order to balance the remaining budget gap in 2022/23. This will leave a balance of £11.16m at the end of 2021/22 available in support of this reserve's principle objectives.

Smoothing and Business Risk Reserves

- **Business Rate Risk Reserve** - This reserve represents the biggest reserve under the category of Smoothing and Business Risk at £6.53m at 1st April 2021. £0.6m is being used to support the 2021/22 budget, leaving a balance of £5.93m at the end of 2021/22.

The Council has a budget from Business Rates income of approximately £68m and due to the complexities in the system such as the uncertainty surrounding the long term impact of the pandemic, a potential downturn in the general economy along with the forthcoming business rate reset, the importance of maintaining a suitable balance in this reserve cannot be underestimated. The suggested reserve balance of £5.93m is considered the minimum level given the underlying risks.

- **Manchester Airport Dividend Reserve** – this reserve was established to provide resilience if the income from our strategic investments in the airport was reduced. In the event of the pandemic, the reserve was used in full in 2020/21. As part of the longer term plans to replenish the level of reserves over the medium term, a recurrent amount of £0.5m was included in the 2021/22 budget. This was initially directed towards this reserve, however during the final budget review a decision has been made to direct this to the MTFP Budget Resilience, Innovation and Change so it can be managed in line with the principles of that reserve.
- **Employment Rationalisation** - This reserve was established to meet the one off costs over budget for major restructuring costs (severance/pension strain). At final budget an amount of £366k has been transferred to the MTFP Budget Resilience, Innovation and Change Reserve to leave a balance of £800k which is thought a prudent level to cover potential future costs.
- **Insurance Reserve** - The balance on this reserve is used to cover the insurance excess costs plus balance of risk for historic claims. The review at final budget has identified a balance of £250k which will be transferred to the MTFP Budget Resilience, Innovation and Change Reserve.

COVID-19 Reserves

- **COVID-19 Various** - A substantial balance of £114.27m relates to various COVID-19 Reserves and mainly relates to compensation grants received from the Government making good the shortfall in Business Rates and Council Tax income as a result of the Government's various relief schemes. These reserves are therefully used to compensate the Collection Fund for the accumulated shortfall and cannot be used for any other purposes. The balance also includes resource to meet our budget plans, including £7.1m of support in 2022/23 for specific COVID-19 pressures identified in our previous plans. The non committed balance of the reserve of £5.23m has been transferred to the MTFP Budget Resilience, Innovation and Change Reserve.

Strategic Priority

- **Asset Investment Strategy Risk Reserve** - this reserve is the largest reserve within the category of Strategic Priority and stood at £6.2m at 1st April 2021. The reserve was established as a contingency for potential loss of income and additional cost due to delays in the investment property programme. The flexible use of this reserve has been required during the pandemic due to the significant impact of delays in developer loans being drawn down and shortfalls in rental income. These pressures are reported in detail in the period monitoring. This reserve will remain a critical tool in managing the ongoing risks associated with the programme.
- **Leisure Centre Risk Reserve** – this reserve was established prior to the pandemic to manage the expected shortfall in income during the buildings refurbishment programme. The balance on the reserve has however been redirected to support the impact that the pandemic has had on the trading income of the Leisure CIC.

The current revenue budget included a figure of £215k to replenish this reserve on an annual basis and as part of the final budget preparation a further resource of £0.5m has been added to ensure the sustainability of these critical leisure facilities. The combined resource of £0.715m will be used to manage both the recurrent impact the pandemic, as well as the wider refurbishment will have on trading over the next five years.

The revised budget will be loaded against the service area budget, with the Leisure Centre Risk Reserve being used to smooth the net costs as the programme progresses. For this reason, the balance on this reserve over time will be subject to fluctuation, however will be assumed to be fully committed.

Corporate Reserves

- **General Reserve** - The level of General Reserve incorporates risk assumptions on pay/inflation, emergency and disaster recovery scenarios, increases in demand led budgets, savings target not being met and business rates/ council tax shortfalls. It is highly unlikely that the events would occur simultaneously and the figure is calculated on a prudent basis.

Due to the growing levels of uncertainty given the economic outlook the level of this reserve has been reviewed and increased to £9.5m (previously £8.0m). See detailed analysis below.

Service Area Priority Reserves

- **Service Area Priority Reserves various** - This category of reserves holds service area reserves which have largely built up from prior years underspends, including unspent grants. Most elements are contractually committed, however all commitments have been

thoroughly challenged as part of the final budget review. A total amount of £0.218m has been identified as suitable for transfer to the MTFP Budget Resilience Innovation and Change Reserve. At the time of writing the final budget report, the outcome of the review has yet to be concluded, however work will continue to identify any potential for further resource could be released to bolster the budget support reserve further.

2022/23 Objective (Service) Budget Analysis

Annex G

SERVICE EXPENDITURE ANALYSIS	Net Budget 2021/22 (£'000)	Proposed Net Budget 2022/23 (£'000)	Movement (£'000)
Children's Service			
Children with Complex and Additional Needs	268	273	5
Commissioning	1,123	1,152	29
Children's Social Services	19,976	20,570	594
Education and Early Years' Service	19,068	19,643	575
Early Help Delivery Model	2,409	2,522	113
First Response	(20)	18	38
Youth Offending Service	(80)	(78)	2
DSG	0	0	0
Children's Service Sub-Total	42,744	44,100	1,356
Adults Service (incl. Public Health)			
Client Costs	59,017	65,924	6,907
BCF and Other Grants	(20,794)	(24,391)	(3,597)
Assistive Equipment and Technology	996	1,018	22
Social Care Activities - Care Management	11,441	12,127	686
Commissioning and service delivery	2,126	2,243	117
Public Health	12,507	12,886	379
Adult Service Sub-Total	65,293	69,807	4,514
Place			
One Trafford Partnership	17,775	18,267	492
Street Lighting Energy	986	1,055	69
Media Advertising	(416)	(814)	(398)
Waste Disposal Levy	15,903	15,238	(665)
Strategic Management	1,421	1,512	91

SERVICE EXPENDITURE ANALYSIS	Net Budget 2021/22 (£'000)	Proposed Net Budget 2022/23 (£'000)	Movement (£'000)
Property Investment Fund	(7,607)	(7,557)	50
Sport and Leisure	417	921	504
Economic Growth & Planning	2,503	2,528	25
Public Protection & Enforcement	633	589	(44)
Parking Services	(977)	(1,592)	(615)
Strategic Support Services	864	856	(8)
Place Sub-Total	31,502	31,003	(499)
Governance and Community Strategy			
Legal & Democratic Services	2,797	2,723	(74)
Access Trafford	2,886	2,917	31
Partnerships and Communities	0	0	0
Arts and Culture	837	762	(75)
Directorate Wide Efficiency -G&CS	(192)	(192)	0
Governance and Community Strategy Sub-Total	6,328	6,210	(118)
Finance and Systems			
Finance Services	4,702	4,831	129
ICT Services	3,304	3,319	15
Transformation	0	0	0
Directorate Wide Efficiency -F&S	(188)	(188)	0
Finance and Systems Sub-Total	7,818	7,962	144
People and Traded Services			
Human Resources	2,541	2,692	151
Communications	215	223	8
Executive	470	410	(60)

SERVICE EXPENDITURE ANALYSIS	Net Budget 2021/22 (£'000)	Proposed Net Budget 2022/23 (£'000)	Movement (£'000)
School Crossing Patrols	447	463	16
Bereavement Services	(667)	(638)	29
Catering & Cleaning Traded Services	448	250	(198)
Music Service	382	323	(59)
Business Intelligence	1,248	760	(488)
Directorate Wide Efficiency -People	670	706	36
People and Traded Services Sub-Total	5,754	5,189	(565)
Total Service Budget	159,439	164,271	4,832
Council Wide Service			
Transport Levy	16,209	16,209	0
Flood Defence	152	152	0
Coroner's & Mortuary	728	728	0
AGMA/ Other	517	517	0
Contingencies, Provisions and Corporate savings	1,871	3,540	1,669
Interest Receivable (incl. Airport Dividend)	(500)	(1,343)	(843)
Loan Debt (principal and interest)	7,481	8,970	1,489
Property Investment Fund	860	860	0
Insurance	886	904	18
Members Expenses	2,434	2,434	0
Other Centrally held budgets	(10,605)	(4,669)	5,936
COUNCIL-WIDE BUDGETS	20,033	28,302	8,269
Proposed Net Budget	179,472	192,573	13,101

Annex H – MTFP Risk Assessment

Risk Identified	Risk	Risk Mitigation
<p>Adequacy of overall resource envelope to sustain expenditure pressures.</p> <p>Government's Comprehensive Spending Review and Local Government Finance Settlement</p>	<p>The adequacy of the total resources available to local government is not sufficient to deliver sustainable services.</p> <p>Single year announcements of the Government's Comprehensive Spending Review and the impact this will have on future Local Government Finance Settlement leading to increased uncertainty, volatility and risk about the future direction of local government funding making accurate medium term financial planning difficult.</p> <p>Risk around Services Grant announced as part of the provisional settlement as a one year grant, however an indication from the Government that it would be contained within the LG envelope in future years settlements. As the method of redistributed is yet to be confirmed, there is a risk that revised dedistribution method will not match the current level.</p>	<ul style="list-style-type: none"> - Focus on maintaining mandatory services through an Innovation and Change Programme - Update from financial advisory services (SIGOMA and Pixel Financial Management) - Government reforms - Reserves Policy
<p>Savings Programme not being achieved</p>	<p>The delivery of each year's respective savings programme is essential to avoid cascade and pressures in to future years.</p>	<ul style="list-style-type: none"> - Innovation and Change Programme/Board - In year budget monitoring - RAG status monitoring and exception reporting to CLT - MTFP Summer Review - budget Resilience Reserves

<p>Asset Investment Strategy and Joint Ventures</p>	<p>- the Council has a controlling interest in a number of companies and an ambitious and complex strategic investment programme. This represents a high risk to the council of default against regulation and or a budget shortfall.</p>	<ul style="list-style-type: none"> - In year budget monitoring - MTFP Summer Review - budget Resilience Reserves - Governance Boards - Use of external advisors
<p>Fair Funding Formula</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 95</p>	<p>The MTFP assumes that the Fair Funding Review will have a small benefit to the Council. Whilst transitional arrangements are expected when the new funding formula is implemented, it is still not clear what impact this will have on the Council's assessed relative 'need to spend' and its baseline funding levels</p>	<ul style="list-style-type: none"> - Update from financial advisory services (SIGOMA and Pixel Financial Management) on updates to Government reforms - Reserves Policy
<p>Business Rates</p>	<p>The localisation of Business Rates continues to expose a significant proportion of Council resources to additional risks. These include the extent to which the Business Rates Taxbase will grow or decline relative to future Government baseline funding level assessments and the extent to which it is necessary to provide for losses on rateable value appeals impacting on the amount of Business Rates income available to support the Council's budget.</p> <p>The MTFP assumes a business rate reset in 2024/25 and removal of the 100% retention scheme. As the reform has been delayed there is uncertainty about which retention scheme will apply in the future with options being 100%, 75% or 50% and the impact this will have on the Business Rates modelling and MTFP forecasts.</p>	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - Reserves Policy - Identified available one-off resources - Update from financial advisory services (SIGOMA and Pixel Financial Management) on updates to Government reforms - Business Rates modelling - Identified available one-off resources (GMCA redistribution)

<p>Care Market – Financial Sustainability and Appropriate and Required Care Provision</p>	<p>A need to ensure that the care market is financially sustainable and able to continue to provide appropriate and required care provision will result in additional costs.</p>	<ul style="list-style-type: none"> - In year monitoring of the costs of care services and commission and understanding of the financial legacy of the COVID19 financial impact. - Further Government support funding for social care services. Impact analysis of Social Care White Paper. - Reserves Policy
<p>Capital Financing Costs</p>	<p>A number of factors could adversely impact on the capital financing cost forecasts within the MTFP. These include future interest rate increases, revisions to the Prudential Code, availability of cash on a short term basis at low interest rates and/or a significant unplanned reduction in the level of the Council's internal balances.</p>	<ul style="list-style-type: none"> - In year monitoring of interest rates by Treasury Management Team - Updates from Treasury Management advisors (Link Asset Services) - MTFP Summer Review - Flexibility built in to the capital financing budgets to respond to interest rate increases and new long term borrowing - Reserves Policy

<p>Collection Fund</p>	<p>The in-year Collection Fund position is monitored to determine the forecast surplus/deficit position to be declared and included in the MTFP estimated resources for Council Tax and Business Rates. A deficit position on the Collection Fund will need to be funded by the Council in the preceding financial year (or spread across 2021/22 to 2023/24 per Government support).</p> <p>The forecast outturn positions are subject to change during the year due to volatility in collection rates, changes in Council Tax support particularly in relation to COVID19 impact and increasing Business Rates reliefs again in relation to COVID19 impact.</p>	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - In year monitoring of collection rates - Government support to spread the impact across 2021/22 to 2023/24 - Reserves Policy
<p>Council Tax Taxbase</p>	<p>Future changes to the Council Tax Taxbase will impact on the MTFP forecasts in relation to Council Tax income.</p>	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - Reserves Policy - Identified available one-off resources
<p>COVID19 Pandemic</p>	<p>The financial impact of COVID19 has already been unprecedented. The MTFP assumes impact in 2022/23 of Airport dividend and will be managed from reserves. No further Government support assumed in MTFP. The pandemic has exacerbated the uncertainty, volatility and risk in the financial landscape making medium term financial planning increasingly difficult. Future variants pose a risk to financial planning and forecasting.</p>	<ul style="list-style-type: none"> - Continuing monitoring of the COVID19 financial impact through the monthly Government return and quarterly budget monitoring - Assume further impact of any restrictions will receive some level of Government support. - Council's COVID19 strategy of response - Reserves Policy - Contingency items within revenue budget

<p>Demand, Price and Demographic Led Services Hospital Discharge Programme</p>	<p>Continuing increases in demand and demographic costs for demand led services such as Children and Adult Social Care could result in increases in the MTFP forecast expenditure pressures. Work is ongoing on new Children Social Care operating model which are expected to reduce service demand. If these service transformation projects are not successful in reducing demand costs will continue to be incurred without the ability to use contingency budget to fund them. In addition, the impact of COVID19 could increase the demand for some services i.e. mental health services.</p> <p>Further pressures may be felt under the hospital discharge programme, the costs of which have been met from NHS budgets during the pandemic. Sufficient resource would need to continue to support this programme if ambitions remain at current levels.</p>	<ul style="list-style-type: none"> - In year budget monitoring - Changes to service operating models - Speedy negotiation with NHS/ICS relating to sharing model. - Demand contingency budget - MTFP Summer Review - Reserves Policy - budget Resilience Reserves
<p>Education</p>	<p>The Council depends on a significant proportion of DSG funding to provide education services as part of its education/schools services. If DSG cannot be retained to fund these going forward additional cash limit pressures could occur. The DSG High Needs Block which is used to support children with Special Educational Needs (SEN) has significant budget pressures due to increasing demand within a challenged market with limited capacity and increasing complexity of children's requirements within the Borough. Finance Officers are working as part of a DSG funding review group and with Schools Forum to address these issues.</p>	<ul style="list-style-type: none"> - DSG Review Group working to address long term budget sustainability of the DSG - Reserves Policy

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Levies	Delays in announcements of future years' waste and transport levies by the GMCA which could impact on the MTFP forecasts. The future waste levy increase will be dependent on the delivery of the alternative delivery model. It is expected that this will lead to stability in the future waste levy increases.	<ul style="list-style-type: none"> - Discussions with GMCA colleagues throughout the year to understand position on levies - MTFP Summer Review - MTFP updates - Reserves Policy
National Living Wage	The obligation for the Council to meet the increasing costs as a result of the National Living Wage to support the Care market continues to increase MTFP forecast expenditure pressure. Furthermore, the Council also needs to consider the implication of the National Living Wage increases on its own workforce and potential costs of this and ensuring existing spinal pay point differentials between different pay grades are maintained. Future reviews of the MTFP will continue to consider the impacts of this and any changes required to the MTFP forecasts as a result	<ul style="list-style-type: none"> - In year budget monitoring - Changes to service operating models - MTFP Summer Review - Reserves Policy - budget Resilience Reserves
Trade Deal Negotiations Linked to UK Leaving the EU	Government negotiations with the EU on a future trade deal post the UK leaving the EU are ongoing. There has been little clarification on how these negotiations will impact on Local Authorities. The impact this will have on the financial landscape is uncertain and is creating volatility in the national economic position.	<ul style="list-style-type: none"> - Update from financial advisory services (SIGOMA and Pixel financial Management) - Government reforms - Brexit contingency Reserve
Pay Award	Increase in inflation rates and rapidity of changes make forecasting difficult. Pay freeze for 21/22 was increased to 1.75% and met from contingency. Future years pay award assumed at general inflation of 2% however risks of volatility in rate changes makes forecasting difficult.	<ul style="list-style-type: none"> - monitoring of pay award negotiations - MTFP Summer Review - MTFP updates - Reserves Policy - contingency budgets

Price Inflation	Whilst estimates have been made in the MTFP, forecasts of specific inflation cost pressures remain uncertain and could adversely impact the MTFP. Inflation rates are increasing over the medium term period and their rapidity of change is concerning. Furthermore, the complexity of service users' needs and the availability of service provision in the market (particularly in relation to Children's and Adult Social Care services) is resulting in price increases in excess of inflation.	<ul style="list-style-type: none"> - monitoring of inflation rates - MTFP Summer Review - MTFP updates - Reserves Policy - contingency budgets
Reserves	Availability of earmarked reserves to mitigate pressures on a temporary basis and smooth the financial impact whilst permanent budget recovery plans and/or funding option are identified.	<ul style="list-style-type: none"> - Reserves Policy

Annex I

OUTLINE OF 2022/23 FUNDING FORMULA RECOMMENDED BY SCHOOL FUNDING FORUM

-	Description	Amount per pupil		Pupil Units		Sub Total	Total
	Primary (Years R-6)	£3,210.05		21,295.00		£68,358,036	
	Key Stage 3 (Years 7-9)	£4,536.26		10,091.00		£45,775,410	£147,214,744
	Key Stage 4 (Years 10-11)	£5,115.40		6,467.00		£33,081,298	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
Deprivation	FSM	£472.57	£472.57	3,165.00	2,355.00	£2,608,586	£12,000,875
	FSM6	£593.22	£869.72	3,364.00	2,945.00	£4,556,917	
	IDACI Band F	£221.20	£321.75	1,749.84	1,342.99	£819,170	
	IDACI Band E	£271.47	£427.32	1,493.89	1,207.25	£921,429	
	IDACI Band D	£422.29	£598.25	1218.71	810.59	£999,586	
	IDACI Band C	£462.51	£653.55	659.98	653.49	£732,335	
	IDACI Band B	£492.68	£703.82	744.71	751.47	£895,804	
	IDACI Band A	£643.49	£894.86	304.25	303.14	£467,047	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
English as an Additional Language	EAL 3	£568.08	£1,538.35	2,759.51	390.41	£2,168,219	£2,321,198
Mobility		930.05	1337.26	137.40	18.84	£152,980	
		Amount per pupil		Eligible proportion of primary and secondary NOR respectively			
Prior attainment	Low Attainment % new EFSP	£1,136.17		5,150.87		£5,852,264	£9,412,906
	Low Attainment % old FSP 78	£1,719.34		2,070.94		£3,560,643	
Lump Sum per school						£121,962.30	£10,122,871
Additional lump sum for a malgamated school							£85,374
Split Sites							£40,000
Sparsity							£25,472
Rates							£1,573,195
Additional funding under the minimum funding level (primary £4,241 secondary £5,500)							£6,684,406
Total Funding for Schools Block Formula (excluding MFG Funding Total)							£189,481,041
Minimum Funding Guarantee (MFG is set at + 1.55%)							£2,548,086
Total Funding For Schools Block Formula							£192,029,128
less de-delegation							-£388,630
less Education functions							-£220
Total Funding For Schools Block Formula less de-delegation							£191,640,278

Formal Council Tax Resolution

The Council is recommended to resolve as follows:

1. It be noted that on 11th January 2022 the Council calculated
 - (a) the Council Tax Base 2022/23 for the whole Council area as 77,601 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and;
 - (b) 1,669 for dwellings in the Parish of **Partington**;
 - (c) 144 for dwellings in the Parish of **Carrington**;
 - (d) 163 for dwellings in the Parish of **Warburton**;

to which Parish Precepts relate.

It is recommended : -

2. That the Council approve the Council Tax Requirement for the Council's own purposes for 2022/23 (excluding Parish precepts) as £112,755,029.
3. That the Council agrees the calculation of the Aggregate Amounts for the year 2022/23 in accordance with Sections 31 to 36 of the Act:
 - (a) £572,749,064 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £459,894,710 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £112,854,354 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
 - (d) £1,454.29 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £99,325 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) £1,453.01 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) £1,505.05 **Parish of Partington**

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

(h) £1,483.01

Parish of Carrington

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

(i) £1,503.01

Parish of Warburton

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

4. The council tax set by Trafford Council includes a 1.0% increase to be spent exclusively on supporting the delivery of adult social care services.
5. That it be noted that for the year 2022/23 the Mayoral Police and Crime Commissioner and the Mayoral General (including Fire Services) have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate shown in the tables below as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.

Valuation Bands

Council Tax Schedule 2022/23	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Trafford Council (including Adult Social Care Precept)	968.67	1,130.12	1,291.56	1,453.01	1,775.90	2,098.79	2,421.68	2,906.02
Mayoral Police and Crime Commissioner Precept	152.20	177.56	202.93	228.30	279.03	329.76	380.50	456.60
Mayoral General Precept (including Fire Services)	68.62	80.06	91.50	102.95	125.82	148.70	171.57	205.90
Sub total	1,189.49	1,387.74	1,585.99	1,784.26	2,180.75	2,577.25	2,973.75	3,568.52

Partington								
Parish only	34.69	40.48	46.26	52.04	63.60	75.17	86.73	104.08
Parish & District only	1,003.36	1,170.60	1,337.82	1,505.05	1,839.50	2,173.96	2,508.41	3,010.10
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,224.18	1,428.22	1,632.25	1,836.30	2,244.35	2,652.42	3,060.48	3,672.60
Carrington								
Parish only	20.00	23.33	26.67	30.00	36.67	43.33	50.00	60.00
Parish & District only	988.67	1,153.45	1,318.23	1,483.01	1,812.57	2,142.12	2,471.68	2,966.02
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,209.49	1,411.07	1,612.66	1,814.26	2,217.42	2,620.58	3,023.75	3,628.52
Warburton								
Parish only	33.33	38.89	44.44	50.00	61.11	72.22	83.33	100.00
Parish & District only	1,002.00	1,169.01	1,336.00	1,503.01	1,837.01	2,171.01	2,505.01	3,006.02
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,222.82	1,426.63	1,630.43	1,834.26	2,241.86	2,649.47	3,057.08	3,668.52

PARISH COUNCIL PRECEPTS

Parish/Town Council	2021/22			2022/23			C Tax Increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Partington	1,578	82,119	52.04	1,669	86,855	52.04	0.0%
Carrington	126	3,780	30.00	144	4,320	30.00	0.0%
Warburton	165	8,250	50.00	163	8,150	50.00	0.0%
TOTAL	1,869	94,149		1,976	99,325		

The budget consultation was to inform residents and businesses of the amount needing to be saved next year, the proposals under consideration and to gather responses from stakeholders. The online public consultation commenced 6th December 2021 and closed 11th January 2022 and due to Covid a greater emphasis was placed on the use of social media for the duration of the consultation.

The proposals impacting on the public related to

- amending parking tariffs (town centres and on street locations) and
- changing resident permit charges.

The budget consultation media release was on the home page of the Council’s website and received a total of 496 unique page views. The media release also appeared in the Manchester Evening News, The Messenger and Altrincham Today which included reference to how people could take part in the consultation. Utilising social media channels Twitter, Facebook and LinkedIn, there were a total of 16,924 views and out of those 1,146 interacted with the post (Retweets, replies, follows, likes).

Parking Charges Review

This proposal is to amend the tariffs in Town Centre car parks and on street locations. Across Trafford there are a number of central locations where parking charges are applied on and off street. *please note no change to village car parks was being proposed.

Parking charges – Town Centre and Central Locations

On and Off St	2 hours	3 hours	4 hours	5 hours	6 Hours
Current tariffs	£1.20	£2.50	£3.50	£4.50	£5.50
Proposed tariffs	£2.00	£3.00	£4.00	£5.00	£6.00

There were 177 responses to this question. In answer to the question ‘Do you agree with the proposal to amend the tariffs for on and off street parking in Town Centre and Central locations’ the following feedback was received

- 119 (67%), either strongly disagreed or disagreed with the proposal
- 45 (26%) either strongly agreed or agreed with the proposal
- 13 (7%) neither agreed nor disagreed or didn’t know.

A selection of comments in favour and against the increase in tariffs included

In favour :-

Local people should be walking and using public transport more and visitors from outside the area should pay for parking.

Driving into town centres should be strongly discouraged and made difficult if Trafford council is to act on the climate emergency declared

The proposed increase would make sense, it has felt very inexpensive to park near to the town centre of Altrincham for quite some time and this rise would be in keeping with other locations

I agree with the changes for 3 hours+ but disagree with the increase for 2 hours. I think you will put a lot of people off coming into Altrincham if you raise it to that level, £1.50 or lower would be better

Against :-

In increasing the parking fees you are also adversely affecting the vast number of leisure businesses in our towns and villages

It actively discourages shoppers parking in the Town Centre and shopping in Altrincham - at a time when our retailers really really need increased footfall to cope with the impact of Covid

Keep the parking charges at reasonable levels. Less mobile people struggle to visit town so costs must be reasonable to allow access to town centres

Having reviewed the feedback from the public consultation, it is recommended that the proposal is implemented without change. This will contribute to the management costs for accessibility and highways.

Amended Resident Permits

This proposal is to include a change to the resident permit charges.

Residents' Permits costs			
	1st Permit cost	2nd Permit cost	Visitor annual permit cost
Current Cost	£41.75	£ 41.75	£ 41.75
Proposed cost	£47.50	£ 47.50	£ 47.50

There were also 177 responses to this question. In answer to the question ‘Do you agree with the proposal to amend the tariffs for Resident and Visitor Annual Permits’ the following feedback was received

- 101 (57%), either strongly disagreed or disagreed with the proposal
- 33 (19%) either strongly agreed or agreed with the proposal
- 43 (24%) neither agreed nor disagreed or didn't know.

A selection of comments in favour and against the increase in tariffs included

In favour :-

It's a small increase for a whole year of parking. Maybe increase to £52, £1 a week seems ok to me

Many people in permit areas have driveways and multiple vehicles and should pay extra for permits for having more than one vehicle per adult per household

This may have a beneficial outcome and help reduce the number of vehicles per household

Against :-

The permit idea is good as it keeps the streets free for residents - but they already have to pay car tax and petrol tax, why should the poor people pay just to have a privilege of parking near to their house?

Living in a residents only parking area does not guarantee a space to park despite making the annual purchase of a pass

Parking is already expensive and not readily accessible due to demand, increasing by this amount given council tax rises seems unreasonable

Having reviewed the feedback from the public consultation, it is recommended that the proposal is implemented without change. This will contribute to the management costs for accessibility and highways.

Other suggestions and comments

The consultation also allowed the opportunity to provide supplementary comments. A total of 323 comments were received

When asked 'Do you have any other suggestions or ideas for the Council to consider when setting its budget for next year, 159 comments in addition to those in the categories above. The remainder of the comments were varied and mixed and included;

- Efficiencies around council buildings and estate, investment approach, staff salaries and management efficiencies.
- Improving One Trafford Partnership
- Maintenance and repairing of roads/streets
- Reconsider plans and current cycle lanes

Other comments included increase for social care budgets/critical services i.e. Mental Health provision, local libraries, increasing speed bumps and cameras in the borough, options to improve recycling and investment within Trafford's enforcement services. Any specific requests / suggestions have been shared with the relevant council team.

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TRAFFORD COUNCIL

Report to: Executive and Council

Date: 16th February 2022

Report for: Decision

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

Report Title

CAPITAL STRATEGY, ASSET INVESTEMENT STRATEGY, CAPITAL PROGRAMME AND PRUDENTIAL & LOCAL INDICATORS 2022/25

Summary

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

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

General Capital Programme (Appendix 2 – Section 1) - The level of resources forecasted to be available for general capital investment purposes during the period is £183.85m. The proposals included in this report will result in a Capital Programme totalling £187.23m. This equates to £3.38m of over-programming over the three year programme and will be reviewed each year to ensure actual capital resources are not overcommitted. To assist with the delivery of the capital programme individual scheme proposals are included for a number of key programmes.

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

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

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

Asset Investment Strategy (Appendix 5) – The refreshed Asset Investment Strategy, for approval, which has been updated to take account of the recent changes to the Council's corporate priorities, external regulations and the wider economic environment.

Recommendations

That the Executive approve the:-

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

That Executive recommends the Council to approve:-

3. The Capital Strategy included in Appendix 1;
4. the overall Capital Programme in the sum of £417.38m for the period 2022/25, comprising £187.23m in respect of the General Capital Programme and £230.15m for the Investment Fund and
5. additional prudential borrowing of £50.52m as detailed in paragraph 12
6. the Prudential and Local Indicators as set out at Appendix 3 of this report.
7. the Asset Investment Strategy included in Appendix 5
8. Approves the flexible use of capital receipts of up to £0.27m to support the cost of the Modernisation Team in developing the Council’s Finance and Change Programme.
9. the flexible use of capital receipts strategy as detailed in paragraph 16 of this report

Contact person for access to background papers and further information:

Name: Frank Fallon

Extension: 4170

Background Papers – None

Relationship to Policy Framework/Corporate Priorities	<p>Value for Money</p> <p>The proposed budget for 2022/23 supported by the proposed Capital Strategy, Asset Investment Strategy and Capital Programme supports all key priorities and policies.</p>
Financial Implications	Planned capital expenditure over the next three year period will be contained within available capital resources.
Legal Implications:	All borrowing and expenditure to be incurred in accordance with capital regulations and prudential code.
Equality/Diversity Implications	In approving the detail of schemes proposed through the capital programme the Council will need to ensure that any decisions are made fully in accordance with its Public Sector Equality Duty.
Sustainability Implications	The indicative capital programme includes a number of proposals that will aid the Council in its environmental sustainability objectives, as detailed in Annex A.
Resource Implications e.g. Staffing/E-Government/ICT/Asset Management Implications	A number of improvement schemes are being undertaken in 2022/25.
Risk Management Implications	Assumptions have been made on the level of receipts from land sales and developments to be generated in 2022/23 to 2024/25. This is subject of the Strategic Land Review Programme and is being presented as a separate report. An ongoing review will be undertaken of the future funding sources and in the event that there is a shortfall in resources to finance the Capital Programme, adjustments will be made to our expenditure plans. Any other properties or other assets acquired as part of the Asset Investment Strategy will be subject to the annual review and revaluation. An appropriate risk reserve has been created and is monitored in line with the investment strategy to mitigate risk and provide protection to ourselves for potential future unknowns.
Health & Wellbeing Implications	The proposed capital programme includes a number of schemes that seek to provide a positive impact on the Health and Wellbeing of Trafford's residents, including sports and leisure improvements, home adaptations as part of the Disabled Facilities Grant, tree replacement programme and improvements to play area infrastructure across the borough.

Health and Safety Implications	A number of schemes are being undertaken on the grounds of health and safety.
Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.

Other Options

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

Consultation

Consultations have taken place with budget holders, responsible officers and professional services to ascertain the new projects to be put forward for inclusion in the Capital Programme for 2022/25. Consultation with the public and user-groups will follow, where appropriate, once the programme is set and specific proposals within the budget allocations are developed.

Reasons for the Recommendation

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

Key Decision

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

If Key Decision has 28 day notice been given : Yes

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

Legal Officer Clearance ...JL.....



DIRECTOR’S SIGNATURE

TRAFFORD COUNCIL

Capital Strategy

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INTRODUCTION

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

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

The Strategy is reviewed annually and updated to take account of the new challenges facing the Council and the aspirations of our residents - ensuring that we provide a Capital Strategy which meets the Council's long-term vision of ***"Where all our residents, communities and businesses prosper"***.

OBJECTIVES

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

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



Reducing Health Inequalities



Supporting People out of Poverty



Addressing Our Climate Crisis

❖ Specific priorities include:-

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

The Council's 2022-2025 Capital Programme, associated financing and prudential borrowing requirements is attached as an appendix to this strategy.

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

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

Trafford Council was one of the first local authorities to declare a climate emergency in November 2018, whilst Greater Manchester has committed to being carbon neutral by 2038 through the Greater Manchester Combined Authority. Across the council and in partnership across Trafford, we are continuing to make progress with measures that will reduce our carbon footprint and put us on a pathway to carbon neutrality by 2038, and in doing so, help to improve the health and wellbeing of our communities, our

environment and our economy. The Councils Carbon Neutral Action Plan details those areas which are to be targeted to achieve the overall aim of carbon neutrality. These areas are;

- Governance, Engagement and Collaboration
- Production and Consumption of Resources
- Transport and Travel
- Heat and Energy
- Natural Environment
- Skills and Green Growth
- Homes, Workplaces and Buildings

Within the indicative capital programme at Appendix A are a number of schemes supporting the Council's carbon neutrality objectives detailed above with the following schemes assisting in achieving carbon neutrality;

- Mayor's Challenge Fund, cycling and walking schemes,
- Investment in parks and open spaces including tree planting schemes
- Resomation Cremators at Altrincham Cemetery
- Street Lighting replacement programme

There are a number of schemes within the current three year capital programme delivering on decarbonisation of council buildings, electrical vehicle charging points and cycling and walking schemes that are also contributing to the objectives detailed above.

In addition to schemes included in the indicative capital programme, the investments and developments that are undertaken as part of the Asset Investment Strategy consider increased level of sustainability to assist with the overall objective of carbon neutrality.

CONTEXT

The updated Prudential Code published in December 2021 requires that authorities should have a Capital Strategy with the purpose of establishing a long term direction for the management and use of capital resources for the organisation.

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

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



Our Approach

Key to successfully delivering the vision, outcomes and priorities in the corporate plan is the way we work and our approach. This is defined as: Delivering the right, quality services at the right time for residents, communities, businesses and partners using our skilled and diverse workforce. Being responsive, accessible and fair to all and placing this at the heart of everything that we do. This means becoming a digital council, improving connectivity and helping more residents to get online and access new technology. At the same time, we will ensure that residents are not left behind in our increasingly digital society. Providing value for money, targeting investment and better partnership working; ensuring our services are built around the needs of people who live, work and visit the borough.

Working with residents, communities and business to provide properly maintained, clean, attractive and safe green spaces for everyone to enjoy. Continuing to maintain tight control on our finances through the medium term financial plan (MTFP) to deliver a balanced budget. Working more closely with residents and using data effectively, to influence and inform our local decision making. Making sure our communications is open and accessible to all, continuing to engage both directly and through social

media, websites and online platforms. Working together to help develop a strong, dynamic and diverse voluntary sector as a key partner in the borough and actively encourage volunteering.

PLACE SHAPING BOARD

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

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

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

- ❖ To establish a Place Shaping Programme comprising projects from: Place Shaping, Leisure, Schools, Investment, Disposal; and Enabling categories;
- ❖ To consider the inclusion of new projects within the Place Shaping Programme;
- ❖ To consider strategic development sites and how these can contribute to place shaping objectives;
- ❖ To drive the implementation of the Place Shaping Programme through weekly meetings;
- ❖ To review a monitoring report on a monthly basis on the financial, legal, commercial (including risk management) and development milestones of the Place Shaping Board Programme to ensure programme delivery;
- ❖ To receive, review and agree Outline Business Cases and (subsequent) Full Business Cases for projects within the Place Shaping Programme prior to Executive or Investment Board approval.
- ❖ To receive and review regular updates from any Place Shaping sub / working groups including the Adult Care (place shaping) working group and Leisure Board.
- ❖ The Place Shaping Programme sponsor is the Corporate Director Place and responsibilities for individual projects will be delegated/allocated to Place Shaping Board members

MEDIUM TERM FINANCIAL STRATEGY

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

The objectives of the MTFS are:

- ❖ Increasing the resources available to the Council
- ❖ Delivering value for money

- ❖ Delivering a robust, balanced and sustainable budget (both capital and revenue)

ASSET MANAGEMENT PLANS

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

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

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

ASSET INVESTMENT STRATEGY

The Council's Asset Investment Strategy, which was originally drafted in September 2017, and subject to annual updates, with the latest being in November 2021. The latest strategy has been updated to better align with Council's strategic priorities and values, protect against near-term market uncertainty and incorporate recent guidance on Local Authority finances, including changes to the Prudential Code. The primary objective of the Asset Investment Strategy is to promote the Council's 3 Strategic Priorities while creating a suitable income stream to support frontline services. The Council will also ensure that future investments are in keeping with the Council's objective and policies around environmental sustainability.

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

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

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

The financial performance of the investment portfolio and of each property within the portfolio is measured and reported on a bi-monthly basis by an officer group to the Executive. Annual reviews

of external revaluations and net yield generated are undertaken with a view to making recommendations concerning sales or purchases and any amendments to the adopted strategy to ensure that the main objective continues to be achieved.

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

TREASURY MANAGEMENT

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

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

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

There are close links between the Capital Strategy and Treasury Management Strategy with the Capital Strategy determining the borrowing need of the Council. The take up of debt is done in accordance with the Treasury Management Strategy which involves arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives. The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding.

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

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

CAPITAL RESOURCES

External Resources

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

Internal Resources

The restrictions on the ability to apply external resources to specific schemes means that only internal resources are available for application on discretionary investment. Internal resources

mainly comprise **prudential borrowing** and **capital receipts** from the sale and development of council assets as included in the Strategic Land Review Programme.

Prudential Borrowing

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

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

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

A significant proportion of Council borrowing is linked to the Asset Investment Strategy, which supports economic development and regeneration proposals which will be of benefit to the borough and which generate a financial return to the Council above the borrowing cost. A lot of the schemes are asset backed.

The Council is required to set prudential indicators, supplemented by local indicators, in accordance with the CIPFA Prudential Code which are designed to support and record decisions taken on affordability, sustainability and professional good practice and these are included within the annual capital budget setting report and approved by full Council.

Capital Receipts

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

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

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

pressures.

GOVERNANCE FRAMEWORK

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

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

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

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

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

- ❖ Statutory implications/impact on service delivery;
- ❖ Council objectives and priorities (e.g. the Capital Strategy - Specific Capital Priorities);

- ❖ Condition of assets and the strategic importance of those assets;
- ❖ Capacity to deliver the volume of work included in the programme (minimising potential slippage);
- ❖ Availability of resources.

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

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

RISK MANAGEMENT AND RELATIONSHIP WITH OTHER PROCESSES

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

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

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

KNOWLEDGE AND SKILLS

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

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

Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.

The Council ensures that members are adequately informed at each relevant stage of a project's life cycle.

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

PRUDENTIAL CODE

In September 2021, CIPFA released the second proposed set of changes to the current version of the Treasury Management Code (previously updated in 2017) to all local authorities for consultation and in December 2021 the outcome of this exercise was released in the form of the publication of a revised and updated Code.

The key changes made to the code are highlighted below. All changes to the Code have been considered and implemented where necessary in this Capital Strategy:

- the provisions in the code, which present the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code,
- proportionality has been included as an objective in the Prudential Code. New provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes,
- Heritage Assets are to be included in the Local Authority's Capital Financing Requirement (CFR) calculations.
- a new requirement has been added so that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.
- Local Authorities will be required to monitor and report against all forward looking prudential indicators on at least a quarterly basis.
- Authorities which have an expected need to borrow should review options for exiting their financial investments for commercial purposes in their annual treasury management or investment strategies. The options should include using the sale proceeds to repay debt or reduce new borrowing requirements.
- Local Authorities will need to monitor and report on a new Prudential Indicator which reviews net income from commercial and service investments as a percentage of the Authority's net revenue stream. This indicator can be found in Appendix 3.

CATEGORISATION OF INVESTMENTS

The Prudential Code, published by CIPFA in December 2021, requires all Financial Investments and investment income to be allocated to one of the three following categories:

- **‘Investments for treasury management purposes’** (or treasury management investments) are those investments that arise from the organisation’s cash flows or treasury risk management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- **‘Investments for commercial purposes’** (or commercial investments) are taken or held primarily for financial return and not linked to treasury management activity or directly part of delivering services.
- **‘Investments for service purposes’** (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.

Unless stated otherwise, all new investments found within this Capital Strategy are considered to be a new Service Investment.

As required by the Prudential Code, as issued by CIPFA in December 2021, all commercial investments held by the Council are reviewed annually for the appropriateness of any potential disposal as an element of the Asset Investment Strategy.

PROPORTIONALITY

The Prudential Code, published by CIPFA in December 2021, requires that capital expenditure plans and investment plans are affordable and proportionate. In addition, that the risks associated with investments for commercial purposes are proportionate to the financial capacity of the Local Authority.

There are three main aspects to proportionality that need to be considered for the Capital Strategy:

- The extent to which the Council’s revenue budget is reliant on income from investments
- Whether any plausible losses associated with any of the Authority’s investments could be absorbed in budgets or reserves without unmanageable detriment to local services.
- The investments included within the Capital Programme are fully funded and proportionate to the benefit provided.

Proportionality for the authority will depend on the risk that the authority is exposed to in relation to its investment portfolio and an indicator has been set, in Appendix 3, for the ratio of commercial income to net service expenditure.

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

SUMMARY

The above sets out the Council’s Capital and Asset Investment Strategy, in order to support the

Corporate Objectives within an appropriate level of risk management.

Capital Programme

CURRENT CAPITAL PROGRAMME

1. The current value of the three year programme, including re-profiled expenditure from 2020/21 and other changes as reported in the period 8 budget monitoring report to Executive in January 2022 is £439.06m, including £107.08m in 2021/22.
2. The Programme can be split into two distinct areas, firstly the General Capital Programme, worth £167.08m, which aims to ensure that the Council can deliver its services in line with the priorities included within the Capital Strategy and secondly the Asset Investment Fund, worth £271.98m, which has been set to support regeneration in the borough and also generate income streams which will support the revenue budget for years to come. These two elements are shown in the table below and are included in this report as :
 - Section 1 : General Capital Programme
 - Section 2 : Asset Investment Fund

Table 1 - Capital Investment Programme 2021/22	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Service Analysis:				
Children's Services	12.11	20.2	5.51	37.82
Adult Social Care	2.14	5.64	3.17	10.95
Place	24.78	45.02	45.79	115.59
Governance & Community Strategy	0.08	0.07	0.00	0.15
Finance & Systems	1.14	1.43	0.00	2.57
General Programme Total	40.25	72.36	54.47	167.08
Asset Investment Fund	66.83	104.87	100.28	271.98
Total Programme	107.08	177.23	154.75	439.06
Resourcing :				
Capital Grants	27.48	49.89	39.38	116.75
External contributions	2.07	3.61	2.92	8.60
External Resources	29.55	53.5	42.3	125.35
Reserves & revenue	0.80	1.17	0.01	1.98
Borrowing(*)	72.05	117.10	100.93	290.08
Receipts – Strategic Land Review	4.35	2.95	11.81	19.11
Internal Resources	77.20	121.22	112.75	311.17
Resourcing total	106.75	174.72	155.05	436.52
Surplus / (Deficit)	-0.33	-2.51	0.30	-2.54

(*) Borrowing level includes £271.98m for Asset Investment Fund

SECTION 1 - GENERAL CAPITAL PROGRAMME

CURRENT 2021/22 PROGRAMME

3. The current forecasted expenditure for 2021/22 to 2023/24 is £167.08m of which £40.25m relates to 2021/22 and will deliver a number of key projects including:-
- School Places and condition works of £11.58m
 - Adult Social Care of £2.14m
 - Corporate landlord investment of £1.75m
 - Decarbonisation Programme of £3.81m
 - Town centre regeneration and investment of £2.78m
 - Leisure Centre Strategy of £1.08m
 - Football Facility Provision of £0.71m
 - Highways improvements of £11.46m
 - Parks and Open Space improvements of £0.89m
 - Housing Services of £1.55m
 - ICT investment of £1.13m
 - Other investment of £1.37m
4. The current programme was subject to a detailed review as a result of slippage from 2020/21 and changes in resources supporting the approved capital programme. This was reported during the financial year and budgets revised accordingly. Throughout the year the budget has been continually updated to get the current P8 position stated above.

BUDGET PROCESS

5. As part of the budget process this year, the Programme has been reviewed to ensure it continues to meet Council priorities and remains affordable within the level of resources available; this has involved:-
- Undertaking a capital bidding round for those projects requiring discretionary support in the next three years, i.e. capital receipts and prudential borrowing. This included uncommitted schemes in the existing programme. The bids were then considered based on a number of factors including:-
 - Statutory implications/impact on service delivery,
 - Condition of assets and the strategic importance of those assets;
 - Council objectives and priorities (e.g. the Capital Strategy - Specific Capital Priorities);
 - Capacity to deliver the volume of work included in the programme (minimising potential slippage);
 - Availability of resources
 - A full review of all bids was undertaken by the Corporate Leadership Team, with bids prioritised and approved based on the capital strategy and available funding by the Executive.
 - An update to the level of all capital resources available to support the new programme.
 - Identifying those schemes that can be financed from external contributions.

CAPITAL RESOURCES UPDATE 2022/25

6. A review of capital resources was undertaken to determine the scope for including schemes in the Programme over the next three years and allowing for the requirement for funding the 2022/25 programme. This indicates total resources of £183.35m.

Table 2 – Changes to available resources	2022/25 Total £m
Capital Grants	97.26
External contributions	7.05
External Resources	104.31
Reserves & revenue	3.03
Borrowing(*)	63.40
Available Receipts – Strategic Land Review and other	13.11
Internal Resources	79.54
Resourcing Total*	183.85

*Excludes Asset Investment Strategy

External Resources

7. External resources available to support the Capital Programme are received from a number of sources. These include grants from government bodies, statutory and other developer contributions (e.g. S.106) and partner contributions interested in specific projects. These resources can be very specific with little, if any, discretion on how they can be applied.
8. **Capital Grants - £97.26m** : These include grants from central government departments and agencies and the major areas include :-
- **£24.19m** for schools related investment from the Department for Education.
 - **£1.68m** from the Department for Education create places and to improve facilities for pupils with special educational needs and disabilities (SEND).
 - **£8.68m** from the Department for Levelling Up, Housing and Communities for disabled facilities grants
 - **£16.04m** from Department for Levelling Up, Housing and Communities for Future High Streets Fund to support work in Stretford
 - **£10.72m** from the Department of Transport to support investment in highways and infrastructure
 - **£12.15m** from Homes England to support infrastructure improvements
 - **£5.40m** from Transport for Greater Manchester to assist with infrastructure schemes.
 - **£18.40m** from the Mayors Challenge Fund for improving the network for pedestrians and cycle users.

9. The estimate of grants available reflects assumed allocations for 2023/24 and 2024/25 based on current known allocations for 2022/23, and make assumptions as to the level of grant expected in 2024/25, resulting in additional resources of **£7.98m**.

Table 3 : Updated Level of Capital Grants	2024/25 £m
<i>New notifications/ Assumptions</i>	
➤ Schools Devolved Formula	0.37
➤ Schools Maintenance	2.24
➤ Disabled Facilities	2.47
➤ Highways Structural Maintenance	1.29
➤ Highways - Pot Hole Funding	0.32
➤ Highways Incentive Fund	1.29
Total	7.98

10. **External Contributions - £7.05m** : These include contributions from public bodies and private contributions

- **£1.55m** from the Football Foundation to assist in improving football facility provision
- **£0.46m** from Lawn Tennis Association to support Parks Tennis Court Programme
- **£0.19m** contribution towards Longford Stadium track resurface
- **£4.24m** of Section 106 Contributions towards Public Realm schemes in Altrincham and Stretford
- **£0.18m** of private sector Contributions to infrastructure schemes
- **£0.43m** of Section 106 Contributions towards open spaces schemes

Internal Resources

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

12. Prudential Borrowing - £63.40m:

- The Leisure Strategy Review was considered by the Executive on 13th December 2021 providing an update on the Strategic Outcomes Planning Model (SOPM), aligning the leisure strategy with the Council's corporate plan to inform decisions on leisure facilities and services. As a result of this update including successful completion of RIBA Stage 2 for Altrincham, Sale and Stretford, this programme now provides an indicative £44.25m funded from prudential borrowing increasing the previously approved amount of £7.85m to support condition works of £52.10m for refurbishment works at the three sites. Further reports will be provided to Executive to approve the resources as design work continues and costs are firmed up. This will include confirming the business case for each centre

and the financial implications on the Council and Trafford Leisure CIC both during and after completion of the refurbishment works.

- Significant investment to manage the condition and prevent deterioration of the highways network is required on an ongoing basis. Additional resources of £4.2m of borrowing have been committed towards the highways network funded through a number of revenue budgets identified
 - As part of the review of new bids, the ability to provide additional income or savings to support borrowing has been assessed and a number of schemes can support being funded in this manner; albeit business cases will be kept under review and assessed against any changes in interest rates prior to final commitment on a project. The proposals put forward for inclusion in the Capital Programme, which total £2.07m, are:
 - Adult Services Data Capture £0.02m
 - Altrincham Market House Improvements £0.10m
 - Parks Tennis Court Programme £0.25m*
 - CRM Upgrade £1.10m
 - Town Centre Loans Fund £0.10m
 - ICT – Digital and Hardware Investment £0.50m
- * Subject to final business case approval

Previously approved borrowing £12.88m is still required and will support such areas as New Chapel and Resomation Cremators, Strategic investments at Manchester Airport and previously approved Leisure support. This means the new borrowing requirement for proposals in this report are £50.52m (£63.40m less £12.88m).

13. Short term borrowing (up to 3 years) may need to be taken out where receipts requirements are in advance of realising actual receipts or income stream being received which would then be used to service debt costs. In these cases the cost of the borrowing will need to be identified from within the Councils revenue budget. The Council's direct development schemes, such as at the Sale Magistrate Court and Tamworth developments are such cases and in these instances the interest incurred would be capitalised as part of the scheme.
14. **Reserves and Revenue – £3.03m** : There are currently a range of projects supported by the application of reserve including:
 - **£1.8m** for investment highways network as previously stated.(this will mean an additional £6m of highways investment over and above that supported by external grant over 2022/23 and 2023/24))
 - **0.04m** for Allotment infrastructure
 - **£0.02m** for ICT schemes
 - **£0.13m** for the provision of artificial sports surface replacement
 - **£1.00m** additional support for Disabled Facilities programme of work
 - **£0.04m** for owner occupier grants
15. **Capital Receipts – £13.11m** : A review of the sites included in the current Strategic Land Review Programme has been undertaken along with other potential receipts and an estimate for 2024/25 has been built into this programme. The Strategic Land Review Programme is a subject of a further report to the Executive. Total capital receipts over the next three years

are expected to be £15.50m, this includes £12.54m from the sites that have been identified for self-development by the Council. Of the total receipts, £2.39m is required to support a funding shortfall in 2021/22, giving a balance of £13.11m available to support the 2022/25 programme.

16. In December 2017, the Secretary of State announced the continuation of the capital receipts flexibility programme, which provides Local Authorities the freedom to use capital receipts generated from the sale of assets (with the exception of right to buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings. It is proposed that the council agree “flexible use of capital receipts strategy” to support the cost of Modernisation team to the sum of 0.27m of a total cost of £0.5m in 21/22, the team will be involved in developing the Councils Finance and Change Programme targeted at delivering sustainable savings to support the revenue budget over the medium term.

17. The following table gives the current position of capital receipts for 2022/23 to 2024/25

Table 4 : Capital Receipts	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Land Sales	2.78	1.57	-	4.35
Self-development Returns	1.67	6.67	4.20	12.54
<i>Less costs :</i>				
Flexible Use Strategy	(0.27)			(0.27)
Disposal costs / MRP allowance	(0.35)	(0.37)	(0.40)	(1.12)
Total Estimated Receipts	3.83	7.87	3.80	15.50
Amount required to support estimated deficit in 2021/22	(2.39)	-	-	(2.39)
Net receipts available to support 2022/25 capital programme	1.44	7.87	3.80	13.11

INDICATIVE CAPITAL PROGRAMME 2022/2025

18. The value of the indicative three year Capital Programme is £187.23m and a summary shown in the table below, with detailed analysis shown in Annex A. The capital programme will be reviewed and updated in the monitoring reports to Executive throughout the year.

Table 5: Capital Programme and funding	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget Total
<i>Investment :</i>	£m	£m	£m	£m
Children's Services	20.20	5.51	2.61	28.32
Adult Social Care	5.13	2.57	2.47	10.17
Place	51.38	59.37	33.89	144.64
Governance & Community Strategy	0.07	-	-	0.07
Finance & Systems	2.78	1.15	0.10	4.03
General Programme Investment	79.56	68.60	39.07	187.23
<i>Funding :</i>				
Grants	49.89	39.38	7.99	97.26
External Contributions	4.13	2.92	-	7.05
Revenue & reserves	2.10	0.93	-	3.03
Prudential Borrowing	18.71	20.20	24.49	63.40
Capital Receipts available	1.44	7.87	3.80	13.11
Total Funding	76.27	71.30	36.28	183.85
Surplus / (Deficit)	(3.29)	2.70	(2.79)	(3.38)

19. Appendix 4 is a specific list of the schemes that require approval in 2022/23 for the areas of the programme covering :

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

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

- Address Safety Issues
- Negate higher repair maintenance bills in the future

21. **Integrated Transport Programme** – The programme of schemes to be undertaken in 2022/23 has been compiled in line with the adopted Highways Infrastructure Asset Management Plan (HIAMP). The proposed schemes cover the following areas:

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

22. **Highways Structural Maintenance** – The programme of schemes to be undertaken in 2022/23 has been compiled in line with the adopted HIAMP. The rationale for investment in roads and bridges is threefold:

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

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

24. **Greenspace Programme** – The Council’s greenspace resource is required in order to meet the objectives of Trafford’s Greenspace Strategy. The list of proposed schemes and associated budget allocations have been developed following independent ROPSA surveys of the equipment and inspection results in the form of:

- Parks infrastructure audit.
- Trafford Countryside Management Partnership infrastructure audit.
- Play Areas annual safety inspection and infrastructure audit.

SECTION 2 – THE ASSET INVESTMENT STRATEGY

25. The Council on the 26th July 2017 approved a summary Investment Strategy, and the establishment of the Investment Management Board (IMB) to oversee implementation of the Strategy. The Council in October 2018 approved a revised and updated strategy, which was further updated in October 2020. The overall objective of the strategy is:

“To promote Trafford Council’s strategic priorities while creating a suitable income stream to support local services”.

26. In line with the recent changes to the Council’s corporate priorities and the wider economic environment the strategy has been refreshed. The updated strategy is found in Appendix 5, with the key changes outlined below:

- Reducing the minimum transaction size from £10m to £5m for in-borough investments;
- Inclusion of social investments – targeting a £40m allocation towards social investments
- Greater Manchester low carbon hub match funding – enabling the Council to club with the Greater Manchester Low Carbon Fund to provide match funding to support projects focusing on the generation and distribution of low carbon energy in GM.

27. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing, to support the Council’s Investment Strategy. The transactions that have been agreed by the Investment Management Board to date have a total current committed cost of £370.62m. This means the balance of the approved £500m which is available for further investment is £129.38m (table 6 below)

28. This investment to date has already has provided a net benefit to support the revenue budget in 2018/19 of £1.67m, £3.12m in 2019/20, £6.37 in 2020/21 and is forecast to provide £6.19m in 2021/22.

29. In 2022/23, the targeted net income for the Strategy is £7.56m. This target will require the Council to build upon the investments it has made to date to generate additional income, while ensuring that any new investments are commensurate with the Investment Strategy and support the Council’s Corporate Priorities. To assist with achieving this target, as investments are sold or recouped, the funds will be recycled into new investments.

30. The current level of commitment for the investments identified stands at £100.77m and relates to:

- a. Further development work at the K-Site (Lumina Village), Stretford. The purchase of this site was completed in April 2018 and a joint venture company with Bruntwood was set up to progress the development of the site. Works on the university are complete with the first intake of students in September 2019. The joint venture is now progressing development for the remainder of the site.
- b. The cost of acquisition and planned residential development of the Sale Magistrates Court site is included within the Investment Fund. The cost of development will come from the Investment Fund, to be repaid by sales from the site, with any surplus used to support the Council’s Capital Programme.
- c. The committed costs against the GMP Site, on Chester Road in Old Trafford, represent feasibility work being carried out, alongside the GMCA, to assess a potential residential scheme on the site.
- d. A commitment of £16m has been made in respect of the redevelopment of the Stamford Quarter in Altrincham. This investment is split between an £8m equity investment into a

Joint Venture with Bruntwood Ltd, and a debt facility of £8m provided to the Council's JV partners, Bruntwood. This investment will allow vacant retail units to come back into use through the conversion to alternative uses, such as offices, co-working spaces, or leisure.

- e. The fund is providing a number debt facilities funded from PWLB borrowing. The provision of these facilities was approved by the Investment Management Board as compliant with the Investment Strategy objective of delivering a financial return to support the Council's revenue budget in addition to providing regeneration to the wider Greater Manchester area:
- £31.0m to a developer for the construction of a new residential development at Castle Irwell, Salford,
 - £67.50m in respect of the construction of a new headquarters for the HUT Group,
 - £4.6m in respect of a residential development and provision of a new community facility in Hale Village associated with the current library site.
31. Related to this Strategy is the planned investment into Stretford Town Centre which will be funded largely through the grant funding secured as part of the Future High Street Fund and which is included in the general capital programme.
32. Included in the 'Prior Years' Spend' on the table are costs listed under Development Pipeline, these costs relate to feasibility work that has been undertaken to progress future developments. Once the feasibility work is completed, any approved schemes will be brought forward and the costs included within the Asset Investment Fund envelope. Future schemes being evaluated includes the Jubilee Centre, Bowdon, and Stokoe Avenue, Altrincham.
33. In addition to the capital commitments listed in the following table, the Investment Management Board has also approved the Council to provide a debt facility of £17.62m secured against a portfolio of properties in Manchester City Centre, known collectively as Albert Estate. This facility is funded through surplus cash balances and so is a part of the Council's Treasury Management Strategy, rather than a capital investment.

PRUDENTIAL AND LOCAL INDICATORS

34. The Council is required to set indicators that are designed to support and record decisions taken on affordability and sustainability. There is also a requirement to impose *limits* on the Council's treasury management activities to ensure decisions are made in accordance with professional good practice and risks are appropriate (these are included in the Treasury Management Strategy Report). The Director of Finance and Systems will monitor these and report on them at appropriate times. The Council can revise these indicators and limits at any time.
35. All the indicators take account of the proposals in this report and a list of Prudential and Local Indicators is included at Appendix 3.

Table 6: Asset Investment Fund	Prior Years £m	Repayments £m	2021/22 Forecast £m	Commitment Future Years £m	Total £m
Total Investment Fund					500.00
Property Purchase:					
Sonova House, Warrington	12.17	-	-	-	12.17
DSG, Preston	17.39	-	-	-	17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84	-	-	-	10.84
The Fort, Wigan	13.93	-	-	-	13.93
Sainsbury's, Altrincham	25.59	-	-	-	25.59
Sub Total	79.92	-	-	-	79.92
Property Development:					
Sale Magistrates Court	4.80	-	-	-	4.80
Brown Street, Hale	6.79	-	2.04	-	8.83
Former sorting office, Lacy Street, Stretford	0.87	-	0.09	-	0.96
GMP Site, Chester Road, Old Trafford	-	-	-	0.64	0.64
Care Home Purchases	2.23	-	-	-	2.23
Development Pipeline	0.43	-	0.11	-	0.54
Sub Total	15.12	-	2.24	0.64	18.00
Equity:					
Stretford Mall, Equity	8.82	-	-	-	8.82
Stamford Quarter, Equity	16.69	-	0.25	8.00	24.94
K Site, Stretford Equity	11.00	-	0.21	1.04	12.25
Sub Total	36.51	-	0.46	9.04	46.01
Development Debt:					
Bruntwood; K site	10.90	-	0.21	1.04	12.15
Bruntwood; Stamford Qtr /Stretford Mall	25.57	-	0.25	8.00	33.82
CIS Building, Manchester	60.00	-	-	-	60.00
The Hut Group	62.45	(62.45)	-	67.50	67.50
Castle Irwell, Salford	11.28	-	5.10	2.62	19.00
Castle Irwell, Salford – Phase 2	0	-	3.57	8.43	12.00
Hale Library Redevelopment	0	0	1.10	3.50	4.60
Sub Total	170.20	(62.45)	10.23	91.09	209.07
Total Capital Investment	301.75	(62.45)	12.93	100.77	353.00
Albert Estate Investment	17.62	-	-	-	17.62
Total Investment	319.37	(62.45)	12.93	100.77	370.62
Balance available					129.38

RECOMMENDATIONS




That the Executive approve the:-






















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



That Executive recommends the Council to approve:-

- the Capital Strategy as included at Appendix 1;
- the overall Capital Programme in the sum of £417.38m for the period 2022/25, comprising £187.23m in respect of the General Capital Programme and £230.15m for the Investment Fund,
- additional prudential borrowing of £50.52m as detailed in paragraph 12
- the Prudential and Local Indicators as set out at Appendix 3 of this report.
- the asset investment strategy included in Appendix 5
- Approves the flexible use of capital receipts of up to £0.27m to support the cost of the Modernisation Team in developing the Council’s Finance and Change Programme.

2022/2025 INDICATIVE CAPITAL PROGRAMME

DESCRIPTION	Council Priority (See key at end)	2022/23	2023/24	2024/25	Total
		£m	£m	£m	£m
Schools					
Basic Need – School Places		0.88	0.75		1.63
Firs Primary School		3.00			3.00
Willows Primary School		2.50	0.45		2.95
Templemoor Infant Schools		1.50	0.28		1.78
Moorlands Junior School		3.37	0.58		3.95
Davyhulme Primary School		2.50	0.45		2.95
Devolved Formula Capital		0.66	0.61	0.37	1.64
Capital Maintenance Grant		3.54	2.24	2.24	8.02
SEND		1.68			1.68
Schools - Other		0.14			0.14
Sub-total		19.77	5.36	2.61	27.74
Children's Services					
Children's Services Data Capture		0.05	0.05		0.10
Foster Carers Accommodation Improvements		0.38	0.10		0.48
Sub-total		0.43	0.15	0.00	0.58
Adults Social Care					
Disabled Facility Grants		4.74	2.47	2.47	9.68
Assistive Technology/Technology Innovation		0.10	0.10		0.20
Right Care For You		0.10			0.10
Shawe Road, Urmston – Complex Needs (Change of use)		0.10			0.10
Liquid Logic Updates		0.07			0.07
Adult Services – Data Capture		0.02			0.02
Sub-total		5.13	2.57	2.47	10.17

	Council Priority (See key at end)	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Place					
Town Centres Loans Fund		0.15	0.10		0.25
Business Loan Scheme		0.40			0.40
Altrincham Town Centre – Public Realm		1.54	1.25		2.79
Stretford Town Centre – Public Realm			1.50		1.50
9/11 Market Street, Altrincham		0.24			0.24
Future High Streets Fund		13.38	2.66		16.04
Manchester Airport Investment		3.25			3.25
Trafford Waters, Trafford Park - Infrastructure		4.00			4.00
Public Building Repairs and DDA Compliance Prog (Page 32)		0.50	0.50	0.49	1.49
Altrincham Market Hall		0.10			0.10
TTH & Sale Waterside – Updating Workspaces		0.59	0.12		0.71
Members Committee Rooms – ICT Requirements		0.15	0.02	0.01	0.18
Leisure Strategy – ‘Increasing Physical Activity’		4.52	17.10	30.48	52.10
Football Facility Provision		2.05			2.05
Artificial Pitch/Surface Replacement		0.83			0.83
Parks Tennis Court Provision		0.72			0.72
Mayors Cycling and Walking Challenge Fund		3.61	14.80		18.41
Urmston to Sale Water Park Cycling Scheme		2.00			2.00
Traffic and Transportation		0.38			0.38
Integrated Transport Schemes (Page 33)		0.15			0.15
Highways Structural Maintenance (Inc. Pot Hole & Highways Incentive grants) (Page 36)		5.54	3.71	2.91	12.16
Additional Highways Support (Page 36)		3.00	3.00		6.00
Highways Infrastructure Safety Improvements		0.54			0.54
Electrical Street Furniture		0.05	0.05		0.10
Street Lighting (Page 33)		0.50	0.50		1.00
Carrington Relief Road		0.44	13.22		13.66
New Chapel and Installing Resomation cremators		1.40	0.50		1.90
Parks Infrastructure (Page 37)		0.26	0.15		0.41

	Council Priority (See key at end)	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Play Area Refurbishments (Page 37)		0.13	0.10		0.23
Allotments Infrastructure		0.02	0.02		0.04
Parks & Open Space, Outdoor Sports & RRF - S.106 Funded		0.43			0.43
Parking – Enforcement & Permit Software Update		0.05			0.05
Parking – Car Park Charges – Updated Software and Signage		0.02			0.02
Event Day Parking		0.02			0.02
Assistance to Owner Occupiers		0.03	0.03		0.06
Housing Standards / Empty Property Initiatives		0.04	0.04		0.08
Community Safety - CCTV		0.35			0.35
Sub-total		51.38	59.37	33.89	144.64
Governance & Community Strategy					
Waterside Arts Centre – Building Refurbishment		0.07			0.07
Sub-total		0.07	0.00	0.00	0.07
Finance & Systems					
Digital Resilience		0.24			0.24
SAP Systems Upgrades		0.22			0.22
Business Intelligence – Data Warehouse Solution		0.20			0.20
Digital Inclusion / Digital Skills		0.10			0.10
Office 365 - Implémentation, training etc.		0.15			0.15
Development / Low Code Solution		0.20			0.20
Meeting Room - Video Conferencing Facilities		0.13			0.13
CRM – Update/Replacement		1.10	0.90	0.10	2.10
Digital Investment and Hardware		0.25	0.25		0.50
ICT – Other		0.19			0.19
Sub-total		2.78	1.15	0.10	4.03
GENERAL PROGRAMME TOTAL		79.56	68.60	39.07	187.23
Asset Investment Fund		130.15	75.00	25.00	230.15
TOTAL INVESTMENT		209.71	143.60	64.07	417.38

Prudential and Local Indicators – Estimates 2022/25

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

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

The Prudential Code requires authorities to look at capital expenditure and investment plans in light of the overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority.

Revision to the Prudential Code in 2021 added further requirements for Local Authorities to monitor and report against all forward looking prudential indicators on at least a quarterly basis. In addition a new indicator has been made requirement for Local Authorities to review net income from commercial and service investments as a percentage of the Authority's net revenue stream.

The purpose of this report is to set the prudential and local indicators for Trafford for the three year period beginning 2022/25

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

Capital Prudential Indicators

	2021/22 Revised £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Expenditure:				
General Programme	40.25	79.56	68.60	39.07
Investment Strategy	12.93	130.15	75.00	25.00
Capital expenditure - the table above shows the estimated capital expenditure to be incurred for 2021/22 and the following three years. Any forecasts made will vary in line with Government allocation, if any, and as such any forecasts will be updated via the capital monitoring reported through the year.				
Capital Financing Requirement as at 31 March	409.75	538.44	624.81	646.28

Capital Financing Requirement (CFR) - this reflects the estimated need to borrow for capital investment (i.e. the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).				
Financing Cost to Net Budget	6.6%	6.7%	6.8%	6.6%
Financing costs to net budget – (above excludes financing costs of additional borrowing cost of items associated with the Asset Strategy and Leisure investment which are assumed to be paid for by new income streams. The indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council's net budget.				
Incremental Impact on Band D Council Tax (£)	£0.00	£0.00	£0.00	£0.00
Incremental impact on band D council tax – reflects the incremental impact on the Council Tax arising from new borrowing undertaken in order to finance the capital investment decisions taken by the Council during the budget cycle. The figures above reflect that any additional borrowing is supported by revenue savings or external support.				
Net Commercial and Service Income Stream	7.8%	7.5%	6.0%	5.4%
Net Commercial and Service Income Stream – proportion of net income from commercial and service investments compared to budgeted net revenue stream				

Local Indicators for the Asset Investment Strategy

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

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

Local Indicators for the Asset Investment Strategy	2021/22 Revised £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Gross Commercial Income	11.64	11.34	9.09	8.34
Gross Commercial Income – this is the total estimated level of income to be received from the acquisitions of commercial property and provision of senior debt finance and is				

required to support new debt costs associated the transactions, with any balance supporting the overall revenue budget.				
External Interest Cost	4.09	5.59	6.64	6.99
External Interest Cost – this is the interest cost of the new debt required to support the strategy.				
Minimum Revenue Provision (2.0% = 50 years)	2.25	2.52	2.52	2.53
Minimum Revenue Provision - this is the amount of income set aside as a provision for the repayment of the debt, required to cover the capital cost of the new commercial activity.				
Risk Reserve	-0.60	-1.54	0.41	0.59
Risk Reserve - this is the amount of income set aside to reserve as contingency in the event of a reduction in commercial income levels.				
Cumulative Investment Reserve	5.60	4.06	4.47	5.06
Cumulative Risk Reserve - this is the cumulative amount of reserve set aside, after annual contributions and deductions, as contingency in the event of a reduction in commercial income levels.				
Gross Commercial Income as proportion of Net Budget	6.91%	6.27%	4.87%	4.32%
Gross Commercial Income as proportion of Net Budget – this illustrates the proportion of the net budget which is supported by the new commercial income streams.				

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

Public Buildings Repairs and DDA Compliance Programme – 3 Year Programme	
Description	Value £000
Ascot House - Installation of bedpan washing facilities	20
Broome House - Fire Alarm upgrade including rewire	59
Chassen Rd football changing room - Replacement ceiling and lighting	51
Hayeswater Contact centre - Replacement of obsolete fire alarm panel and devices	14
Old Trafford Youth Centre, Old Trafford – Rewire/New boiler replacement	192
Previously Approved Schemes Re-profiled	167
	2022/23 Total
	503
Partington & Carrington Children's Centre - Replacement of Emergency Lighting, light fittings and upgrade to LED	78
Sale Waterpark – Health and Safety Issues	26
Sale West Youth Centre (Integrated with Sale West Community Centre) – Rewire/New boiler replacement	276
Shaw View - Replacement of obsolete fire alarm panel	14
Stretford & Lostock Children's centre - Replacement of obsolete fire alarm panel	14
Stretford Cemetery - Phase 2 of over boarding to Mess Room walls	38
Stretford Library - Replacement Emergency Lighting System	7
DDA - Compliance with the Equalities Act 2010	48
	2023/24 Total
	501
Tatton Depot – Roof Repairs	300
Torbay Road Urmston (track leading to the stables) - Reduction in track height and re-conditioning of the road surface	47
Trafford Town Hall - Pneumatic survey and valve overall for carbon reduction measures	44
Sale Moor Toilets – Refurbishment	28
Trafford Town Hall - Renew windows to the committee room to allow ventilation	19
Unforeseen Urgent Works	52
	2024/25 Total
	490
Public Buildings Repairs and DDA Compliance Programme	1,494

Integrated Transport Programme *	
Description	Value £000
Collision Analysis	30
Traffic Regulation Orders	30
Minor/Medium Works	50
Dropped Crossing Programme	30
Disabled Persons Parking Places	10
Integrated Transport Programme Total	150

Street Lighting Programme *	
Description	Value £000
Street Lighting Programme	500
Street Lighting Programme Total	500

*Additional support from Highways Structural Maintenance budget detailed in the following table

Highways Structural Maintenance Programme	
Description	Value
Highways Structural Maintenance - Asset Management	£000
Patching and Pot Holes	325
Public Rights Of Way (PROW)	45
Drainage Programme	180
Markings, Signs & Street Furniture	110
Vehicular safety barriers and Pedestrian guardrail	150
Footways	400
Joint treatment/Over banding	75
Surveys - Highway Condition	95
Serviceability Repairs	50
Advanced Design	50
Flood Alleviation/ Duty	60
Highway Tree Programme	50
Previously Approved Schemes Re-profiled	155
Asset Management Total	1,745
Surface Treatments	£000
Bailey Road, Trafford Park	45
Old Meadow Lane, Hale	138
Broad Lane, Hale	66
A5145 Edge Lane, Stretford	172
A5106 Chester Road (Phase 2 of 2) , Old Trafford	120
M60 /A6144 Old Hall Road Roundabout - West (Drainage), Sale Moor	79
Previously Approved Schemes Re-profiled	15
Highways Resurfacing Total	635

Description	Value
Highways Road Resurfacing	£000
Crofts Bank Road, Urmston	108
Sherborne Road, Davyhulme	66
Talbot Road (phase 1) , Stretford	154
Shaftsbury Avenue (A560), Timperley	65
Moss Lane, Hale	186
Previously Approved Schemes Re-profiled	20
Highways Road Resurfacing Total	599
Highways Road Reconstruction	£000
Andrews Avenue, Flixton	104
Dairyhouse Lane, Altrincham	57
Black Moss Road, Dunham Massey	80
Chapel Lane, Partington	246
Oldfield Road, Altrincham	125
Carrington Spur (A6144) - River Mersey Crossing	225
Atlantic Street /A56 Junction, Altrincham	56
Previously Approved Schemes Re-profiled	489
Highways Road Reconstruction Total	1,381
Bridge Assessment and Strengthening	£000
Bridge Inspections (GI and PI)	85
Bridges Asset Management	32
Assessment/Studies/Advanced Design	32
Bridge Minor Works	50
Rail Road Incursion - Victoria Road , Hale	65
Sale Canal Bridge	35
Flixton Bridge	65
Dane Road Canal Bridge	80
Bridge Assessment and Strengthening Total	444

Description	Value
Street Lighting – Additional Support from Highways Structural Maintenance	
Street Lighting Programme	50
Column failure replacement	350
Street Lighting Total	400
Integrated Transport Schemes – Additional Support from Highways Structural Maintenance	
Collision Analysis	20
Traffic Regulation Orders	10
Minor Works	20
Dropped Crossing Programme	20
Disabled Person Parking Places	20
Minor-Medium sized schemes - studies	10
Walking & Cycling Schemes	40
20mph programme	40
Red Route and TRO work around MUFC Parking	40
Woodhouse Lane, Sale - Traffic calming (subject to consultation)	100
Victoria Place / Trafford Wharf Road Parking scheme	15
Integrated Transport Total	335
Highways Structural Maintenance Programme	5,539
Additional Highways Support	
Additional Highways Surface dressing and treatment (2 year programme- year 1)	3,000
Additional Highways Support Total	3,000
Total Highways Programme	8,539

Parks Infrastructure	
Description	Value £000
Stamford Park - Reinstatement work	19
Victoria Park - Recondition works	18
Davyhulme Park - Recondition works	18
Flixton - Refurbishment works	14
Worthington Park - Recondition works	14
Longford Park - Reinstatement works	20
Pickering Community Gdns - Reinstatement works	17
All major parks - Condition Survey	30
Previously Approved Schemes Re-profiled	109
Parks Infrastructure Programme Total	259

Play Area Refurbishments	
Description	Value £000
Woodstock Park – Play equipment	16
Longford Park – Repairs to surface	10
Kelsall Street – Replacement of multi play unit	24
Moor Nook Park – Replace wooden multi play unit	24
Walton Park – Refurbish under 5's play area	20
Newton Park – Replace multi play unit	20
Minster Drive – replace play unit	12
Play Area Refurbishment Programme Total	126

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Asset Investment Strategy



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Executive Summary

Introduction

CBRE Investment Advisory has updated the Investment Strategy for Trafford Borough Council (“Trafford” or the “Council”), originally drafted in September 2017 and last updated in October 2020.

Each update is intended to better align the Investment Strategy with Council’s current strategic priorities and values, protect against near-term market uncertainty and incorporate recent guidance on Local Authority finances.

We understand that the Council needs to make investments that promote their overarching goals while creating a sustainable income to fund local services. It intends to do this by borrowing from the PWLB and investing in real estate and infrastructure projects, primarily via a development lending strategy, and occasionally equity.

The Current Strategy

The strategy was last updated in October 2020 at which point there were significant updates to the Investment Strategy. The below updates were incorporated, and a comment is made where they are retained or amended.

Investment Objective

“To promote TBC’s Strategic Priorities while creating a suitable income stream to support local services.”

The investment objective is to be retained.

In order to meet this objective, the following actions were taken:

Each investment will need to support one or more of the 5 Strategic Priorities of the Council identified as being relevant to real estate or infrastructure.

The Council has renewed corporate priorities. The strategy has been updated to incorporate these.

A wider list of 21 “Preferred Development Attributes” has been created that will be prioritised in transaction selection and incentivised through the investment structures

The development attributes will be retained as they remain relevant to the updated Strategic Priorities.

Create a suitable income stream to support local services:

- Making investments at a risk and return level appropriate for the Local Authority has always been a key element of the Investment Strategy.

The same processes and sign off requirements that have been created and enhanced over the past 3 years will remain in place.

These are to be retained.

Further Updates

The investment zones have been updated to favour in-borough investment

Minimum returns updated related to the Council's cost of funds.

Including infrastructure projects in the type of project which can be funded by lending (predominantly low carbon and renewable energy generation).

Incorporating the latest government consultation on local authority finance and CIPFA guidance into the strategy (already being implemented in practice).

Narrowing of real estate direct investment criteria (which had already being implemented in practice).

The order of geographic preference for investment is firstly Trafford Borough Council, and secondly Trafford Borough Council's Economic Area (Neighbouring Council's and Greater Manchester).

COVID-19 Temporary Measures – Reduction of leverage from 80% LTC and 70% LTV to 75% and 65% respectively. Can be waived for in-borough transactions.

These are to be retained.

Investment Approach

Near-term focus on real estate and infrastructure development lending, which is able to meet the above investment objectives while providing good returns to the council and protection against changes in market values.

Direct investment likely to take form of strategic assets in-borough.

These are to be retained.

Additions to the Strategy in 2021

In addition to the above we propose that the following additions are made to the Investment Strategy. These are outlined in more detail in the main body of the paper.

Reducing the Minimum Transaction Size for in Borough investments

Currently the minimum transaction size is £10.0m. The new minimum is to be £5.0m for in-borough investments.

Inclusion of Social Investments

Targeting a £40.0m allocation towards social investments to help the Council to achieve its wider objectives.

Greater Manchester Low Carbon Match Funding

Ability for the Council to club with the Greater Manchester Low Carbon Fund to provide match funding to support projects focusing on the generation and distribution of low carbon energy in Greater Manchester.

Investment Objective

The Council will retain the existing investment Objective:

“To promote TBC’s strategic priorities while creating a suitable income stream to support local services.”

Rationale

The Council has for some time sought a holistic approach to its investments, to ensure that the Investment Strategy aligns with the Council’s wider social, economic and environmental objectives.

This can be done through:

- Using development lending to bring forward projects that compliment these objectives.
- Structuring lending transactions to incentivise borrowers to work towards objectives.
- Creating an allocation within the fund aimed at deployment against social investments.
- Investing directly into regeneration projects that give the council more control over their outputs.

The following shall not be included in the Investment Strategy:

- High risk investments with a substantial possibility of loss; or
- The inclusion of grant, subsidy or sub-market pricing.

The Investment Strategy shall continue to aim to supply a suitable net income for the Council to support services.

The definition of strategic priorities, as outlined in the Investment Objective, is defined in the next section.

Strategic Priorities for Investment Strategy

Trafford Borough Council have adopted revised corporate priorities, due to extend from 2021 - 2024. These are defined by three Council Outcomes, and three Council Priorities that are intended to help meet the Council Outcomes. Together these six metrics make the 'Strategic Priorities' for this Asset Investment Strategy.

Council Outcomes

- All our residents will have access to quality learning, training and jobs.
- All our communities will be happy, healthy and safe.
- All our businesses and town centers will be supported to recover and flourish in an inclusive way.

Council Priorities

- Reducing health inequalities
- Supporting people out of poverty
- Addressing our climate crisis

Strategic Priorities

Each investment will evidence that it supports one or more of the Strategic Priorities, being either directly affecting the three outcomes or priorities of the Council.

Preferred Attributes

CBRE created 21 Development Attributes to align with the previous investment strategy. The development attributes remain relevant to the current strategy and Strategic Priorities.

Investments in projects that include some of the Preferred Development Attributes identified will be prioritised.

Investments will be structured to attempt to incentivise Borrowers to include items from the 21 Preferred Development Attributes where possible.

This may be via the inclusion of pricing reductions or favourable terms for achieving certain related goals, so long as the incentives are not considered to be below market pricing.

The way in which the Council Outcomes, Priorities and Development Attributes align are set out below:

<p>Trafford Outcomes</p>	<p>All our residents will have access to quality learning, training and jobs</p>	<p>All our communities will be happy, healthy and safe</p>	<p>All our businesses and town centers will be supported to recover and flourish in an inclusive way</p>
<p>Trafford Priorities</p>	<p>Reducing Health Inequalities</p>	<p>Supporting People out of Poverty</p>	<p>Addressing our Climate Crisis</p>
<p>Development Attributes</p>	<ol style="list-style-type: none"> 1. Quality homes built 2. Affordable housing 3. Health and well-being uses or attributes 4. Development designed for end user experience 5. Job creation 6. Key development for the area 7. Local sub-contractors employed 8. Forms part of a regeneration plan 9. Community uses included 	<ol style="list-style-type: none"> 10. Public space created 11. Attractive design 12. Brownfield land developed, or a building with architectural or historical importance retained within the development 13. Energy efficient design 14. Environmental impact assessed 15. Cycle / public transport promoted by project 16. Low carbon and renewable energy generation part of project 17. Energy storage part of project 	<ol style="list-style-type: none"> 18. Affordable commercial space included in development 19. Developer applies fair tax to their investment structure 20. Developer applies best practice supply chain policies 21. Developer has apprentices on their construction site

Investment Characteristics

The below section outlines the investment characteristics and criteria that should be met for each transaction, in addition to those already outlined in meeting the objective.

Routes to Investment

Historically Trafford have invested both directly in real estate via equity and indirectly into developments via debt. These strategies were originally intended to complement each other in providing consistent income, as development lending provided higher returning shorter term income, which was underpinned by direct investment which provided more secure longer-term income.

The revised objective includes the promotion of other goals, largely by regeneration. Therefore, the investment characteristics emphasise development lending as a more logical route to meeting the Investment Strategy's primary objective and shall be the focus of the Investment Strategy in the near-term.

Direct investment into real estate, especially within Trafford's existing portfolio, remains an option where that better serves the primary objective.

Development Lending

Financing developments can help to bring about or accelerate development through the provision of localised finance that is more flexible than other mainstream Lenders. This investment product provides good risk-adjusted returns and helps to fulfil development and regeneration along the criteria set out previously.

For development lending, high quality schemes and developers with a strong track record will be targeted. The level of experience for the developer may be lower if a project is in Borough.

We will focus on senior lending, set appropriate covenants on all loans to ensure the Council has sufficient headroom, and target a minimum a minimum interest rate of 2.50% + the Councils Cost of Funds.

These facilities will typically be for a period of up to 3 years, though there is flexibility in this for the right opportunities.

Direct Investment (Equity)

The Council also has an opportunity to invest in direct property. It has been established that, in line with the new objectives, this would occur in two scenarios:

1. To buy a site in Borough to develop (either themselves or with a development partner) to repurpose or regenerate the asset and surrounding area.
2. Purchase strategic property that will assist land assembly in Borough or provide additional value due to marriage value or other strategic value enhancements.

Strengths and Weaknesses

	Direct Investment (Equity)	Development (Debt)
Wider Advantages	<ul style="list-style-type: none"> - Ownership of physical asset - Ability to add value to investment (capital growth/improvement) - Regeneration and Development - Alternative uses for building/site - Supporting local occupiers - Can influence ESG agenda more directly 	<ul style="list-style-type: none"> - Typically, higher income return than direct investment. - Helps to accelerate regeneration - No MRP requirement* - LTV/LTC provides risk cover - Downstream benefits from funding new development - Current market opportunity - Costs borne by borrower
Wider Disadvantages	<ul style="list-style-type: none"> - Requirement to focus on regeneration assets increases risk levels - Impact of MRP on returns - Development can be lengthy and may need to bring in third parties (eg. Development Partners) - Prime assets have low yields - Susceptible to the full effect of negative market movement (capital falls) - Time and cost around managing and maintain the physical real estate. 	<ul style="list-style-type: none"> - Irregular returns (typically repaid at expiry of facility) - Short investment period (1-3 years) - Need to constantly recycle investments to generate a return - Increasing competition in the sector has pressure on margins

Cost / Benefit analysis

As the Council intends to borrow from PWLB and other sources, the below table shows the cost of capital applicable to direct and debt investment.

The cost of funds applied to an investment will be updated based on the funding strategy applied for each investment.

	Direct Investment	Development Debt
PWLB Rate	1.57% pa. (50 year)	1.58% pa. (3 year)
MRP	2.00% pa. (50 year)	0.00% pa.*

Admin	0.20% pa.	0.20% pa.
Total	3.77% pa.	1.78% pa.

*The Government is currently undertaking a consultation on MRP requirements and its use against debt products. The consultation is due to conclude in February 2022; any relevant outcomes will be updated in the investment strategy.

Lending Investments

Lending Investment Transactions will have the following attributes (in addition to those reference in the “Investment Strategy” section):

- Lending facilities to provide a maximum of 80% of the total project cost and 70% of projected end value of the development.
- As noted above, the all-in coupon of a transaction will need to meet the minimum return, in addition to being at a market rate for the risk involved.
- We will seek to enhance the Council’s returns, through a combination of other fees on the facility (including arrangement fees, exit fees, commitment fees and cancellation fees).
- Short- and medium-term opportunities considered. No one phase to exceed three years, but can have multiple phases in one development, such as development phase followed by stabilisation phase. The Council would consider short term (eg. 6 month) opportunities if they presented themselves and fit the wider objectives.
- All loans will be senior facilities, with a fixed first charge over the freehold interest. Other lenders may make up the capital stack, but only as joint lender in a more junior position to the Council.
- Quality residential, commercial and infrastructure schemes (see “Sector” above) will be targeted within the Borough, neighbouring Boroughs or Greater Manchester.
- We will look to support schemes where the developer has a good track record and where the property provides appropriate security for the loan.
- Transaction sized of £20m to £50m will be targeted. A minimum commitment of £10m per facility, to ensure they are additive to the Council’s investment portfolio.
- We will reduce the minimum size of investment to £5.0m for in-borough investments to allow the Council to support appropriate local projects.

Updated leverage levels for COVID-19

- Within the 2020 strategy, temporary leverage levels were implemented in recognition of the economic uncertainty being higher than usual because of the Covid-19 pandemic.
- It was suggested that Trafford Borough Council temporarily reduce leverage levels on new transactions by 5%.
- This would make the temporary maximum LTV Ratio 65% and a maximum LTC Ratio of 75%.
- These temporary leverage levels are regularly reviewed. At present they are still considered to be appropriate and are therefore retained.

Direct Investments

Equity investment will take place under two main circumstances, either through Council investment in a development, or to allow for strategic land purchase.

This could include:

- **Forward Fund a development:** This opportunity will arise from a Developer seeking capital investment into a project. The usual structure involves the investor purchasing the land, committing to piecemeal payments throughout the development with a final balancing payment upon practical completion. The key benefit to the Council would be that

all of the Development expertise are placed in the third-party Developer, so no internal upskill is required.

Furthermore, there is a prescribed fixed price payment plan as determined by a Development Agreement, so the costs are known from the outset.

- **Joint Venture:** A Joint Venture could occur between the Council and one or more other parties. There is no single formula for a joint venture as each party can bring different attributes to the relationship. In borough, it is possible that the Council would contribute land and/or costs, and the JV Partner would provide development expertise. Both parties would share in the upside and risks of the development.
- Alternatively, the Council could choose to purchase land and develop themselves. This would involve in house expertise and, depending on the skill base of the Council at present, could require some upskill and/or external hires.
- The Council could also choose to purchase land, work up planning and sell to a developer once planning is achieved, thus unlocking the land and accelerating the development.

If the Council seeks to invest in real estate for strategic purposes, the investment criteria will depend on the reason for investment or strategy. For example:

- If the Council seeks to purchase an income producing property to take control of a piece of freehold land which might be a key site in future years, the Council will have regard to the investment characteristics of the property, the potential competition from other investors, and the Council's cost of capital. All of which must be analysed to submit a competitive bid.
- If the Council wish to buy in the long leasehold of a site where the Council already own the freehold in order to take control of a certain site, the Council will have regard to the price which other investors would be willing to pay for the long leasehold interest, the potential marriage value creation, and any other investment characteristics applicable to the property.

Minimum Return

Every transaction as a minimum shall hit the following return requirement. While the minimum return must be met, transactions will be assessed primarily on how appropriate the return is for the risk involved and market pricing.

Most transactions will be expected to significantly exceed this return requirement. However, lower risk transactions that provide this return should be considered where appropriate.

For direct investments, this shall apply to the IRR of the investment over an agreed timeframe.

For Lending investments, this shall apply to the "All-In Coupon" charged on the Facility:

- 2.50% + the "Cost of Funds" to the Council for that investment.

Sector Preferences

In terms of sector preferences, as the wider Council strategy seeks to provide homes, employment space and town centre regeneration, the Investment Strategy is not limited to specific real estate asset sectors.

Each opportunity will continue to be assessed on a case-by-case basis and the individual characteristics of the opportunity will be considered, alongside the wider sector features, strengths and weaknesses.

Also considered will be overall portfolio diversification to mitigate concentration in any one sector.

Infrastructure Investments

In addition to traditional real estate sectors, lending to support the development of infrastructure will be considered as a potential investment type. This will predominantly be the funding of low carbon or renewable energy

generation, such as solar, wind or biomass projects. The same leverage and return criteria will apply as other development lending investments, and the investments will strictly require the following attributes:

- Developer / development manager with high levels of experience in the sector.
- Proven technology with certain build costs.
- High certainty over future income streams.
- Experienced third-party due diligence.

Social Investments

New to the investment strategy in 2021 is the inclusion of a social investment strategy. This has been developed in recognition that the Council has wider social objectives that real asset investment has not traditionally targeted, but where opportunities do exist. This is particularly relevant for an investor such as the Council who has a strong local presence and local strategic partnerships.

The social investment strategy will:

- Target commercial returns, but with a minimum of 2.00% + PWLB (a 50 basis point reduction to the overarching target returns listed above).
- Target an allocation of £40.00m towards social investments.

Examples of social investments could include (though are not limited to):

- Provision of long term high leverage (up to 10 years and 100% LTC) to established local charities with a particular housing need. The Council would sweep housing benefit receivable by the charity throughout the loan term to service the loan.
- Investment into local ‘meantime’ housing projects which aim to establish housing on temporarily underutilised sites, such as large development sites awaiting master planning, or disused car parks etc.

Geographic Investment Zones

There is a preference to invest locally in order for local constituents to benefit from the development and regeneration brought about by the Council’s Investment Strategy.

The order of preference for investment is:

1. Trafford Borough Council area
2. Trafford Borough Council Economic Area (Neighbouring Councils and Greater Manchester)

Prioritising In-Borough Investment

In order to prioritise investment within borough, the following measures were introduced and will be retained:

- A 0.50% reduction in the return requirement for investing in-Borough.
- Waiving the temporary leverage reductions (detailed later) if required.

This will ensure that the Council has more opportunity to invest within Borough.

In practice, it is likely that all new direct investments will be in-Borough investments as these will involve the Council bringing forward development directly or using their current in-Borough landownership to create value enhancement opportunities.

Trafford Borough Council Economic Area

Investment out of Borough but in this region will remain an important part of the strategy to avoid concentration of investment within too limited a geographical area.

Greater Manchester Low Carbon Fund - Strategic Partnership

The Greater Manchester Low Carbon Fund is an ERDF funded investment strategy focussed on supporting low carbon projects. The fund has a £15.00m allocation to be invested within Greater Manchester against Investment Priority Axis 4a- promoting the production and distribution of energy derived from renewable sources.

The fund is constrained by the need to be match funded, and can therefore provide up to a maximum level of 50% LTC of eligible project costs.

The Council will have the opportunity to support the fund on projects deemed equally appropriate for the Council by providing match funding to increase the overall leverage that can be offered.

Local Authority Finance Guidance

Guidance since the Last Update

As and when guidance on Local Authority Finance has been introduced it has been incorporated into investments made by the Council.

Below are the proposed requirements from the latest consultation and guidance documents. These will be officially included in the Investment Strategy, although they have already been adhered to in practice.

The only update since the last Investment Strategy is that PWLB guidance which has moved from consultation to publication, though the themes remain the same.

Chartered Institute of Public Finance & Accountancy (CIPFA) Guidance, Consultation 2021

This guidance has not been officially updated since the publication date, though there are amendments currently under consultation. The consultation period ended on 16th November 2021, but the report is yet to be published.

Original drafting requirements:

- Not to borrow purely to profit.
- Consider if the fair value could drop below Borrowing level.
- Ensure margin reflects risk.
- Ensure the investment is affordable / prudent.

Relevant updates under the consultation:

- Objective is that investments are affordable and proportionate, all borrowing is prudent and within sustainable levels and the risks associated with commercial investments are proportionate to their financial capacity.
- Local authorities must not borrow to invest primarily for financial return.
- The risks associated with investments for commercial purpose are proportionate to their financial capacity.

PWLB Guidance – Published in November and revised August 2021

Borrowing is permitted under the following definitions and categories:

- Service delivery
- Housing
- Regeneration
- Preventative Action
- Treasury Management

Investments primarily for yield are not supported.

Thank you

For more information

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee 2 February 2022
Executive and Council 16 February 2022
Report for: Decision
Report of: The Executive Member for Finance and Governance and the
Director of Finance and Systems

Report Title

TREASURY MANAGEMENT STRATEGY 2022/23 – 2024/25

Summary

This report outlines the:-

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

Recommendations

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

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2022/23 – 2024/25 including the:
- policy on debt strategy as set out in section 4;
- investment strategy as set out in section 6;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3.

Contact person for access to background papers and further information:

Name: Graham Perkins
Extension: 4017

Background papers: None

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

Executive Summary

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

Economic position (Appendix 2)

The COVID-19 pandemic continued to dominate the headlines however as a result of the production of effective vaccines and their fast rollout, economies across the world started to bounce back following the negative impact the virus had in 2020. As a result of shortages in both staff and raw materials together with increasing energy prices, increases in interest rates are now predicted to be implemented in order to try and maintain inflation at manageable levels.

At its December meeting the Monetary Policy Committee (MPC) applied its first increase in rates since August 2018 when it raised the bank rate from 0.10% to 0.25% which surprised markets who expected no changes due to the threat of Omicron strain of COVID-19 virus.

Debt (Section 4)

Whilst borrowing interest rates are forecasted to move upwards, this movement will not be significant from their current levels during the immediate future.

Any new external borrowing the Council undertakes will be taken to assist in financing the capital borrowing requirement as outlined in the 2022/25 Capital Programme report with all associated costs being contained within the Medium Term Financial Plan.

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. The outcome from this consultation will not be known until early in 2022/23 and will be required to be implemented in 2023/24.

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

Investments (See Section 6 and Appendix 3)

The Council's investment criteria remains unchanged from that previously adopted of SLY, Security of capital first, then Liquidity of its cash flows and finally Yields.

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

Prudential Indicators and limits (Section 8 and Appendix 3)

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

Medium Term Financial Plan (See Appendix 6)

The current forecasted financial requirements of the Council's treasury management functions during this reporting period are shown for Members reference at Appendix 6.

1. Background

- 1.1 The Council is required to operate a balanced budget with cash raised during the year being used to pay for expenditure incurred. A primary part of the treasury management operation is to ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity with any temporary surplus monies being invested in low risk institutions.
- 1.2 Another function of this service is to ensure that the Council's capital borrowing requirement, the longer-term cash flow planning, is provided for which may involve arranging long or short-term loans or using longer-term cash flow surpluses. In addition to this and when it is financially prudent to do so, any debt previously obtained may be restructured.
- 1.3 The Council's in-house treasury management team will ensure that;
- all treasury management transactions undertaken comply with the statutory requirements as stipulated within the relevant professional codes and legislation (Local Government Act 2003, CIPFA Prudential Code and Treasury Management Code, MRP Guidance, and DLUHC Investment Guidance, (a brief outline of these frameworks is provided at Appendix 1),
 - sufficient cash is available to meet both service activity and the Council's capital strategy,
 - various periodic cash flows are prepared and maintained accurately using all known information available,
 - where capital plans require, appropriate borrowing facilities are undertaken and
 - when financially prudent any debt previously obtained is restructured.
- 1.4 Treasury management as defined by CIPFA is;
- *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 1.5 The contribution the treasury management function makes to the Council's overall financial situation is significant. Failure to ensure sufficient funding is in place to cover planned payments or undertaking the investment of temporary surplus funds when available, in a secure manner would create both a negative impact on the Council's reputation and a loss of income.
- 1.6 Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of all monies invested is achieved in order to avoid any potential loss of principal which in turn would result in a loss to the General Fund Balance
- 1.7 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions as covered by this report), and more strategic type investments, such as regeneration properties. In order to assist with this activity the Council uses a specialist external advisor.
- 1.8 Whilst any strategic initiatives or loans to third parties will impact on the treasury function, these activities are classed as non-treasury activities, (arising from capital expenditure) and are separate from the day to day treasury management activities. Details of these transactions are shown in Appendix 7 for reference.

- 1.9 Members are required to receive and approve, as a minimum, 3 main treasury reports each year which incorporate a variety of policies, forecasts and actuals as follows;
- **Annual treasury strategy** (issued February - is the most important report and includes);
 - A MRP policy (this reflects capital expenditure previously financed by borrowing and how the principal element is charged to revenue over time),
 - The treasury management strategies (how the investments and borrowings are to be organised) including treasury prudential indicators and limits and
 - An investment strategy (the parameters on how investments are to be managed).
 - **Mid-year update** – (issued November / December – this provides an);
 - update for members with the progress of the treasury management activities undertaken for the period April to September and
 - opportunity for amending prudential indicators and policies if necessary.
 - **Annual outturn** – (issued June);
 - this provides details of actual treasury operations undertaken in the previous financial year.
- 1.10 Each of the above 3 reports are scrutinised by the Council's Accounts & Audit Committee before being forwarded onto either Executive or Council for final approval.
- 1.11 This report which has been prepared in accordance with the required statutory regulations and guidance, includes;
- The current treasury position (section 2);
 - Economic & Interest Rate forecast (section 3)
 - Debt Strategy (section 4)
 - Minimum Revenue Provision (section 5)
 - Investment Strategy (section 6)
 - Investment Risk Benchmarking (section 7)
 - Prudential Indicators (section 8)
 - Related Treasury Issues (section 9)
 - Medium Term Financial Plan (section 10)
 - Recommendations (section 11)
 - Appendices.
- 1.12 The Council uses Link Group (LG) as its external treasury management advisors who provide a range of services on treasury matters from the supply of credit ratings to technical support. The Council recognises that there is value in using external providers for this service which is subject to regular reviews.
- 1.13 Whilst the external advisors provide support to the in-house team, the Council will consider all available information when forming an opinion on matters concerning treasury management and acknowledges that the final decision remains with it at all times.
- 1.14 The Council also acknowledges the importance of ensuring that all members and staff involved in the treasury management function receive adequate and relevant training in order to undertake the duties and responsibilities allocated to them. This is further highlighted in the CIPFA Code which requires the responsible officer, Director of Finance and Systems, ensures that members with responsibility for this task, receive adequate training in treasury management.
- 1.15 For reference a member training event was provided on 27th January 2022 by the Council's in-house team and its external advisors LG. Continuing attendance at

relevant courses / seminars / webinars by staff and members as presented by CIPFA, LG and other suitable professional organisations will be encouraged.

2. Treasury Position

2.1 The Council's investment and debt positions at the beginning of the current financial year and as at 31st December are listed in the table below;

	31 March 2021		31 December 2021	
	Principal £m	Average Interest Rate %	Principal £m	Average Interest Rate %
DEBT				
<i>Short term (payable before 31.03.22)</i>				
PWLB	2.7	8.80	0.0	0.00
Market	26.7	0.07	0.0	0.00
Government Loans - Salix	0.5	0.00	0.3	0.00
Sub-total	29.9	0.86	0.3	0.00
<i>Long term (payable after 31.03.22)</i>				
PWLB	313.9	2.45	313.9	2.45
Market	36.0	4.56	36.0	4.56
Government Loans - Salix	0.3	0.00	0.3	0.00
Sub-total	350.2	2.67	350.2	2.67
Total debt	380.1	2.53	350.5	2.67
INVESTMENTS				
<i>Short term (less than 1 year duration)</i>				
- Instant access	12.5	0.03	33.2	0.08
- Call accounts	22.9	0.07	0.4	0.05
- Term deposit	39.5	0.17	75.7	0.24
Sub-total	74.9	0.12	109.3	0.20
<i>Long term (greater than 1 year duration)</i>				
- CCLA	4.8	4.51	5.4	4.40
- Strategic Investment programme (SIP)	17.6	n/a	17.6	n/a
Sub-total	22.4	4.51	23.0	4.40
Total Investments	97.3	0.99	132.3	0.84

Information in the above table reflects the;

- level of funds available on a temporary basis for investment purposes which fluctuate on a daily basis due to the timing of precept payments, receipt of grants and spend progress on the capital programme,
- repayment of monies borrowed and
- value of original monies placed with CCLA is £5m.

3. Economic & Interest Rate forecast

- 3.1 During the course of 2021 world's economies continued to slowly re-open as Governments began to scale back on the huge levels of emergency financial support provided during the imposed lockdowns in 2020 resulting from the COVID-19 pandemic. As a result of rising inflation caused by shortages in raw materials and staff, together with higher energy prices, interest rates are expected to increase over the next couple of years. In addition to this there continues to be a risk that further variants of the COVID-19 virus together with the winter flu season, could also have a negative impact on economic activity.
- 3.2 An outline of the major economic events which occurred during 2021 together with market forecasters expectations for 2022 are provided for reference at Appendix 2.
- 3.3 LG produce interest rate projections periodically throughout the year and the latest forecasts (December 2021) are shown below for reference;

Average rates	2021-22 Forecast %	2022-23 Forecast %	2023-24 Forecast %	2024-25 Forecast %
Bank Rate	0.15	0.56	0.81	1.06
Investment Rates				
3 month	0.23	0.58	0.90	1.00
1 Year	0.45	0.78	1.10	1.20
PWLB Loan Rates				
5 Year	1.33	1.60	1.83	1.95
25 Year	1.98	2.10	2.25	2.45
50 Year	1.75	1.90	2.05	2.25

- 3.4 As shown in the table above, interest rates are expected to continue on an upwards path following the first increase in Bank Rate being implemented by the MPC on 16th December 2021, the first increase since August 2018. This December increase in the Bank Rate comes from the continuous upwards trend in inflation over and above the Government's target of 2% (5.4% in December 2021). Whilst interest rates are forecasted to move up, it is currently expected that there will be 4 separate increases of 0.25% to the Bank Rate being implemented before the end of March 2024.
- 3.5 The Council will continue to adopt a cautious approach to its treasury management activities whilst utilising the information available from both LG and other external sources which may become available during this time.

4. Debt Strategy

- 4.1 The Council's capital expenditure plans are set out in the Capital Programme report and this provides details of the service activity. The treasury management function ensures in accordance with the relevant professional codes, that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and where capital plans require, appropriate borrowing facilities.
- 4.2 The underlying need to borrow comes from the Capital Financing Requirement (CFR) which represents the total level of outstanding capital expenditure both historic and current, not yet paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness or its underlying borrowing need.
- 4.3 The Council needs to ensure that its debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates going out to

2024/25. Whilst this allows some flexibility for limited early borrowing for future years, it also ensures that borrowing is not undertaken for revenue or speculative purposes. The Director of Finance and Systems can confirm that to date the Council has not exceeded the CFR with its debt.

- 4.4 The CFR is not allowed to rise indefinitely and statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset with an annual revenue charge, the MRP, being applied to reduce the CFR each year.
- 4.5 Included within the CFR are any other long-term liabilities such as Private Finance Initiative (PFI) schemes and finance leases. Whilst these increase the overall balance of the CFR, the Council's borrowing requirement is not increased as this type of liability includes a borrowing facility by the PFI or lease provider. The Council currently has £4.1m (31 March 2022) liability of such schemes within the CFR which is set to fall to £3.0m by 31 March 2025 as highlighted in the table below;

Other long-term liabilities	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Total at 1 April	4,434	4,106	3,755	3,380
Expected repayment	(328)	(351)	(375)	(401)
Total at 31 March	4,106	3,755	3,380	2,979

- 4.6 With effect from April 2022, the International Financial Reporting Standard 16 will require that all Council leases are also included with the CFR. Whilst the compliance of this new accounting requirement will impact on the Council's overall long term liabilities, it is deemed at this stage to be immaterial.
- 4.7 The total of the Council's loans outstanding as at 31 December 2021 totalled £350.5m and a breakdown of this debt is provided for reference in Section 2 above.
- 4.8 The Council holds, as mentioned above £36.5m of Non-PWLB loans and of these £15.0m are held as variable rates of interest in the form of Lender's Option Borrower's Option (LOBO) loans. With regards to this type of loan, the lender has the option to propose an increase in the interest rate at set dates and should this situation occur then the Council can either accept the new rate or repay the loan at no additional cost. In accordance with the Director of Finance and Systems delegated authority, should an opportunity present itself to repay a LOBO loan then this option will be fully examined to determine whether any financial benefit could be obtained including taking a replacement loan from another lender.
- 4.9 The Council continues, as in previous years, to be in an under-borrowed position which reflects that the CFR balance is greater than the level of external debt and this is in line with the majority of other UK local authorities. This under-borrowed position has arisen from previous and current years annual CFR (borrowing need), not being fully funded with new loans, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure.
- 4.10 The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years due to debt interest rates being consistently higher than investment returns, a situation which is forecasted to continue for the foreseeable future. This situation will continue to be carefully monitored to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure or the

refinancing of maturing debt. For reference as at 31 March 2021 the Council's under borrowed position was £43.4m.

- 4.11 As in line with previous years requirements any new capital projects which are to be funded from borrowing will need to generate sufficient revenue savings in order to be self-financing therefore avoiding any impact on the Council's MTFP.
- 4.12 The Director of Finance and Systems will continue to monitor interest rates and adopt a sensible approach to changing circumstances within the 2022/23 treasury operations before taking on any new debt.
- 4.13 Based on current commitments the table below reflects the level of external debt the Council potentially may have for the period 2021/22 to 2024/25 which is used to part fund its capital programme. In addition, it reflects to the borrowing required to finance the projected future pipeline of schemes for the Council's Strategic ;

	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Strategic Investment programme				
Total at 1 April	215,636	269,850	400,000	475,000
Planned repayments	(26,837)	(141)	(145)	(149)
Potential New debt	81,051	130,291	75,145	25,149
Total at 31 March	269,850	400,000	475,000	500,000

General capital programme				
Total at 1 April	164,496	166,636	180,295	197,291
Planned repayments	(3,078)	(4,114)	(4,185)	(17,000)
Potential New debt	5,218	17,773	21,181	24,485
Total at 31 March	166,636	180,295	197,291	204,776

- 4.14 All interest incurred on the Council's external debt is charged directly to treasury management apart from where it has previously been agreed by Executive for interest incurred on major development schemes i.e. Brown Street Hale to be capitalised.
- 4.15 When any form of borrowing is required to finance the Council's capital expenditure, be this Long or Short term, consideration will continue to be given to obtaining funds at the most advantageous rates possible at that time, from the following sources:
- Other local authorities,
 - The Government via the PWLB,
 - Dedicated publicly funded companies e.g. Salix,
 - Municipal Bond Agency, or
 - Financial institutions within the money market (insurance companies, pension funds and banks).
- 4.16 The uptake of new long term debt will be processed in accordance with the Council's approved scheme of delegation and reported to members at the earliest opportunity. Action of this sort will be undertaken in accordance with a number of

factors such as affordability, proposed life of the asset, current interest rate projections and advice obtained from the Council's external advisors.

- 4.17 Rescheduling any of the Council's current loans will only be undertaken when it is cost effective to do so taking into account the high early repayment penalty (premium) which will be incurred. This situation will be monitored during the course of the year and in the event any debt rescheduling is done, it will be reported to the members at the earliest opportunity following its action.
- 4.18 Whilst the Council retains the flexibility to borrow funds in advance of requirement as a result of potential changes to market conditions i.e. a sharp rise in interest rates, it will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will ensure that funds are taken within the forward approved CFR estimates and that value for money can be demonstrated.
- 4.19 Any borrowing taken by the Director of Finance and Systems in advance of need will be done in accordance with delegated powers and within the constraints stated below;
- no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period and
 - the Council would not look to borrow more than 12 months in advance of need.
- 4.20 The Council's debt maturity profile is provided at Appendix 4 for reference which also shows, in accordance with the Code of Practice, the potential first date the lending banks could amend the rate of interest for their respective market LOBO loans.
- 4.21 *The Council is required to approve;*
- *the above debt strategy and*
 - *as part of the Prudential Indicators and Limits requirement, the limits for external debt in accordance with the Local Government Act 2003, having regard to CIPFA's prudential code before the commencement of each financial year. These limits are detailed at Appendix 3.*

5. Minimum Revenue Provision Strategy

- 5.1 In November 2021 DLUHC published a consultation document on proposed changes to the MRP which concerned 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. These proposed changes which the government is proposing, are to be incorporated into the current legislation, Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (the 2003 Regulations) and not to the 2018 Statutory MRP Guidance thereby making it compulsory for Local Authorities to adopt.
- 5.2 It is not expected the outcome from this consultation will be available until early 2022/23 with recommendations from this exercise being required to be put in place for the financial year 2023/24.
- 5.3 Members will be informed of the outcome of this consultation at the first opportunity and how it will impact on the Council's MRP policy.
- 5.4 In the meantime the Council is required in accordance with existing DLUHC regulations to approve an MRP Statement in advance of each financial year. This Statement details how the Council will set aside annual amounts for the repayment of debt (by reducing the CFR), through a revenue MRP charge and any additional Voluntary Revenue Payments (VRP).

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

6. Investment Strategy

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

6.2 When the Council’s in-house treasury management team places an investment, it does so with regard to current legislation and guidance as highlighted below but also with regards to the outlook for short-term interest rates.

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

6.3 On each occasion when the Council’s in-house treasury management team places an investment it continues to ensure that the primary principle will be as that followed in previous years of **SLY**, **S**ecurity of funds first, **L**iquidity second followed by **Y**ield.

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

6.5 The Council will aim to achieve the maximum return (yield) on its investments appropriate with proper levels of security and liquidity in line with the Council’s risk appetite. In the current economic climate of low investment interest rates the Council is restricted in generating a significant return from its investments without exposing it to additional risk factors. In order to safeguard its funds the Council’s in-house treasury management team will continue its approach of not undertaking any investment without thoroughly understanding the product together with associated risks or in any institution which is paying considerably over and above market levels.

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

6.7 Guidance issued by both the DLUHC and CIPFA as identified at paragraph 6.2 places a high priority on the management of risk and whilst this will never completely be eliminated, it can be minimised. The Director of Finance and Systems will maintain a counterparty list with the assistance of LG specifying which institutions it can place funds with. By only placing funds with those institutions which appear on this list it reduces the risk of an institution defaulting, enables

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

- 6.8 The Council will use UK institutions, including banks, building societies and local authorities together with banks located in a country which has a minimum Sovereign Long term credit rating of AA-. As well as detailing the criteria institutions must meet to enable them to be included onto the Council's approved lending list, within their respective category, Appendix 3 also specifies both the maximum value and duration funds can be placed at any one time.
- 6.9 Credit rating information is supplied by LG, the Council's treasury advisors, on all active counterparties that comply with the criteria above. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to an institution at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 6.10 This approach uses real time credit rating information provided by LG and enables an institution, should they meet or no longer meet the minimum credit criteria required to be immediately included on to or removed off the approved list.
- 6.11 A full explanation of the credit ratings determining the institutions which the Council will use can be found at Appendix 5.
- 6.12 The Council's in-house treasury management team recognises ratings should not be the sole basis of determining the quality of an institution. It is important to continually assess and monitor institutions both on the economic and political environments in which they operate together with information that reflects the opinion of the markets. To achieve this, the Council will, with LG, monitor market pricing on additional factors such as "credit default swaps" (CDS) and overlay this information on top of the credit ratings. This additional market information is detailed for members' reference at Appendix 5.
- 6.13 Members are asked to approve this base criteria, however the Director of Finance and Systems may temporarily restrict further investment activity to those institutions considered of higher credit quality than the minimum criteria set out for approval should any exceptional market conditions be encountered.
- 6.14 Investments will continue to be placed as follows;
- Short-term – cash required to meet known cash flow outgoings in the next month, plus a contingency to cover any unexpected transaction over the same period with bank notice accounts and money market funds being the main methods used for this purpose.
 - Medium-term – cash required to manage the annual seasonal cash flow cycle covering the next 12 months and will generally be in the form of fixed term deposits and ultra-short dated bond funds.
 - Long-term – cash not required to meet any immediate cash flow requirements and can be used primarily to generate investment income by using fixed or structured term deposits, certificates of deposits, government bonds or the Local Authority Property Investment fund.
- 6.15 Investment instruments identified for use in the financial year together with institution limits are detailed for members reference in Appendix 3. The use of longer term instruments (greater than one year from inception to repayment) falls in the Non-specified investment category and these will only be used where the

Council's liquidity requirements are safeguarded and be limited to the Prudential Indicator which is also detailed at Appendix 3.

6.16 The level of the Council's investments together with the average interest rate, as at 31 December 2021, is provided for reference at paragraph 2.1

6.17 *The Council is requested to approve the;*

- *adoption of the above Investment strategy and*
- *minimum criteria for providing a list of high quality investment institutions, instruments and limits to be applied as set out at Appendix 3.*

7. Investment Risk Benchmarking

7.1 The CIPFA Code of Practice and DLUHC Investment Guidance require that appropriate security and liquidity benchmarks are considered and reported to members annually and details of these are provided below with more detail concerning the security benchmark being provided in Appendix 5.

7.2 Benchmarks are simple guides (not limits) to maximum risk for use with cash deposits and so may be breached from time to time, depending on movements in interest rates and institution criteria. The purpose of the benchmark is to assist officers to monitor the current and trend position and amend the operational strategy to manage risk as conditions change. For reference the benchmarks proposed are;

- Security - Each individual year the security benchmark is:

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

Note - This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment. At 31 December 2021 the Council's default rate of its investments placed was 0.019% which is 0.031% below the 1 year benchmark of 0.05%.

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

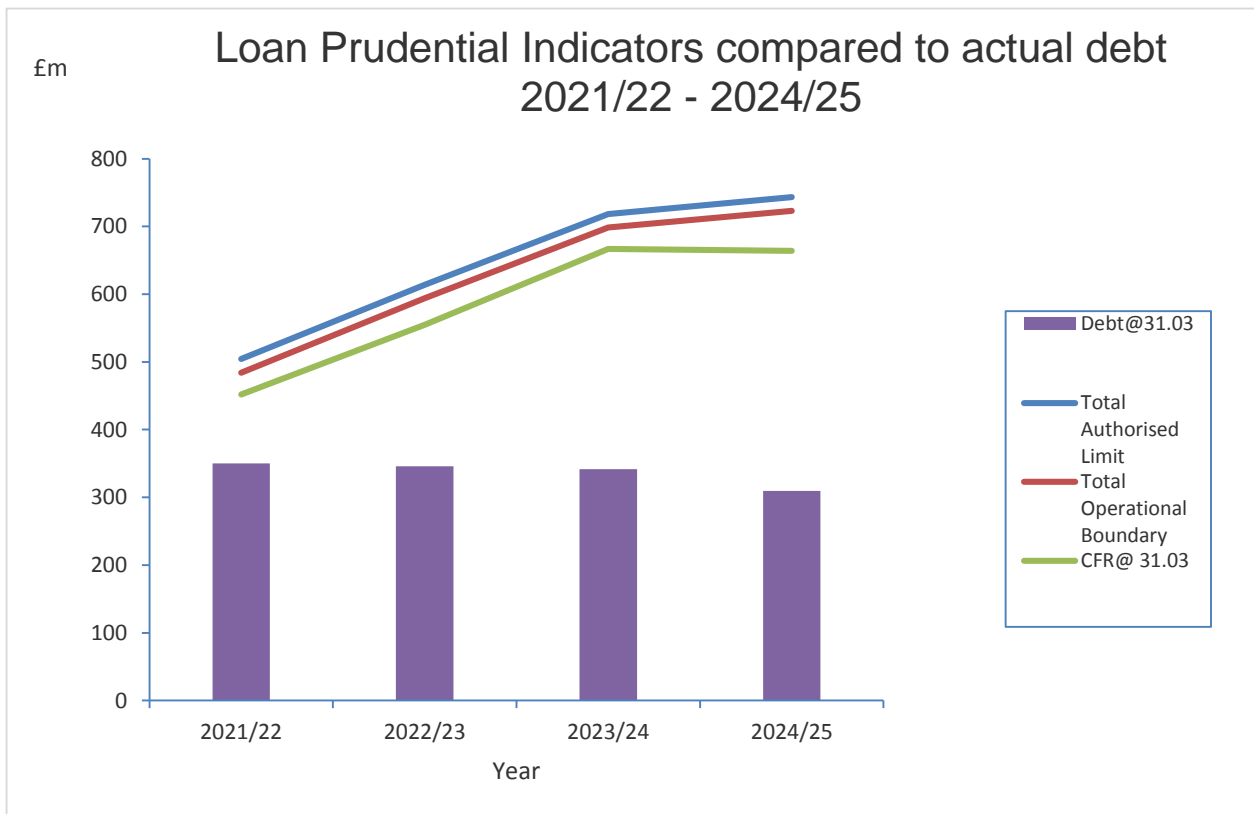
-Weighted Average Life (WAL) - benchmark for 2022/23 is set at 6 months, with a maximum of 3 years for cash time deposits;

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

- Yield - Previously the Council aimed to achieve a return on its investments of greater than the 7 day London Interbank Deposit (LIBID) rate without sacrificing any security aspects. This rate was a daily average of what banks say they would charge to lend to one another. The Financial Conduct Authority (FCA) announced in July 2017 that it was to look at replacing this rate together with several other rates as they had become unreliable. With effect from the close of business on 31st December 2021, LIBID ceased to exist and was replaced by Sterling Overnight Index Average (SONIA). As a consequence of this the Council will adopt the 7 day SONIA rate as its replacement benchmark which is based on previous day's actual transactions and administered by the Bank of England,

8. Prudential Indicators

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



9. Related Treasury Issues

- 9.1 Greater Manchester Pension Fund (GMPF). During April 2020, the Council together with several other Greater Manchester councils, paid over to the GMPF a discounted advance equivalent to 3 years of employer pension contributions in order to take advantage of GMPF's wider investment powers. This initial payment will have run its course by 31st March 2023.
- 9.2 Strategic Investment Regeneration. During 2017/18 the Council introduced a programme to acquire suitable assets which will deliver significant regeneration benefits for the area and increase the Council's income generating capacity thereby enabling it to maintain the provision of services in future years.
- 9.3 Whilst investments under Strategic Investment Regeneration are made to support policy related activities and are therefore considered outside the treasury management function, their implementation will have an impact on the Council's cash flow. All such investments are also considered on each occasion in accordance with the principles set out in paragraphs 6.2 and 6.3 above.

9.4 International Financial Reporting Standards 9 (IFRS9). This was introduced to enable a reader of the Council's accounts to fully assess the worth and risk of its financial instruments with any potential losses or profits being taken to the accounts in full in the year they occur. To mitigate against this, DLUHC issued a 5 year override which is set to expire on 31 March 2023 enabling local authorities' time to either arrange for a planned exit or for potential surpluses to be placed into an unusable reserve and applied in those years when a downward revaluation occurs. Whilst IFRS 9 is primarily a re-classification not a re-valuation exercise, its introduction is not envisaged to have any major impact for the Council. Currently there is 1 investment which is effected by this re-classification which is placed with the Church Commissioners Local Authority in its Property fund. Whilst this investment generates a return of approximately 4.25% to 4.75% per annum the Council's in-house team will;

- continue to monitor both the monthly valuations received for this investment and the quarterly market forecasts produced to ensure that any potential losses in valuation are kept to a minimum and
- consider setting aside a proportion of the annual interest received into a reserve for use to smooth out any potential losses.

9.5 In September 2021, CIPFA released the second proposed set of changes to the current version of the Treasury Management Code (previously updated in 2017) to all local authorities for consultation and in December 2021 the outcome of this exercise was released in the form of the publication of a revised and updated Code.

For reference the main updates in the revised code for implementation in 2023/24 are as follows:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement,
- clarification on what CIPFA expects a local authority to borrow for and what they do not view as appropriate, i.e. Local Authorities must not borrow to invest for the primary purpose of financial return,
- ensure that any long term treasury investment is supported by a business model,
- a requirement to effectively manage liquidity and longer term cash flow requirements,
- a knowledge and skills register for individuals involved in the treasury management function to be maintained proportionate to the size and complexity of the treasury management.

In addition, all investments and investment income must be attributed to one of the following three purposes: -

- Treasury management - Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use.
- Service delivery - Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure.
- Commercial return - Investments held primarily for financial return with no treasury management or direct service provision purpose.

Members will be updated on how all these changes will impact on the Council's current approach and any changes required to be formally adopted within the 2023/24 Treasury Management Strategy Statement report.

9.6 In addition to the changes stated above, CIPFA have also made changes to its Prudential Code, similarly published, after consultation, in December 2021. For reference the main updates in the revised code are as follows:

- the provisions in the code, which present the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code,
- proportionality has been included as an objective in the Prudential Code. New provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes,
- Heritage Assets are to be included in the Local Authority's Capital Financing Requirement (CFR) calculations.
- a new requirement has been added so that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.
- Local Authorities will be required to monitor and report against all forward looking prudential indicators on at least a quarterly basis.
- Authorities which have an expected need to borrow should review options for exiting their financial investments for commercial purposes in their annual treasury management or investment strategies. The options should include using the sale proceeds to repay debt or reduce new borrowing requirements.
- Local Authorities will need to monitor and report on a new Prudential Indicator which reviews net income from commercial and service investments as a percentage of the Authority's net revenue stream.

10. Medium Term Financial Plan

10.1 Detailed for reference at Appendix 6 is a headline breakdown of the treasury management budgets for the period 2022/23 – 2024/25 split between Treasury and Non-Treasury activities. Whilst these budgets have been produced using the latest interest rate forecasts and predicted movements in the Council's income and expenditure plans, they will be subject to change due to factors beyond the Council's control i.e. interest rate movements.

11. Recommendations

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

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2022/23 – 2024/25 including the:
- policy on debt strategy as set out in section 4;
- investment strategy as set out in section 6;

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

Other Options

This report is a mandatory report which has been produced in order to comply with Financial Procedure Rules and relevant legislation. The DLUHC Guidance and CIPFA Code do not prescribe any particular treasury management strategy for

Councils to adopt and there are an unlimited number of other options that the Council could consider as part of its treasury management activities. This report however outlines a clear and practical approach with an appropriate balance between risk management and cost effectiveness and is recommended by the Director of Finance and Systems.

Consultation

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

Reasons for Recommendation

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

Key Decision

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

If Key Decision has 28 day notice been given : Yes

Finance Officer Clearance FF

Legal Officer Clearance JL



Director's Signature

STATUTORY FRAMEWORK

Local Government Act 2003

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

- The debt strategy in accordance with the CIPFA Code of Practice on Treasury Management (section 4);
- The investment strategy in accordance with the DLUHC investment guidance (section 6);
- The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix 3).

CIPFA Code of Practice

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

Investment Guidance

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

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

MAIN 2021 ECONOMIC HEADLINES

ECONOMIC BACKGROUND

GLOBAL-

- World growth recovered in 2021 from the recession in 2020 as a result of the COVID-19 pandemic however towards the later part of the year this recovery slowed due to the new variant of the virus.
- According to the World Health Organisation 42.7% (Nov21) have received full vaccination from the COVID-19 virus.
- Inflation has been rising due to increases in energy prices, shipping costs and supply shortages.
- The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains.
- The International Monetary Fund (IMF) predicts that the world economic growth rate will grow by 5.9% in 2021 following a 4.9% contraction in 2020.

UK-

- Whilst the successful rollout of the COVID-19 vaccines started to restore confidence that life could move to a new normal, this maybe a little premature due to the winter flu season combined with new strains of COVID-19 impacting on hospitals.
- Strong GDP growth of 6.9% in 2021 is currently being projected following a reduction in 2020 of -9.8%.
- Consumer Price Index (CPI) which started the year off at 1.5% in April increased to 5.4% in December 2021 which is 3.4% above the Government's target rate of 2.0%
- The potential for the Bank Rate to go negative during the year did not materialise and has now disappeared. At its December meeting, the MPC surprised everybody when it increased the Bank Rate from 0.10% to 0.25%, removing the emergency reduction of 0.15% in March 2020 which was in response to the COVID-19 pandemic. Despite this increase in Bank Rate no changes to its programme of quantitative easing purchases, which totals £895bn, were undertaken.
- The Government's furlough scheme, implemented during the first lockdown in 2020 and which had an estimated 1 million people on it, finished on 30th September 2021. It was feared by some market forecasters that this would lead to possible large job losses however this did not occur due to job vacancies being at record levels together with continual shortage of workers.
- In October 2021, the employment rate was estimated to be at 75.5% which is slightly lower than before the pandemic with the unemployment rate being 4.2%, the lowest level it has been in 2021
- Ports are becoming increasingly clogged up with containers due to a shortage of lorry drivers being available to move the goods and supplies to their respective destinations.

Eurozone –

- The initial slow roll out of vaccines delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then.
- Some strong growth in quarters 2 & 3 was seen although some countries which are more dependent on tourism have struggled.
- The European Central Bank (ECB) is expected to see the current situation of rising energy prices as being only temporary and therefore unlikely to be raising interest rates for a considerable time.

US –

- Shortages of goods are fuelling increases in prices and reducing economic growth potential.
- The economy is now bigger than it was before the pandemic with economists expecting growth of 5.9% in 2021, the fastest levels in decades despite ongoing labour market troubles,

China-

- The spread of the Delta variation of the COVID-19 virus earlier in the year resulted in sharp lockdowns being enforced however despite this, GDP growth is expected to be 8.0% compared to 2.34% in 2020.
- Shortages of gas and coal are restricting industrial production through power cuts
- The decline in demand for imported raw materials has impacted on the economies of commodity exporting countries, especially developing countries.

Japan-

- After a slow start, the majority of the population is now vaccinated against the COVID-19 virus.
- The Bank of Japan is continuing its very loose monetary policy and continues to struggle with getting inflation, which was negative in July, above 1% and towards its target of 2%.

MAIN ECONOMIC FORECASTS FOR 2022

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

Indicator	UK	Eurozone	US	China
Gross Domestic Product	4.8%	3.3%	2.3%	5.8%
Consumer Price Index	4.0%	3.0%	3.1%	2.1%
Unemployment Rate	4.1%	7.4%	5.0%	5.0%
Bank Rate (Average)	0.6%	0.0%	0.6%	3.9%

Source - Trading Economics

ELEMENTS FOR COUNCIL APPROVAL

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

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

The Accounts and Audit Committee and Executive are requested to recommend that Council approve these for the period 2022/23 – 2024/25 as detailed below. Upon recommendation, Council is required to approve the prudential indicators and limits affecting treasury management performance for this period.

TREASURY PRUDENTIAL INDICATORS AND LIMITS –

In accordance with the current CIPFA Prudential code, the Council is required to produce prudential indicators and limits reflecting the projected capital activity regarding its capital investment programme. These have an impact on the Council's treasury management activities and are monitored on a regular basis with any breaches being reported to Council at the earliest opportunity.

Authorised Limit for External debt	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m	2024/25 estimate £m
General capital programme	200.0	210.0	240.0	240.0
Strategic Investment programme	300.0	400.0	475.0	500.0
Other long term Liabilities (PFI)	4.2	3.9	3.5	3.1
Total	504.2	613.9	718.5	743.1

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

Operational Boundary for External debt	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m	2024/25 estimate £m
General capital programme	180.0	190.0	220.0	220.0
Strategic Investment programme	300.0	400.0	475.0	500.0
Other long term Liabilities (PFI)	4.2	3.9	3.5	3.1
Total	484.2	593.9	698.5	723.1

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

Upper limit for Principal sums invested over 1 Year	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m	2024/25 estimate £m
Maximum limit	100.0	100.0	100.0	100.0
<i>Current investments:</i>				
Manchester Airport Shares @ (31 March 2021) *	37.7	37.7	37.7	37.7
Church Commissioners Local Authorities Property Investment Fund	5.0	5.0	5.0	5.0
Strategic Investments	17.6	17.6	17.6	17.6

* Manchester airport shares are included for clarity and transparency purposes only as they are a non-treasury investment.

Upper Limit for sums invested for over 1 year – these limits are set with regard to the Council’s liquidity requirements.

Upper Interest limits	2021/22 estimate £m	2022/23 estimate £m	2023/24 estimate £m	2024/25 estimate £m
Fixed interest rate exposure based on net debt	9.5	9.5	9.5	9.5
Variable interest rate exposure based on net debt	1.0	1.0	1.0	1.0

Upper Interest Limits – identifies the maximum limit of interest payable after deducting all investment interest for each category of interest rate fixing

Maturity structure of all external loan debt – 2022/23 to 2024/25	Lower limit %	Upper limit %
Under 12 months	0	40
12 months to 2 years	0	40
2 years to 5 years	0	40
5 years to 10 years	0	40
10 years to 20 years	0	40
20 years to 30 years	0	40
30 years to 40 years	0	70
40 years and above	0	90

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

Gross Debt and the Capital Financing Requirement

The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance and Systems reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

MINIMUM REVENUE PROVISION

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

- **Capital expenditure financed by Supported Borrowing:** MRP will be calculated on a straight line basis over the expected average useful life of the assets (50yrs);
- **Capital expenditure financed by Prudential Borrowing:** MRP will be based on the estimated life of the assets once operational and charged on a straight line or annuity basis in accordance with DLUHC guidance;
- **Strategic Asset Investment Strategy financed by Prudential Borrowing:** Voluntary Revenue Provision (VRP) using the periods stipulated within the DLUHC Guidance of up to 50 years will be applied. By adopting this approach it will enable the Council upon the sale of each asset, to either apply the capital receipt or use the VRP receipts to extinguish debt taken. If the capital receipt is applied then the VRP previously set-aside will have been undertaken for no purpose and therefore can be reclaimed. Annual reviews are undertaken to ensure that this policy remains prudent and as at 31 March 2021 the total VRP overpayments were £4.789m and are forecasted to total £7.031m by 31 March 2022.
- **PFI schemes and leases shown on the balance sheet:** MRP will be based on the amount of the principal element within the annual unitary service payment and financed from the provision set-up to cover the final bullet payment. Capital receipts are to be used to replenish this provision to ensure any final bullet payment can still be made in 2028/29;
- **Expenditure that does not create an asset:** this is where the Council through the Strategic Asset Investment Strategy has made equity investment with Joint Venture companies with VRP being provided and calculated on a straight line basis for periods up to 50 years. Whilst this is a departure from statutory guidance for equity it is equivalent to the period allowed for Investment Property;
- **Use of a Capitalisation Direction:** Expenditure incurred in response to the issuance of a Capitalisation Direction by Central Government, MRP will be made over a period not exceeding 20 years, in accordance with the 2018 Guidance;
- **Lending to a third party:** In instances where the Council lends funds to a third party and in accordance with the guidelines issued (February 2018) by the Secretary of State, MRP is required to be provided over the useful life of the asset created. The Council in this instance will not follow the guidance but rather treat any advance as "Serviced debt" and therefore no MRP will be set-

aside providing there is an agreed repayment date. Annually the Council will undertake a financial assessment of the third parties ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

- **Equity** – MRP for the acquisition of share capital will be calculated on a straight line basis for a period up to 20 years. The Council will consider on a case by case basis the appropriateness of the application of this period against any equity investments it undertakes.

INVESTMENT CRITERIA – (no changes)

Counterparty Selection

- The Council will only use institutions which are located in the UK or from a country with a minimum Sovereign Long term credit rating of AA-. The individual credit criteria, is highlighted below and where credit ratings have been issued, both the Long and Short term rating from 2 of the 3 main agencies will need to meet the minimum required. The requirements shown below for categories 1 to 5 and 7 will be applied to both Specified and Non-specified investments. Category 6 applies only to The Church Commissioners Local Authorities Property Investment fund.

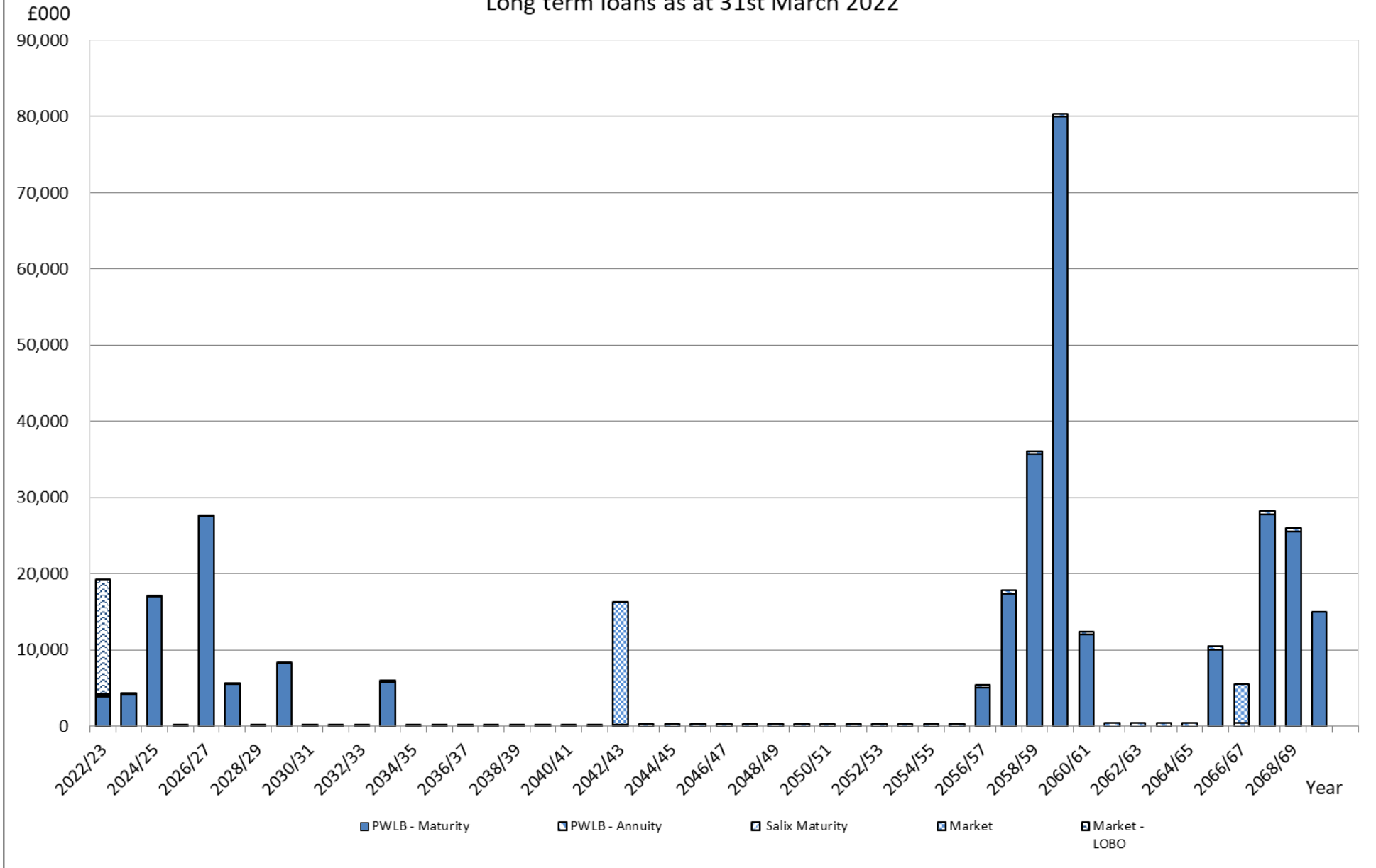
The limits shown in the table below are set at a contingency level and operationally monies will be placed with a number of institutions with a maximum 20% of the portfolio being placed with any one institution at the time each investment is made. This situation will be monitored during the course of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

	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 1 – •UK & Non UK Banks (bank subsidiaries must have a parent guarantee in place), •UK Building Societies Institutions must also have an individual minimum short term credit rating of – Fitch F1 or equivalent.	AA to AAA A+ to AA- A- to A	£75m £25m £10m	3yrs 1yr 1yr
Category 2 – UK Building Societies which are unrated or do not meet the minimum ratings as per Category 1 with assets in excess of; •£5bln+, •£2.5bln - £4.99bln	- -	£5m £3m	1yr 1yr
Category 3 – UK Banks part nationalised - Royal Bank of Scotland. This bank or its subsidiaries can be included provided it continues to be part nationalised or meets the ratings in category1 above.	-	£20m	1yr
Category 4 – The Council’s own banker for transactional purposes if the bank falls below the above criteria.	-	n/a	1day

Specified Investments.....cont.	Maximum Maturity
An institution that has been awarded a high short term credit rating (minimum F1 or equivalent) by a credit rating agency, such as a bank or building society.	1 Year
Non-Specified Investments	
Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. World Bank). The security of principal and interest on maturity is on a par with the Government and these bonds usually provide returns above equivalent gilt edged securities. The value of the bond may rise or fall and losses may accrue if the bond is sold prematurely.	3 Years
Gilt edged securities. These are Government bonds and provide the highest security of interest and principal. The value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	3 Years
The Council's own bank if it fails to meet the basic credit criteria with balances being kept to a minimum.	1 Day
UK Banks which have significant Government holdings	1 Year
Any bank or building society which meets the minimum long term credit criteria for Category 1 institutions detailed on page 23 with a maturity of greater than one year (including forward deals in excess of 1 year from inception to repayment).	3 Years
Building societies The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £2.5bln but will restrict these type of investments as shown for Category 2 institutions on page 23.	1 Year
The UK Government including Local Authorities and Debt Management Office.	3 Years
Pooled investment vehicles such as money market funds (including the revised categories of Low Volatility Net Asset value and variable Net Asset Value funds) Social & Ethical funds and low volatility bond funds.	10 Years
Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. It is envisaged this facility will apply to the Manchester Airport share-holding which the Council holds at a historical value of £37.7m as reported in the 2020/21 Statement of Accounts.	Unspecified
Manchester Airport Group – This is in response to the restructuring of the airports existing debt and is included for clarity and transparency purposes only.	Term of loans

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

Long term loans as at 31st March 2022



APPENDIX 5

INVESTMENT CREDIT AND INSTITUTION RISK MANAGEMENT

Monitoring of investment counterparties - The Council receives credit rating advice from Link Group and when ratings change this information is checked promptly to ensure institutions affected comply with the Council's criteria. On the occasion a rating may be downgraded when an investment has already been made, the criteria used are such that this should not affect the full receipt of the principal and interest. Any institution failing to meet the criteria, or those on the minimum criteria placed on negative credit watch, will be removed from the list immediately and if required new institutions which meet the criteria will be added.

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

The Council's list of Investment institutions is prepared primarily using credit rating information with full regard also being given to other sources of available information concerning credit quality. The information below will continue to be considered when undertaking investments;

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

- Market & Financial Press information – information obtained from the money market brokers used by the Council in respect of interest rates & institutions will also be considered.

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

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

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

Investment Risk benchmarking

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

A method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table below shows the latest average defaults for differing periods of investment grade products for each of Fitch, Moody's and Standard and Poors long term rating category over the period 1981 to 2020. The Council can generally place investments up to a maximum period of 3 years and for this purpose will only use high rated institutions in order to ensure any potential risk in the form of defaults are kept to a minimum. Investments placed over 1 year but up to 3 years are placed with higher rated institutions in order to ensure that any potential risk of default as highlighted in the table below is kept to a minimum.

Long term rating	Average 1 yr default	Average 2 yr default	Average 3 yr default	Average 4 yr default	Average 5 yr default
AAA	0.04%	0.09%	0.17%	0.26%	0.35%
AA	0.02%	0.04%	0.09%	0.16%	0.23%
A	0.05%	0.14%	0.26%	0.38%	0.54%
BBB	0.14%	0.38%	0.66%	1.01%	1.36%
BB	0.64%	1.79%	3.14%	4.48%	5.73%
B	2.81%	6.83%	10.44%	13.48%	16.03%
CCC	19.89%	27.52%	32.84%	36.31%	39.42%

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

SUMMARY MEDIUM FINANCIAL PLAN 2022/23-2024/25

Non-Treasury Management

	2022/23 £000	2023/24 £000	2024/25 £000
Loan Interest	3,773	3,769	3,765
Loss of Investment interest	356	760	727
VRP	2,517	2,521	2,526
Sub-total	6,646	7,050	7,018
Interest for aspirational Strategic Investment growth	1,817	2,869	3,222
TOTAL	8,463	9,919	10,240

Treasury Management

	2022/23 £000	2023/24 £000	2024/25 £000
Net Interest payable	6,697	6,782	6,835
Net MRP payable	5,668	6,127	6,129
Net Interest receivable	(1,346)	(1,291)	(1,236)
Other Income - MAG	(3,393)	(3,892)	(4,002)
TOTAL	7,626	7,726	7,726

NON-TREASURY INVESTMENT ACTIVITIES

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

Description	£m	Purpose
General		
Manchester Airport Group	29.7	Regeneration – 3 Shareholder loans
Homestep	0.5	Regeneration – Capital loan monies advanced to assist first time buyers to acquire property within Trafford which remains in place
Town Centre	0.2	Regeneration – Capital loan monies advanced to assist businesses occupy empty high street units within Trafford.
Sub-total	30.4	
Asset Regeneration Schemes		
Sonova House - Warrington	12.2	
DSG - Preston	17.4	
The Grafton Centre - Altrincham	10.8	
Magistrates Courts - Sale	5.1	
The Fort - Wigan	13.9	
Sainsbury's Altrincham	25.6	
Former Sorting Office - Stretford	0.9	
CIS - Manchester	60.0	
Altrincham & Stretford Shopping Malls - Equity contribution	34.0	
Trafford / Bruntwood loan	34.0	
K Site Old Trafford - Equity contribution	12.3	
Trafford / Bruntwood loan	12.4	
Brown Street Hale	8.7	
Care homes	2.4	
Castle Irwell Salford Ph1 + Ph2	31.0	£8.8m of repayments for Phase 1 received as at 31 st December 2021
THG HQ	67.5	
Various Development sites	0.3	
Sub-total	348.5	
TOTAL	378.9	

Report to: Executive
Date: 16th February 2022
Report for: Decision
Report of: The Executive Member Housing and Regeneration

Report Title

Strategic Land Review Programme 2022 – 2023 - Part 1

Summary

To advise Members of the outcome of the 2021/22 Land Sales Programme. To continue the Strategic Land Review Programme for the disposal of land and buildings during the financial year 2022/23 and to seek the necessary delegations. To advise as to proposals for 2023/24.

Recommendation(s)

The Executive are recommended to:

1. Note the outcome of the 2021/22 Strategic Land Review Programme Disposals
2. Approve the Strategic Land Review Programme for 2022/23 as set out in the report
3. Delegate authority to the Corporate Director of Place to:
 - a. negotiate and accept bids in consultation with the Director of Finance and Systems and Corporate Director for Governance and Community Strategy for all sites listed on the Land Review Programme.
 - b. engage external resources where this will assist in implementing the programme, including a professional team where reasonably required to support a development project.
 - c. Commission, submit and/or authorise as appropriate:
 - i) any applications for planning permission on any properties included in the programme where this will assist in marketing and/or add value, or in any case where the Council is proposing to redevelop the site whether directly or in partnership with another party.
 - ii) any surveys/investigations where such surveys will reduce the risks associated with redevelopment, add value to the capital receipt /revenue return and/or assist with the preparation, submission and resolution of any planning permission application, or any other usual pre-development survey or investigation.
 - iii) any feasibility study or design for the site and or premises in association with either obtaining a planning consent or as part of options appraisal
 - iv) any demolitions or physical alterations that will either reduce the risks associated with holding the premises or accelerate the sale/redevelopment and/or add value to the capital receipt/revenue return.
 - d. offset eligible disposal costs against capital receipts in accordance with capital regulations.
 - e. advertise the intention to dispose of a site in the event that it comprises open space as defined by the Town and Country Planning Act 1990, in

accordance with the relevant statutory procedure, and if any objections are received, to refer to the relevant portfolio holder for consideration in consultation with the Executive Member for Environment and Regulatory Services.

- f. acquire adjacent land or property where the acquisition will either add value to the overall development or de-risk the disposal/development of the Council asset.
- g. Delegate authority to the Corporate Director of Place, in consultation with the Executive Member for Housing and Regeneration and the Director of Finance and Systems, to add or substitute sites into the programme during the year including sites with a value of over £499,000.
- h. Transfer sites from Category 1 to Category 2, and vice versa
- i. commission security services.
- j. authorise alternative methods of disposal where appropriate.
- k. authorise community engagement and consultations where the Corporate Director deems it necessary or advantageous.
- l. In relation to any site currently in development or any site which commences development during this programme, agree any licence or approve the grant of any easement or lease or any other disposal, including where that disposal taken in isolation would constitute a disposal at undervalue, which is designed or intended to implement or facilitate the development.
- m. In relation to the Brown Street and former Sale Magistrates sites, authorise a marketing, pricing and disposal strategy and authorise the sale of plots, either individually or in blocks, including where the anticipated or actual capital receipt exceeds £499,000

4. That the Corporate Director of Governance and Community Strategy in consultation with the Corporate Director of Place and, where appropriate, the Director for Finance and Systems, be authorised to finalise and enter into all legal agreements required to implement the above decisions.

Contact person for access to background papers and further information:

Name: Richard Roe
 Extension: 4265
 Background papers: None

Implications

Relationship to Policy Framework/Corporate Priorities	Supports the Corporate priority for building quality, affordable and social housing; and successful and thriving places.
Relationship to GM Policy or Strategy Framework	At a Greater Manchester level, the programme supports the GM Strategy and GM Local Industrial Strategy 2019.
Financial	The generation of capital receipts will support the capital investment programme or be used to repay debt.
Legal Implications:	Each disposal/development will be reviewed for legal implications on an individual basis.
Equality/Diversity Implications	None
Sustainability Implications	The generation of capital receipts supports a

	number of capital schemes that will aid the Council in its carbon neutrality objectives.
Carbon Reduction	Carbon assessments will be commissioned as part of any redevelopment proposals.
Resource Implications e.g. Staffing / ICT / Assets	Properties which are no longer required for operational purposes are identified and recommendations as to retention /disposal are made by the Corporate Landlord group, prior to discussion at the relevant Place Shaping Board and being added to the Strategic Land Review Programme. The programme will require significant staffing resources in the Development Team, Legal and Finance.
Risk Management Implications	The key risk will be associated with holding property which is vacant.
Health & Wellbeing Implications	No direct implications
Health and Safety Implications	A reduction in health and safety issues by disposing of vacant buildings.

Background

- 1.1 The Strategic Land Review Programme sets out a list of land and buildings that the Council intends to either sell, develop in partnership or self-develop in the forthcoming year(s) together with a summary of the previous year's outturn. The details of these are set out in this report, with the actual and estimated sums against specific properties contained in the confidential Part 2 of the report.
- 1.2 The Council has made good progress in 2021/22 with a number of development projects underway and a number of disposals outlined in the 2021/22 report completed.
- 1.3 The Strategic Land Review Programme is an integral part of the Council's asset strategy and is the conclusion of a corporate process of identification of surplus assets linked to service planning and an options appraisal process.
- 1.4 The Council strives to use its property assets in the most advantageous way possible for the community and to achieve its service delivery, financial and regeneration economic growth objectives.
- 1.5 COVID 19 has continued to impact Council Budgets and it is increasingly apparent that the Council are unable to continue to hold on to empty assets which incur costs

2.0 Council Strategies linkages with the Programme

- 2.1 The use and disposal of property is an important part of business planning and the delivery of efficiency targets across all service areas. In addition, the identification of a range of service delivery strategies across the Council has had implications for the use of property and its availability for disposal. These include:

a) Corporate Operational Estate Strategy

In February 2021, the Council adopted an Operational Estate Strategy to provide a clear vision, principles and objectives from which the organisation can work to create action plans for the more effective management of its operational estate.

The Corporate Operational Estate Strategy sets out a strategic purpose for the management of the Council's buildings from which public sector services are delivered which forms the operational estate. The strategy sets out a vision, key principles and core objectives that will result in the improved strategic management of the buildings needed to deliver public sector services.

The use and disposal of property is an important part of business planning and the delivery of efficiency targets across all service areas. In addition, the identification of a range of service delivery strategies across the Council has had implications for the use of property and its availability for disposal.

b) Corporate Landlord

The Council takes a corporate landlord approach to enable a strategic overview of the management of all its property assets. Land Sales, as well as the corporate estate, are regularly monitored and reviewed. Corporate Landlord Strategic and Operational Groups meet monthly which provides the opportunity to identify changes in service provision and therefore property requirements.

There will also be opportunities for further rationalisation or development of the property portfolio through efficiencies in terms of maximizing the capacity of buildings to be retained and partnerships with public, private and third sector partners.

c) Collaboration and co-location

Partnership working has led to greater shared use of accommodation and is already producing more efficient use of assets and may lead to the release of further surplus assets across partners. The 'One Trafford Estate' project was initiated to work across public sector partners to identify opportunities where shared use of assets is viable and in the right location. The project is ensuring that Council assets are available, utilising suitable buildings for greater cross working whilst ensuring estate strategies are aligned to those of our public sector partners. Trafford Council now has greater representation on key strategic estate bodies such as the GM Property and Estates Panel and the Strategic Estates Group. The funding for this project however, will be coming to an end in March 2022 and the Council will need to consider how it continues to ensure that progress is made in the aspects of the above work.

The Council also continues to make good progress with its JV Partners on projects across the Borough including the Stamford Quarter in Altrincham, Stretford Mall redevelopment with Bruntwood Partnerships and the development of the Tamworth site with Trafford Housing Trust.

- 2.2 A range of strategies affect the way in which assets are disposed. These aim to use surplus and under-performing assets to assist in the delivery of wider objectives in addition to realising capital receipts. They include:

- a) **Investment opportunities** – The Council has adopted an Investment Strategy under which the disposal route for any asset will be subject to a full options appraisal. This will consider opportunities to develop the asset as part of our investment portfolio. Depending on the attributes of any particular asset, the options appraisal would consider site disposals on market, redevelopment potential including options for self-development and Joint Venture opportunities, land assembly opportunities for enhanced redevelopment, longer term investment connections and potential social benefits to the council and the local residents.
- b) **Housing growth and affordable housing targets** – These are also supported by the Land Sales Programme, often in partnership with Registered Social Landlords. Disposals of land for nil or at below market value may be required if schemes are to be funded by Homes England, however no such sites are identified on the current Programme. In November 2021 the Council opened the Brown St development, the development consists of 10 market sale houses and 12 shared ownership apartments. The Council and GMCA has published ambitious housing targets and the disposal and development of publicly owned land is a critical component of the Government's objectives to accelerate housing supply and economic growth. The development of publicly owned land also supports the Council's objective of delivering new social and affordable housing. In addition, increasing the number of housing units provides much needed housing supply and generates additional Council Tax.
- c) **Community Asset Transfer** - The Council will support, where appropriate, community organisations to deliver services in conjunction with the use of Council assets. Each potential asset transfer will be appraised individually to provide the best outcome for the Council and the community.
- d) **Economic Development and Regeneration** – Ongoing projects in town centres have presented opportunities for the regeneration through schemes including Council land, e.g. Brown St, Regent Road, Altrincham and the former Royal Mail Sorting Office, Stretford. The redevelopment of Stretford Mall and the Former Rackhams building in Altrincham in partnership with Bruntwood continue to make good progress with work programmed to start on both projects in 2022. Where appropriate, assets will be used to support regeneration projects.

3. Land development and Disposal Strategy

- 3.1 Whilst in the past the Council, in common with most public bodies, has sought to simply sell sites quickly to reduce potential risks and liabilities from holding vacant properties this process may not always be the most appropriate for both the Council, in terms of maximising the value it receives and the appropriate quality of development and purchasers who are acquiring risk. This often leads to delays in achieving financial completion, slows down the delivery of new homes and doesn't maximise the financial and regeneration benefits for the Council.
- 3.2 The Council undertakes options appraisals on all surplus sites or identified assets to determine whether there is an opportunity for the Council to bring forward development of the site itself, either solely or in partnership. This options

appraisal will consider financial and delivery risks, potentially higher financial returns, including capital receipts or ongoing revenue streams, and the contribution the development can make to the Council's wider objectives. Whilst this may mean that the asset is held vacant for a longer period, the Council can potentially deliver wider benefits than a land sale alone.

3.3 The Council has recruited an in-house development team to take the lead on direct development sites. This, together with the integration of the former Amey Estates Team which was approved at Executive in December 2021, will allow a fully co-ordinated approach to the review of land, property and development opportunities across the Council Portfolio which will all be documented in a forthcoming 10 Year Estates Strategy, to be brought to Executive later in the year.

Work has already started on this priority initiative and will provide the Council with a consolidated programme with risks and opportunities identified for the Council to develop a robust and long term strategy for estate management, growth and investment.

3.4 Current economic, social and environmental conditions require resources to be used far more efficiently. Property is a key resource in the delivery and transformation of Council and partner services, in the ability of the Council to bring about regeneration of our town centres and neighbourhoods, and in the generation of value, both capital and revenue, to support our wider objectives and priorities.

3.5 It must now be used as an even more flexible and transformational resource which demands constant review and challenge on a corporate basis, while being mindful of specific service and community needs, and for prioritisation in investment and disinvestment decisions to achieve both value for money in use of property and to assist in the achievement of policy objectives.

3.6 The value of the public sector property portfolio, optimisation of usage and the release of value have become key headlines in the drive for public sector savings and the transformation of public service delivery. The international economic downturn has in parallel caused difficulties within the property market, impacting on the level of income derived from investment assets, the ability to dispose of surplus assets at a reasonable value or at all, and the ability of all sectors to achieve the level of regeneration and development required to turn the economy around. A further consequence of the economic environment is the reduction in public sector funding, which impacts on both the ability to fund the existing building stock, and the services provided from it. Constant review is therefore essential in the light of a frequently refreshed strategy.

4. Capital Receipts Received 2021/22

There have been a number of capital receipts from land sales in 2021/22. Details are below:-

Financial Year	Site	Capital Receipt
----------------	------	-----------------

2021/22	Second Avenue, Trafford Park	£1,815,000
2021/22	350 Flixton Road, Urmston	£789,950
2021/22	190/192 Flixton Road, Urmston	£575,000
2021/22	2a Houldsworth Avenue, Tmperley	£355,500
2021/22	Sale of freehold of plots at Ocean Street Trading Estate	£70,000
2021/22	Release of restrictive covenant 8a Daresbury Avenue, Urmston	£40,000
2021/22	Higher Road, Urmston	£1,550,000
2021/22	65/65a Roseneath Road, Urmston	£325,000
Sales in progress*		
2021/22	Sale Cemetery Lodge	
2021/22	Land at Virgil Street, Old Trafford	
2021/22	Former Equity Housing properties 68 Thornbury Road, Stretford and 12 Norton Street, Stretford	
	Total	£5,520,450

*At the time of writing this report these sales are in progress and are expected to complete by the end of the 2021/22 financial year. The outcome of the sales will be reported in future update reports.

5. Disposal and Development programme for 2022/23 and beyond.

5.1 The report has split the property assets already identified for 2022/23 and beyond into two categories:

Category 1 (Table 1 below) are those sites where the Council is already committed to a disposal or where the disposal is on a statutory basis or where it has been assessed that there is no development potential or no benefit in undertaking direct development. Whilst these properties have been identified for disposal in 2022/23 some sites are on a phased payment basis and some on deferred payment basis meaning the capital receipts will be in subsequent financial years. It is possible that some other sites may roll forward to next or future years should issues arise that delay the disposals (obtaining vacant possession, current market conditions, title issues, planning issues, consent issues etc.).

Category 2 (Table 2 below) are those property assets where following initial assessment it is considered there is significant advantage in these sites being delivered through either partnership (Including Joint Ventures) or self development

5.2 The investment opportunities related to each of these sites is reviewed on a regular basis to continue to determine the most appropriate and financially beneficial option for disposal, development or alternative use.

	Category 1 (Table 1)	Est. year of Receipt
1	Friars Court	2022/23
2	Hale Library, Hale (deferred payment)	2022/23
3	Altair, Altrincham (phased payment)	2023 & 24/25
4	The former site of Partington Library, Central Road, Partington	2022/23
5	Review of Leases on Town Centre Assets (Stamford Quarter and Stretford Mall)	2022/23
6	Former Altrincham library, Stamford New Road, Altrincham (1 st Floor)	2022/23
7	Altrincham Town Hall (leasehold, lease length tbd)	2022/23

	Category 2 (Table 2)	Est. Year of Receipt
1	Partington Town Centre Site (land to the rear of Partington Shopping Centre)	2023/24
2	Former Sale Magistrates Site	2022/23/24
3	Stokoe Avenue, Altrincham	2023/24
4	Tamworth ,Old Trafford	2023/24
5	The Jubilee Centre ,St Marys Road, Bowdon	2022/23
6	Former Trafford High School	2023/24/25
7	The Riddings, Timperley	2023/24
8	The Claremont Centre, Chapel Road	2023/24
9	Oaklands Car Park	2023/24
10	Britannia Road, Sale	2023/24
11	Denmark Street	2022/23
12	Former Stretford Sorting Office Site, Lacy Street, Stretford	2023/24/25
13	Land between 29 and 31 Brook Road, Urmston	2022/23
14	Car park at Hamon Road, Altrincham	2022/23
15	Former Moss View School, Partington	2023/24
16	K Site	2023/24/25

6. Additional Sites

- 6.1 Should sites become surplus during the year or if the Council be approached by purchasers and developers for sites not currently identified for disposal then this will be subject to initial discussion and approval at Place Shaping Board and if appropriate (and meeting the Council's corporate , strategic and financial criteria) added to the programme. An options appraisal will be produced, and a formal decision will be requested of the Executive Member and a period of public consultation will be undertaken in the usual way.

7. Other Options

- 7.1 Retention of surplus property would have consequences for the resourcing of the Capital Programme, impact on revenue savings and the delivery of a range of Council objectives.

7.2 Alternative options are considered for each site before they are added to the Strategic Land Review Programme.

8. Consultation

8.1 No consultation was required for this report. However, appropriate consultation will be undertaken as and when required as part of the disposals and developments set out in this report.

8.2 With the development of the One Trafford Estate project linked to the wider One Public Estate the Council will assess the availability of its assets in the context of any wider requirements alongside public sector partners.

8.3 To achieve this, consultation is undertaken across all service areas to ensure that there are no other appropriate uses for an asset, for the Council or its partners, prior to it being declared surplus. In some cases this will identify a specific future use following disposal, which will indicate the source of potential purchasers, such as Providers for affordable housing. Major disposals affecting a wider area are, as appropriate, subject to consultation with local stakeholders.

9. Reasons for Recommendation

9.1 The sale of surplus assets reduces the Council's overall expenditure and backlog maintenance, generates capital receipts to support the capital programme, assists regeneration and place making in strategic locations and facilitates residential development and in turn housing growth. There is a need to undertake a range of procedures to ensure that the best consideration for the sale is achieved including full exposure to the market and a transparent audit trail.

9.2 The development of Council owned land allows for a greater receipt than a simple disposal and gives the Council control over how the land is developed so that it can be better aligned with the Council's strategic objectives and that the development meets Council priorities relating to affordable housing, energy efficiency and carbon reduction.

Key Decision

This is a key decision currently on the Forward Plan: Yes
If key decision has 28 day notice been given? Yes

Exempt Information

By virtue of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order, the following information has been excluded from Part 1 of this report and included in Part 2 of the report:

1. ~~Information relating to any individual.~~
2. ~~Information which is likely to reveal the identity of an individual.~~
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

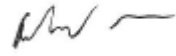
4. ~~Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Council and employees of the Council.~~
5. ~~Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.~~
6. ~~Information which reveals that the authority proposes—
 - (a) ~~to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or~~
 - (b) ~~to make an order or direction under any enactment~~~~
7. ~~Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.~~

In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Finance Officer Clearance: *MB*

Legal Officer Clearance: *TR*

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*



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

TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 16 February 2022
Report for: Decision
Report of: The Executive Member for Finance and Governance and the Director of Finance and Systems

Report Title

FEES, CHARGES & ALLOWANCES 2022/23

Summary

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

The Fees and Charges booklet represents the main fees and charges to the public upon which the Executive's proposed budget for 2022/23 has been based. Fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget and service planning process. New charges for 2022/23 or revised wording to existing charges are highlighted in blue on the schedule and significant changes are referred to in paragraph 3.3 below.

In particular policy proposals reflected in this report:

- A number of Parking fees and charges have been increased or amended as part of the Executive's 2022/23 Budget saving proposals;
- Safety at Sports Grounds Certificates have been increased as part of the Executive's 2022/23 Budget saving proposals.

The fees and charges are inclusive of VAT, where indicated (V), and delegated authority to Corporate Directors and the Director of Finance and Systems, is sought to amend the level of the relevant fee or charge as appropriate if there are changes to the rate of VAT during 2022/23, which is the Council's traditional practice.

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

Contact person for access to background papers and further information:

Graeme Bentley, Director of Finance and Systems
Extension: 4884
Background Papers: None

Recommendation(s)

That the Executive:

1. Recommends to Council that it approves the following;

- The Fees and Charges for 2022/23 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2023/24, as set out in the booklet available on the Council's web site;
- That approval is delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2022/23 in the event of any change in the rate of VAT, as appropriate;
- That approval be delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges during 2022/23 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.

Contact person for access to background papers and further information:

Name: Councillor Tom Ross, Executive Member for Finance and Governance

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2022/23 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed Fees and Charges for 2022/23 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2023/24.
Legal Implications	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. Where appropriate and necessary some of the fees and charges have been the subject of consultation.
Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision. Measures have been subject to equality impact assessments where necessary.

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

INTRODUCTION

- 1.1 The detailed fees and charges booklet is available on the Council's web site alongside other agenda items. It represents a schedule of the main fees and charges which the Executive is proposing to charge for services in 2022/23 and included in the revenue budget proposals for 2022/23 to be presented to Council on 16 February 2022.
- 1.2 It should be noted that the booklet relates to fees and charges levied on the general public, businesses or service users. Trading income, such as that with Schools, is not covered within the fees and charges booklet as it is subject to individual contracts and negotiations. The Council also charges for certain services on a commercial basis, in competition with other providers, and these are excluded from the booklet for this reason (e.g. trade waste).

2. COUNCIL DISCRETION IN SETTING FEES & CHARGES

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

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

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

3. Summary of Fees and Charges movements

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

Discretion Code	No. of Charges (No.)	As a % of the Total (%)	Charges yet TBA (No.)	% of Charges that have changed (%)	Average increase # (%)
M / M	65	7%	0	23%	3%
M / D*	80	9%	0	0%	0%
D / D*	12	1%	0	0%	0%
M / D	138	16%	4	86%	5%
D / D	593	67%	9	56% ##	17%
Total	888	100%	13	53%	14%

Note: This does not represent a 14% increase in income as the averages are calculated as a simple average increase on the unit charges and are not weighted by the level of income generated by each charge.

##. All discretionary charges have been reviewed. However, in a number of areas they have not been increased because of: benchmarking against other Greater Manchester councils, competition and statutory limitations, and potential for legal challenge if set at more than full cost recovery.

3.2 Approximately 23% of mandatory fees have changed by an average of 3%. Where the Council has discretion to increase the charge level, all such charges have been reviewed as part of the budget process and consequentially there is much greater movement in those fees and charges. Where the Council has discretion to charge up to a maximum amount set by legislation, many of the current fees are already close to the statutory limit.

3.3 The key highlights with regard to specific charges are:

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

- Parking fees and charges have been increased or amended as part of the Executive's 2022/23 Budget saving proposals;

- Placing of Tables and Chairs on the Highway - Review of charging regime following benchmarking with other Greater Manchester Councils;
- Special Events – fees for Filming in Trafford and Temporary Market Licences have been formalised;
- A number of Housing Standards fees have been amended to reflect new chargeable services and also to better recover service costs;
- Stray Dogs – charges amended to align with contractual service delivery;
- Taxi Licensing - fees amended to reflect vehicle test fees paid direct to the external provider;
- Safety at Sports Ground Certificates – the fees have been increased as part of the Executive’s 2022/23 Budget saving proposals. This reflects increased levels of work required by officers due to changes in legislation and guidance over the last few years since the fees were last reviewed; Building Control fees for completion certificates increased to better recover costs; Planning fees – Information and Documents – Review of charging regime to reflect change to more electronic provision of information.

Central: The main changes within this service are:

- Musical Scores and Playsets – Review of charging regime to better recover costs and make the service self-funding.

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

4. Recommendations

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

- The Fees and Charges for 2022/23 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2023/24, as set out in the booklet available on the Council’s web site, be approved;
- That approval is delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2022/23 in the event of any change in the rate of VAT, as appropriate;
- That approval be delegated jointly to each Corporate Director with the Director of Finance and Systems to amend fees and charges during 2022/23 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.

Other Options

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

Consultation

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

Reasons for Recommendation

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

Key Decision

This is a key decision currently on the Forward Plan: Yes
If Key Decision has 28 day notice been given: Yes

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

Legal Officer Clearance DS



CORPORATE DIRECTOR'S SIGNATURE

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Trafford Council

Fees, Charges and Allowances

2022/23

Fees, Charges and Allowances Guide

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KEY

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

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

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

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

ADULT SOCIAL CARE

Telephones Provided Under the Chronically Sick and Disabled Persons Act 1970				
Following the calculation of the net chargeable income, the following scale is used to determine the service user's entitlement to assistance.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Free installation and rental	M/D	Net chargeable income of up to £16.10 per week	Net chargeable income of up to £16.90 per week	5.0%
Free installation only	M/D	Net chargeable income of up to £16.10 per week but below £32.00 per week	Net chargeable income of up to £16.90 per week but below £33.60 per week	5.0%
No assistance	M/D	Net chargeable income of up to £32.00 per week	Net chargeable income of up to £33.60 per week	5.0%
Estimated Financial Implication - Negligible				

Review of Residential and Nursing Home Placements				
The Council, in making residential care and nursing home placements outside the Trafford area, may ask the other Local Authority involved to carry out the placement review where it would be more cost effective to do so e.g. where a placement is made in a distant local authority area.				
In cases where another local authority arranges a residential placement within the Trafford area and requests that a Trafford Social Worker undertakes the placement review then a charge may be made which is a flat rate charge calculated to cover the cost of social work and administrative time in completing the review.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Charge for Review	D/D	358.00	376.00	5.0%
Estimated Financial Implication - Negligible				

Community Care Charging Policy - Disregard of Income and Expenditure				
The Department of Health Guidance "Fairer Charging for Non-Residential Services" lays down statutory allowances for charging. These are Income Support allowances plus 25%.				
The guidance allows the council to charge against Disability Benefits, (Attendance Allowance and Disability Living Allowance) and the Severe Disability Premium of Income Support.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Percentage disregard of Net Disposable Income	M/D	0%	0%	0.0%
Standard Disregard for Disability Related Expenditure	M/D	10.00	10.31	3.1%

Daily Rate for Day Care Attendance and Day Care Transport				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Daily rate for Day Care Attendance	M/D	41.60	43.48	4.5%
Sessional rate (1/2 day attendance)	M/D	20.80	21.74	4.5%
Day Care Transport	M/D	2.70	2.80	3.7%
Home Care Charge - Framework Prices				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Charge per Hour	M/D	17.30	18.08	4.5%
Charge per half hour	M/D	8.65	9.04	4.5%

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

Residential and Nursing Home Charge - Framework Prices				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Residential	M/D	571.76	602.64	5.4%
Residential (Elderly Mentally Infirm)	M/D	571.76	602.64	5.4%
Nursing	M/D	639.15	673.66	5.4%
Nursing (Elderly Mentally Infirm)	M/D	639.15	673.66	5.4%

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

Pendant Alarm Services				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Service level 1 - 24 hr monitoring service	M/D	5.55	5.85	5.4%
Service level 2 - responds to emergency calls received by sending a mobile warden.	M/D	6.65	7.00	5.3%
Service level 3 - as per Service level 2 with an additional planned visiting service.	M/D	9.55	10.05	5.2%
Estimated Financial Implication - Negligible				

Supported Living - Shawe Road & Shawe View				
Most permanent tenants receive housing benefit which meets the major part of their rent. An additional charge in the rent, which is not eligible for Housing Benefit, is made for heating and lighting.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Shawe Road				
1 Bedroom flat	M/D	138.08	*	N/A
2 Bedroom flat	M/D	149.59	*	N/A
Charges – Shawe Road	M/D	50.00	*	N/A
Charges for Part 3 Homes (Shawe Rd Respite)				
Cost per resident week	M/D	768.03	*	N/A

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

Administration Charges Relating to Funerals and Estates				
Section 46 of the Public Health (Control of Disease) Act 1984 charges Local Authorities with the duty to bury or cremate the body "of any person who has died or been found dead in their area, in any case where it appears to the Authority that no suitable arrangements for the disposal of the body have been made or are being made otherwise than the Authority". The Authority is empowered to reimburse itself for any costs involved from the estate provided there are sufficient means to do so.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Where a funeral is arranged but inventory is not required.	V M/D	284.00	293.00	3.2%
Where a funeral is arranged and inventory taken.	V M/D	573.00	590.00	3.0%
Estates which have involved four days work (30 hours) involving searching, inventory and funeral arrangements.	V M/D	840.00	866.00	3.1%
Estates where an inventory is taken but no funeral arranged.	V M/D	284.00	293.00	3.2%
Estimated Financial Implication - Negligible				

Appointee & Deputyship Charges

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

Appointee Charge	VAT (V) /Code	2021/22 £	2022/23 £	% change
Appointee Charge - weekly				
Client Capital Balance				
£0.00 - £999	V D/D	0.00	N/A	N/A
£1K - £15,999	V D/D	8.12	N/A	N/A
>£16k	V D/D	11.75	N/A	N/A
Deputyship Charge - annual				
Client Capital Balance				
<£16,000	V D/D	3.5% of total capital	3.5% of total capital #based on OPG charges	0.0%
>16,000	V D/D	650.00	650.00	0.0%

Kennel Fees

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

Kennelling Fee	VAT (V) /Code	2021/22 £	2022/23 £	% change
All dogs	D/D	15.00	*	N/A
Cats	D/D	8.50	*	N/A
Parrots	D/D	4.00	*	N/A
Budgies/Canaries	D/D	3.00	*	N/A
Guinea pigs	D/D	3.50	*	N/A
Rabbits	D/D	4.00	*	N/A
Snakes	D/D	3.00	*	N/A
Hamsters/Gerbils	D/D	3.00	*	N/A
Transport is per collection	D/D	15.00	*	N/A
* Currently undergoing procurement exercise.				

Administration fee for Deferred Payers

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

	VAT (V) /Code	2021/22 £	2022/23 £	% change
Charge per deferred case	V D/D	600.00	618.60	3.1%

Scale of Income Support Allowances used in Trafford's Assessments	VAT (V) /Code	2021/22 £	2022/23 £	% change
Personal Allowances				
<u>Single claimant</u>				
18-24	M/M	59.20	61.05	3.1%
25 - 60	M/M	74.70	77.00	3.1%
60 and over	M/M	177.10	182.60	3.1%
<u>Couple</u>				
At least one aged 18 or over	M/M	117.40	121.05	3.1%
Couple aged 60 and over	M/M	270.30	278.70	3.1%
<u>Disability Premium</u>				
Single	M/M	35.10	36.20	3.1%
Couple	M/M	50.05	51.60	3.1%
<u>Pensioner Premium</u>				
Single	M/M	102.40	105.60	3.1%
Couple	M/M	152.90	157.65	3.1%
<u>Severe Disability Premium</u>				
Single claimant	M/M	67.30	69.40	3.1%
Couple (both qualify)	M/M	134.60	138.80	3.1%
<u>Enhanced Disability Premium</u>				
Single claimant	M/M	17.20	17.75	3.2%
Couple	M/M	24.60	25.35	3.0%
<u>Other Premiums</u>				
Carer Premium	M/M	37.70	38.85	3.1%
<u>CAPITAL LIMITS</u>				
Lower Limit	M/M	14,250.00	14,250.00	0.0%
Upper Limit	M/M	23,250.00	23,250.00	0.0%

Disabled Facilities Grants	VAT (V) /Code	2021/22 £	2022/23 £	% change
* Technical and Professional Services fee - minimum charge (£275.00) or 15% of eligible expense, (whichever is the greater). All plus professional negligence insurance based on 10% of fee plus VAT.	V /M/D	*	*	0.0%
** Limited Land Charge on a property if it is disposed of within 10 years. The charge will apply where the value of the DFG exceeds £5,000 and will be limited to a maximum charge of £10,000	D/D	**	**	0.0%

Charges for Deferred Payment Agreements and Proposed Rates for Alternative Funding Arrangements	VAT (V) /Code	2021/22 £	2022/23 £	% change
Interim Funding Agreement (Council loan) secured by a legally binding agreement	D/D	310.00	320.00	3.2%
Solicitor's Undertaking a legal document that is signed by the clients conveyancing solicitor confirming funds owed in outstanding care fees will be paid out of the proceeds of sale before funds are transferred	D/D	185.00	190.00	2.7%
# Annual interest rates for DPAs & Interim Funding Arrangements - we charge the maximum interest rate as defined in the Care and Support Regulations on a daily basis (compounded). Interest charges are added to the debt, payable at the end of the agreement.	D/D	0.45%#	0.25%#	(44.4%)

PLACE

Highways Business Group

Stopping Up and Diversion Of Highway (Temporary)	VAT (V) /Code	2021/22 £	2022/23 £	% change
Temporary Traffic Orders				
Section 14(1) Orders (long term) Costs for Posting of Notices & Invoicing included.	D/D	1,995.00	2,095.00	5.0%
Section 14(2) Notices (5 Day/Emergencies) Costs for Posting of Notices & Invoicing included.	D/D	600.00	630.00	5.0%
Provision of Access Highlight Markings:				
Single Property	D/D	70.00	73.50	5.0%
Two Properties	D/D	120.00	126.00	5.0%

Road Opening Permit				
To allow for the excavation in the highway for the purpose footway crossings, sewer connections and sewer maintenance works.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Administration Fee	V D/D	225.00	235.00	4.4%
Inspection fee – New Roads and Streetworks Act Section 75	M/M	Fee set nationally due March	Fee set nationally due March	N/A
Reinstatement Charges	D/D	Actual Cost	Actual Cost	N/A

New Roads and Streetworks Act 1991 - Section 50 Street Works Licence				
Fees to allow for the administration of the licence, maintaining the record of the apparatus and permitted inspection fees under the Act.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Administration Fee – Installation of apparatus (non-returnable)	V D/D	345.00	360.00	4.3%
Administration Fee – Maintenance of apparatus	V D/D	225.00	235.00	4.4%
Capitalised Fee in lieu of annual charge	M/D	245.00	257.00	4.9%
Inspection fee per 200m length	M/M	Fee set nationally due March	Fee set nationally due March	N/A
Traffic Management Act - The above may be subject to changes in legislation.				

Street Furniture Records and Specification Information				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
To cover small development involving no more than 6 items of street furniture.	D/D	96.00	100.00	4.2%
To cover major development involving more than 6 items of street furniture.	D/D	123.00	129.00	4.9%
Provision of Street Lighting Specification.	D/D	80.00	84.00	5.0%

Vehicular Crossings				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Site inspection, preparation of estimate, processing application, supervision of work, payment of account, including all administration costs.	D/D	Actual Cost	Actual Cost	N/A
Specialist input if required, i.e. Trees, Street Lighting.	D/D	Actual Cost	Actual Cost	N/A
Where a crossing is provided as part of programmed highway works, an all inclusive minimum charge (based on standard width of 2.7m).	D/D	525.00	550.00	4.8%
To provide estimate for a vehicle crossing.	D/D	48.00	50.00	4.2%

Hire Of Barriers, Lamps etc.	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>Daily Charges</u>				
Danger Lamp	V D/D	2.60	2.70	3.8%
Danger Lamp including batteries	V D/D	5.00	5.25	5.0%
Traffic Cone to 450 mm high	V D/D	0.65	0.68	4.5%
Traffic Cone and Traffic Cylinder with base over 450 mm	V D/D	1.40	1.45	3.6%
<u>Portable Signs in stands – Minimum charge of 3 days</u>				
600mm triangle/circle	V D/D	2.95	3.10	5.1%
750mm triangle/circle	V D/D	2.95	3.10	5.1%
900mm triangle/circle	V D/D	4.60	4.80	4.3%
1200mm triangle/circle	V D/D	5.75	6.00	4.3%
1050 x 750 rectangle (maximum)	V D/D	5.75	6.00	4.3%
<u>Temporary Signs for pole mounting, excluding mounting - Minimum charge of 3 days</u>				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
450mm	V D/D	2.95	3.10	5.1%
600mm	V D/D	2.95	3.10	5.1%
750mm	V D/D	3.50	3.65	4.3%
900mm	V D/D	4.80	5.00	4.2%
1200mm	V D/D	4.80	5.00	4.2%
1050 x 750 rectangle	V D/D	4.80	5.00	4.2%
Lane closed, Guard Barrier or Crowd Barrier - Minimum charge 3 days	V D/D	5.35	5.60	4.7%
<u>Temporary Column excluding erection - Minimum charge 3 days</u>				
Temporary Column excluding erection– 8 metre	V D/D	9.65	10.00	3.6%
Temporary Column excluding erection– 6 metre	V D/D	7.55	7.90	4.6%
Wide Base	V D/D	10.80	11.30	4.6%
Twinex Light Unit	V D/D	6.50	6.80	4.6%
Delivery/Collection charges not included. All losses charges at replacement cost.				

Hire Of Barriers, Lamps etc. cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
WEEKLY (charge for 5 days)				
Danger Lamp	V D/D	14.70	15.40	4.8%
Danger Lamp including batteries	V D/D	25.00	26.00	4.0%
Traffic Cone to 450 mm high	V D/D	3.75	3.90	4.0%
Traffic Cone and Traffic Cylinder with base over 450 mm	V D/D	4.85	5.00	3.1%
Portable Signs in stands				
600mm triangle/circle	V D/D	14.70	15.40	4.8%
750mm triangle/circle	V D/D	14.70	15.40	4.8%
900mm triangle/circle	V D/D	23.00	24.00	4.3%
1200mm triangle/circle	V D/D	27.00	28.25	4.6%
1050 x 750 rectangle (maximum)	V D/D	27.00	28.25	4.6%
Temporary Signs for pole mounting, excluding mounting.				
450mm	V D/D	14.70	15.40	4.8%
600mm	V D/D	14.70	15.40	4.8%
750mm	V D/D	145.00	150.00	3.4%
900mm	V D/D	25.00	26.00	4.0%
1200mm	V D/D	25.00	26.00	4.0%
1050 x 750 rectangle	V D/D	25.00	26.00	4.0%
Lane closed, Guard Barrier or Crowd Barrier per section	V D/D	25.00	26.00	4.0%
Temporary Column excluding erection - Minimum charge 3 days				
Temporary Column excluding erection – 8 metre	V D/D	48.00	50.00	4.2%
Temporary Column excluding erection – 6 metre	V D/D	40.00	42.00	5.0%
Wide Base	V D/D	49.00	51.50	5.1%
Twinex Light Unit	V D/D	30.00	31.50	5.0%

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

Miscellaneous charges	VAT (V) /Code	2021/22 £	2022/23 £	% change
Grit, salt etc				
20 Kilo bag - collected from depot	V D/D	14.00	14.70	5.0%
5 x 20 Kilo bags delivered (minimum 5 bags)	V D/D	225.00	235.00	4.4%
Loose grit salt - 1/2 tonne (if collected)	V D/D	75.00	78.00	4.0%
Loose grit salt - 1 tonne	V D/D	120.00	125.00	4.2%
Delivery charge for 1 tonne loose salt	V D/D	245.00	255.00	4.1%
Grit Bin Delivered	V D/D	490.00	510.00	4.1%
Grit Bin - Collected	V D/D	305.00	320.00	4.9%
Grit Bin - to fill	V D/D	235.00	245.00	4.3%
Hire of sandbags 1 week (each)	V D/D	5.00	5.25	5.0%
Second hand flags - dependent on availability	V M/D	On application	On application	N/A

Provision of Highway Inspection Details To Statutory Undertakers and Other Bodies	VAT (V) /Code	2021/22 £	2022/23 £	% change
Supply of collected Highway Inspection Data – per year requested	V D/D	138.60	145.00	4.6%
Administrative charge per question	V D/D	18.38	19.25	4.8%
Photocopying of existing information per sheet	V D/D	0.53	0.55	4.8%

Local Authorities (Transport Charges) Regulations 1998 – Skips	VAT (V) /Code	2021/22 £	2022/23 £	% change
Consideration to an application by any person for permission to deposit, or cause to be deposited, a skip on any highway pursuant to section 129 (1) and (2) of the Highways Act 1980.	D/D	39.00	40.00	2.6%

Local Authorities (Transport Charges) Regulations 1998 – Scaffolding	VAT (V) /Code	2021/22 £	2022/23 £	% change
Consideration of an application for licence in writing to erect or retain on or over a highway any scaffolding or other structure in connection with any building or demolition work or the alteration, repair, maintenance or cleaning of any building which obstructs the highway pursuant to section 169 (1) and (2) of the Highways Act 1980.	D/D	140.00	145.00	3.6%
For each 28 day period thereafter.	D/D	135.00	140.00	3.7%

Local Authorities (Transport Charges) Regulations – Hoardings	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Consideration of an application for consent for the obligation to erect a hoarding or fence in accordance with section 172 (1) of the highways Act 1980 to be dispensed pursuant to subsection (2) of that section.	D/D	140.00	147.00	5.0%
Anything done by the local highway authority in connection with site specifications to monitor compliance with duties imposed by section 172(3) and by section 173 (1) of the highways Act 1980 on a person who has erected a hoarding or fence (for pre and post erection inspections per month for duration for safety inspections.	D/D	73.50	77.00	4.8%

Removal of “A” Boards and Other Obstructions placed within the Public Highway	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Small	V D/D	65.00	68.25	5.0%
Medium	V D/D	130.00	136.50	5.0%
Large	V D/D	185.00	194.50	5.1%

Placing of Tables and Chairs on the Highway	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
All Businesses renewal / application 12 month standing charge - plus additional charge as below	D/D	470.00	275.00	(41.5%)
Street Café / Snack Bar / Ice Cream Parlour Premises – Additional £11 per sq. metre of highway occupied	D/D	290.00	plus £11psqm	N/A
Licensed Street Café / Snack Bar / Restaurant / Bar - Additional £14 per sq. metre of highway occupied	D/D	260.00	plus £14psqm	N/A

Children’s Fairground Rides on the adopted highway under Section 115E of the Highways Act 1980	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
per annum	D/D	2,310.00	2,400.00	3.9%
per month (4 week period)	D/D	200.00	210.00	5.0%
per week (one off special event)	D/D	60.00	63.00	5.0%

Copies of Technical Reports	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
<u>Copies of Technical Reports.</u> (Ground Investigation and Tests Available to Developers/Consultants) per page inclusive of VAT - minimum charge of £50.	V D/D	3.55	3.70	4.2%
<u>Provision of Policy Documents.</u> (for any policy document including the "Highway Design Standards for Adoption" document).	D/D	97.00	101.00	4.1%

Adopted Highway Information, Signs to Housing Developments

Street Lighting Design Services for Private Developments	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Fixed design/checking fee	D/D	777.00	815.00	4.9%
Plus charge per column	D/D	53.55	56.00	4.6%

Highways Act 1980 Section 38 Agreement – Administration Charge	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Charge to be made of 8.5% of the Bond figure subject to a minimum charge as stated and no maximum charge.	M/D	6,800.00	7,140.00	5.0%
Charge in respect of any agreed extension of time to that in the agreement.	M/D	1,160.00	1,218.00	5.0%

Stopping Up and Diversion of Highway (Permanent)	VAT (V) /Code	2021/22 £	2022/23 £	% change
For all requests for the stopping up and diversion of Highways/Public Rights of Way.	D/D	2,665.00	2,798.00	5.0%

The Council's legal fees will be payable in addition to the above.

Provision of Direction Signing to Tourist Attractions	VAT (V) /Code	2021/22 £	2022/23 £	% change
Non-refundable fee for each request.	D/D	250.00	262.50	5.0%
Provision of temporary directional signage to events.	D/D	145.00	152.25	5.0%

If signing is agreed, the applicant is required to meet all costs for design, manufacture, erection and monitoring of the signs to their attractions.

Street Numbering and Naming	VAT (V) /Code	2021/22 £	2022/23 £	% change
Renumbering of properties in situations where numbers have previously been allocated.	D/D	535.00	560.00	4.7%

Adopted Highway Information
For all requests from developers, individuals and external bodies to mark up plans submitted by them to show the extent of adopted highways.

	VAT (V) /Code	2021/22 £	2022/23 £	% change
To cover single applications i.e. a single house.	V D/D	84.00	88.00	4.8%
To cover large single unit development i.e. office block, single factory unit or flat development.	V D/D	96.50	101.00	4.7%
To cover major development i.e. large scale housing, industrial and commercial development.	V D/D	142.00	149.00	4.9%
Request for advice and information on proposals or infrastructure queries.	V D/D	65.00	68.00	4.6%

Signs to Housing Development	VAT (V) /Code	2021/22 £	2022/23 £	% change
Irrespective of the number of signs, each application to be subject to a fee for processing the application and that the applicant pay the actual cost of providing the signs including the design fee. (The fee covers the first 12 months or part thereof).	D/D	430.50	450.00	4.5%
For each additional 12 months (or part thereof).	D/D	163.00	171.00	4.9%
Administration fee for removal of unauthorised signage.	D/D	131.00	137.00	4.6%
Each further sign:	D/D	20.00	21.00	5.0%
Small	D/D	32.50	34.00	4.6%
Large	D/D			

Dangerous Buildings and Demolition Notices	VAT (V) /Code	2021/22 £	2022/23 £	% change
Dangerous Buildings	D/D	poa	poa	N/A
Demolition Notices	D/D	273.00	286.00	4.8%

Parking Services				
Parking Permits	VAT (V) /Code	2021/22 £	2022/23 £	% change
Annual Residents Parking Permit	D/D	41.75	47.50	13.8%
Annual Visitor Permit	D/D	41.75	47.50	13.8%
Visitor Books – 25 cards per book	D/D	11.90	12.50	5.0%
Administration Fee	D/D	7.10	7.40	4.2%
Annual Business Permit	D/D	138.00	145.00	5.1%

Town Centre Display Area	VAT (V) /Code	2021/22 £	2022/23 £	% change
Daily charge	D/D	75.00	78.00	4.0%

Trafford Park Match Day Parking	VAT (V) /Code	2021/22 £	2022/23 £	% change
The Village, Trafford Park Match Day parking charge (per event)	D/D	7.00	5.00	(28.6%)

Pay and Display	VAT (V) /Code	2021/22 £	2022/23 £	% change
Off Street * (SEE BELOW)				
Regent Road up to 2 hours	V D/D	1.20	2.00	66.7%
Regent Road up to 3 hours	V D/D	2.50	3.00	20.0%
Regent Road up to 4 hours	V D/D	3.50	4.00	14.3%
Regent Road up to 5 hours	V D/D	4.50	5.00	11.1%
Regent Road over 5 hours	V D/D	5.50	6.00	9.1%
Oakfield Road up to 2 hours	V D/D	1.20	2.00	66.7%
Oakfield Road up to 3 hours	V D/D	2.50	3.00	20.0%
Oakfield Road up to 4 hours	V D/D	3.50	4.00	14.3%
Oakfield Road up to 5 hours	V D/D	4.50	5.00	11.1%
Oakfield Road over 5 hours	V D/D	5.50	6.00	9.1%
Victoria Road up to 2 hours	V D/D	1.20	2.00	66.7%
Victoria Road up to 3 hours	V D/D	2.50	3.00	20.0%
Victoria Road up to 4 hours	V D/D	3.50	4.00	14.3%
Victoria Road up to 5 hours	V D/D	4.50	5.00	11.1%
Victoria Road over 5 hours	V D/D	5.50	6.00	9.1%
Cecil Road up to 2 hours	V D/D	1.20	2.00	66.7%
Cecil Road up to 3 hours	V D/D	2.50	3.00	20.0%
Cecil Road up to 4 hours	V D/D	3.50	4.00	14.3%
Cecil Road up to 5 hours	V D/D	4.50	5.00	11.1%
Cecil Road over 5 hours	V D/D	5.50	6.00	9.1%
Crown Passages up to 2 hours	V D/D	1.20	2.00	66.7%
Crown Passages up to 3 hours	V D/D	2.50	3.00	20.0%
Crown Passages up to 4 hours	V D/D	3.50	4.00	14.3%
Crown Passages up to 5 hours	V D/D	4.50	5.00	11.1%
Crown Passages over 5 hours	V D/D	5.50	6.00	9.1%
Ashley Walk up to 2 hours	V D/D	1.20	2.00	66.7%
Ashley Walk up to 3 hours	V D/D	2.50	3.00	20.0%
Ashley Walk up to 4 hours	V D/D	3.50	4.00	14.3%
Ashley Walk up to 5 hours	V D/D	4.50	5.00	11.1%
Ashley Walk over 5 hours	V D/D	5.50	6.00	9.1%
Oaklands Drive up to 2 hour	V D/D	1.20	2.00	66.7%
Oaklands Drive up to 3 hour	V D/D	2.50	3.00	20.0%
Oaklands Drive up to 4 hour	V D/D	3.50	4.00	14.3%
Oaklands Drive up to 5 hour	V D/D	4.50	5.00	11.1%
Oaklands Drive over 5 hour	V D/D	5.50	6.00	9.1%
Brown St up to 2 hour	V D/D	1.20	2.00	66.7%
Brown St up to 3 hour	V D/D	2.50	3.00	20.0%
Brown St up to 4 hour	V D/D	3.50	4.00	14.3%
Brown St up to 5 hour	V D/D	4.50	5.00	11.1%
Brown St over 5 hour	V D/D	5.50	6.00	9.1%
Golden Hill, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Golden Hill, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
Warrener Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
Warrener Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Lacy Street, Stretford up to 3 hours	V D/D	0.50	0.50	0.0%
Lacy Street, Stretford over 3 hours	V D/D	1.20	1.20	0.0%
Flixton Road, Flixton up to 3 hours	V D/D	0.50	0.50	0.0%
Flixton Road, Flixton over 3 hours	V D/D	1.20	1.20	0.0%
Manor Avenue, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Manor Avenue, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
Hampson Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
Hampson Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Balmoral Road, Altrincham (small) up to 3 hours	V D/D	0.50	0.50	0.0%
Balmoral Road, Altrincham (small) over 3 hours	V D/D	1.20	1.20	0.0%
Atkinson Road, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Atkinson Road, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
James Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
James Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Greenbank Road, Ashton on Mersey, Sale up to 3 hours	V D/D	0.50	0.50	0.0%
Greenbank Road, Ashton on Mersey, Sale over 3 hours	V D/D	1.20	1.20	0.0%
Baker St, Timperley up to 3 hours	V D/D	0.50	0.50	0.0%
Baker St, Timperley over 3 hours	V D/D	1.20	1.20	0.0%
Thorley Lane up to 3 hours	V D/D	0.50	0.50	0.0%
Thorley Lane over 3 hours	V D/D	1.20	1.20	0.0%

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

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

2022/23

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours
ALTRINCHAM							
Stamford street (ss)	N/A			£2.00			
Springfield road (ss)	N/A			£2.00			
Victoria street (ss)	N/A			£2.00			
Market street (ss)	N/A			£2.00			
Regent road (ss)	N/A			£2.00			
New street (ss)	N/A			£2.00			
The Downs (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Lloyd street (ss)	N/A			£2.00			
Railway street (ss)	N/A			£2.00			
Kingsway (ss)	N/A			£2.00			
Oakfield street (ss)	N/A			£2.00			
Oxford road (ss)	N/A			£2.00			
Barrington road (ss)	N/A			£2.00			
Burlington road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Gaskell road (ls)	N/A			£2.00	£3.00	£4.00	£5.00

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours
Grosvenor road (nr 2+11) (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Grosvenor road (Bridge) (ls)	N/A			£2.00	£2.50	£4.00	£5.00
Hazel road (ls)	N/A			£2.00	£2.50	£4.00	£5.00
Mill street (ls)	N/A			£2.00	£2.50	£4.00	£5.00
Sandway road (ls)	N/A			£2.00	£2.50	£4.00	£5.00
Sandway place (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
SALE							
Broad road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Northenden road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Hope road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Ashton lane (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Harley road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Symons road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Linley road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Sefton road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Ashfield road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Leicester road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Claremont road (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Claremont rd (nr School) (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A
Brighton grove (ss)	N/A			£2.00	(max stay 2hrs- no return 1 hour)	N/A	N/A

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours
STRETFORD							
Chorley street (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Warwick road (ls)	N/A			£2.00	£3.00	£4.00	£5.00
Brian Statham Way (ls)	N/A			£2.00	£3.00	£4.00	£5.00

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

Parking Dispersations and Suspensions				
Operation of decriminalised parking enforcement gives provision for the Council to allow a named vehicle to park for a defined time in a parking place where the operation of the parking place has been suspended or where the parking place is in a restricted area.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Dispensation – per vehicle, per day, e.g. House Removal, Builders (for long term work, price to be agreed upon application).	D/D	15.30	16.00	4.6%
Dispensation – per vehicle for one month (builders etc).	D/D	146.60	190.00	29.6%
Dispensation – per vehicle for two months (builders etc)	D/D	223.10	288.00	29.1%
Dispensation – per vehicle for three months (builders etc).	D/D	286.80	368.00	28.3%
Suspensions	D/D	30.50	31.50	3.3%
Multi-bay suspensions to be agreed upon application. Dependent on location.	negotiated on application with reference to daily parking charges			
Cones charge – refundable charge for each cone - charge to be negotiated on application.	D/D	15.30	16.00	4.6%

Greenspace Business Group				
Allotments	VAT (V) /Code	2021/22 £	2022/23 £	% change
Standard Plots – 250 metres square – per annum	D/D	104.00	104.00	0.0%
Concessionary charge – first plot	D/D	52.00	52.00	0.0%
Concessionary – additional plots	D/D	104.00	104.00	0.0%
		2022/23 £		
N.B. Allotment fees set a year ahead in line with legislation.				
Standard Plots – 250 metres square – per annum	D/D	104.00	104.00	0.0%
Concessionary charge – first plot	D/D	52.00	52.00	0.0%
Concessionary – additional plots	D/D	104.00	104.00	0.0%

Fishing (King George V Pool)				
This facility is managed by Friends of King George V Pool who will collect and retain income for development projects.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Day ticket to 5.00 p.m. – Adult	D/D	2.00	2.00	0.0%
Day Ticket to 5.00 p.m. - Junior/Leisure Pass	D/D	1.00	1.00	0.0%
Night fishing permit – Adult	D/D	30.00	30.00	0.0%

Special Events				
Filming in Trafford				
Location fees may increase/decrease depending on your requirements and location impact.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Clearance to film on the Highway including footpaths				
Admin Charge	V D/D	N/A	£75 *	N/A
Small Production (1-5 crew)	V D/D	N/A	£100 *	N/A
Medium Production (6-11 crew)	V D/D	N/A	£125 *	N/A
Large production (12-29 crew)	V D/D	N/A	£175 *	N/A
Major features (30+ crew)	V D/D	N/A	£250 *	N/A
Student / Charity (proof required)	V D/D	N/A	No charge	N/A
Unit Base – charges will vary depending on size of unit base and location	V D/D	N/A	£50**	N/A
Evening or Night filming surcharge	V D/D	N/A	Specific approval required	N/A
Cancellation fees	V D/D	N/A	If clearance has already been granted £75 otherwise no charge	N/A

*Does not include road closure fees. Road closures are agreed and invoiced separately by our One Trafford partner Amey. Covers up to a maximum of three clearances, unused clearances will be credited to your account for 30 days. You need formal permission from the council if you need to place equipment on the footpath or highway. Rates quoted are day rate covering 8 hours between 7am & 10pm unless otherwise agreed.

** An admin fee also applies to certain unit base locations, we will advise you when we provide a quote.

Cemeteries and Crematoria	VAT (V) /Code	2021/22 £	2022/23 £	% change
Admin Charge	V D/D	N/A	75.00	N/A
Small Production (1-5 crew)	V D/D	N/A	POA	N/A
Medium Production (6-11 crew)	V D/D	N/A	POA	N/A
Large production (12-29 crew)	V D/D	N/A	POA	N/A
Major features (30+ crew)	V D/D	N/A	POA	N/A
Student / Charity (proof required)	V D/D	N/A	No charge	N/A
Evening or Night filming surcharge	V D/D	N/A	POA	N/A
Cancellation fees	V D/D	N/A	Dependent on notice period	N/A
Trafford Town Hall				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Admin Charge	V D/D	N/A	75.00	N/A
Small Production (1-5 crew)	V D/D	N/A	POA	N/A
Medium Production (6-11 crew)	V D/D	N/A	POA	N/A
Large production (12-29 crew)	V D/D	N/A	POA	N/A
Major features (30+ crew)	V D/D	N/A	POA	N/A
Evening or Night filming surcharge	V D/D	N/A	POA	N/A
Cancellation fees	V D/D	N/A	Dependent on notice period	N/A
Parks & Greenspaces				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Admin Charge	V D/D	N/A	75.00	N/A
Small Production (1-5 crew)	V D/D	N/A	£100 per hour	N/A
Medium Production (6-11 crew)	V D/D	N/A	£125 per hour	N/A
Large production (12-29 crew)	V D/D	N/A	£175 per hour	N/A
Major features (30+ crew)	V D/D	N/A	POA	N/A
Student / Charity (proof required)	V D/D	N/A	No charge	N/A
Evening or Night filming surcharge	V D/D	N/A	+25% +50%	N/A
Unit Base – charges will vary depending on size of unit base and location	V D/D	N/A	From £300 per 24 hours	N/A
Cancellation fees	V D/D	N/A	100.00	N/A
Parking Services				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Admin Charge	V D/D	N/A	75.00	N/A
Car parking per bay	V D/D	N/A	POA	N/A
Suspension of on street parking	V D/D	N/A	POA	N/A
Vehicle dispensation forms	V D/D	N/A	POA	N/A
Cancellation fees	V D/D	N/A	POA	N/A
Temporary Market Licences				
Fees are subject to change at any time. Fees for trader are for each day the market is operating.				
If a market goes ahead without the appropriate licence the operator may be charged a Standard Fee** after the event.				
All fees must be paid before a licence is issued and a market can go ahead.				
Admin Fee*				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
Market (operated for profit)	D/D	N/A	50.00	N/A
Market (operated by a not-for-profit)^	D/D	N/A	50.00	N/A
Car boot sales (operated for profit)	D/D	N/A	50.00	N/A
Car boot sales (operated by a not-for-profit)^	D/D	N/A	50.00	N/A
Fee per trader				
Market (operated for profit)	D/D	N/A	4.00	N/A
Market (operated by a not-for-profit)^	D/D	N/A	2.00	N/A
Car boot sales (operated for profit)	D/D	N/A	1.50	N/A
Car boot sales (operated by a not-for-profit)^	D/D	N/A	1.00	N/A
*A larger Admin Fee of £100 will be charged where a licence is issued retrospectively. This is to account for additional administrative work, e.g. research, additional communications with organisers etc.				
*Markets run by charities or not-for-profit organisations will only be charged a per trader fee for those stalls trading for profit, not for those traders raising funds for a charity or not-for-profit organisation. Applicants will need to evidence their charity/not-for-profit status.				
**Standard Fee				
The 'Standard Fee' is a set fee based on the following assumptions: No. of stalls, operating days and operator				
The Standard Fee would equate to a larger admin fee of £100 (to account for the additional administration)				
Every effort will be made to establish the correct fee with the operator before an invoice for the Standard Fee is issued.				
ie fee per trader x number of stalls x number of days + admin fee £100				

<u>Use of Parks and green spaces for commercial activities (sessional) e.g fitness classes, forest schools</u>	<u>VAT (V) /Code</u>	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Operator registration fee	V D/D	13.70	14.35	4.7%
Annual Licence administration fee one venue	V D/D	34.70	36.45	5.0%
Annual Licence administration fee for each additional venue	V D/D	27.60	28.95	4.9%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Annual)	D/D	115.50	121.00	4.8%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Quarterly /13 weeks)	D/D	34.70	36.40	4.9%

Environment Business Group

Waste Management	VAT (V) /Code	2021/22 £	2022/23 £	% change
Waste Charges shown are NOW exclusive of VAT unless stated otherwise				
Bulky Item Collection				
Removal of Commercial Bulky items (hourly charge)	D/D	100.00	105.00	5.0%
Removal of Commercial Fridges/Freezers/WEEE per unit	D/D	150.00	157.50	5.0%
Removal of Domestic Bulky Household Items (per 5 items)	D/D	35.00	36.75	5.0%
Domestic Container Purchase (Individual Properties)				
Purchase of Domestic Recycling and Waste Container New Builds.	D/D	110.00	115.50	5.0%
Domestic Containers Purchase for Developers - per Container. (INCLUSIVE of VAT)				
Purchase of Domestic Waste & recycling Euro Containers (flats) - 1 bin	V D/D	370.00	388.50	5.0%
Purchase of Domestic Waste & recycling Euro Containers (flats) - set of 3	V D/D	1,030.00	1,082.00	5.0%
Purchase of Domestic Waste & recycling Wheeled Bins 360 (flats).	V D/D	81.00	85.00	4.9%
Delivery and Administration for Replacement Domestic Bins				
Delivery and administration charge for replacement domestic wheeled bins.	V D/D	32.50	34.00	4.6%
Delivery and administration charge for swapping to a larger refuse wheeled bin. (Excluding medical exemptions)	V D/D	N/A	34.00	N/A
Delivery and administration charge for replacement domestic wheeled bins for householders receiving Council Tax Benefit, (excluding Single Persons Reductions) or Housing Benefit.	V D/D	13.10	13.75	5.0%
Delivery and administration charge for swapping to a larger refuse wheeled bin for householders receiving Council Tax Benefit, (excluding Single Persons Reductions) or Housing Benefit. (Excluding medical exemptions)	V D/D	N/A	13.75	N/A

Environmental Health

A) Licences	VAT (V) /Code	2021/22 £	2022/23 £	% change
Health & Safety				
Tattooing, Cosmetic Piercing, Ear Piercing, Semi-permanent skin-colouring, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Premises.	D/D	245.00	257.00	4.9%
Tattooing, Ear Piercing, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Person.	D/D	84.00	88.00	4.8%
Statement of Facts	D/D	£81.00 per hour	£85.00 per hour	4.0%
Animal Welfare *				
Home Boarding of Dogs				
Application Fee	M/D	195.00	205.00	5.1%
Grant Fee (1 Year)	M/D	111.00	117.00	5.4%
Grant Fee (2 Years)	M/D	132.00	139.00	5.3%
Grant Fee (3 Years)	M/D	153.00	161.00	5.2%
Dog Breeding Licence				
Application Fee - Residential	M/D	248.00	260.00	4.8%
Application Fee - Commercial	M/D	300.00	315.00	5.0%
Grant Fee - Residential (1 Year)	M/D	138.00	145.00	5.1%
Grant Fee - Residential (2 Years)	M/D	160.00	168.00	5.0%
Grant Fee - Residential (3 Years)	M/D	181.00	190.00	5.0%
Grant Fee - Commercial (1 Year)	M/D	165.00	173.00	4.8%
Grant Fee - Commercial (2 Years)	M/D	186.00	195.00	4.8%
Grant Fee - Commercial (3 Years)	M/D	207.00	217.00	4.8%

Boarding of Cats <u>or</u> Dogs				
Application Fee - Business <10 animals	M/D	248.00	260.00	4.8%
Application Fee - Business 10-29 animals	M/D	274.00	288.00	5.1%
Application Fee - Business 30-60 animals	M/D	300.00	315.00	5.0%
Application Fee - Business > 60 animals	M/D	327.00	343.00	4.9%
Grant Fee - Business <10 animals (1 Year)	M/D	138.00	145.00	5.1%
Grant Fee - Business 10-29 animals (1 Year)	M/D	152.00	160.00	5.3%
Grant Fee - Business 30-60 animals (1 Year)	M/D	165.00	173.00	4.8%
Grant Fee - Business > 60 animals (1 Year)	M/D	179.00	188.00	5.0%
Grant Fee - Business <10 animals (2 Years)	M/D	160.00	168.00	5.0%
Grant Fee - Business 10-29 animals (2 Years)	M/D	173.00	182.00	5.2%
Grant Fee - Business 30-60 animals (2 Years)	M/D	186.00	195.00	4.8%
Grant Fee - Business > 60 animals (2 Years)	M/D	200.00	210.00	5.0%
Grant Fee - Business <10 animals (3 Years)	M/D	181.00	190.00	5.0%
Grant Fee - Business 10-29 animals (3 Years)	M/D	194.00	204.00	5.2%
Grant Fee - Business 30-60 animals (3 Years)	M/D	207.00	217.00	4.8%
Grant Fee - Business > 60 animals (3 Years)	M/D	221.00	232.00	5.0%
Boarding of Cats <u>and</u> Dogs				
Application Fee - Business <10 animals	M/D	300.00	315.00	5.0%
Application Fee - Business 10-29 animals	M/D	327.00	343.00	4.9%
Application Fee - Business 30-60 animals	M/D	353.00	371.00	5.1%
Application Fee - Business > 60 animals	M/D	379.00	398.00	5.0%
Grant Fee - Business <10 animals (1 Year)	M/D	165.00	173.00	4.8%
Grant Fee - Business 10-29 animals (1 Year)	M/D	179.00	188.00	5.0%
Grant Fee - Business 30-60 animals (1 Year)	M/D	191.00	201.00	5.2%
Grant Fee - Business > 60 animals (1 Year)	M/D	205.00	215.00	4.9%
Grant Fee - Business <10 animals (2 Years)	M/D	186.00	195.00	4.8%
Grant Fee - Business 10-29 animals (2 Years)	M/D	200.00	210.00	5.0%
Grant Fee - Business 30-60 animals (2 Years)	M/D	212.00	223.00	5.2%
Grant Fee - Business > 60 animals (2 Years)	M/D	226.00	237.00	4.9%
Grant Fee - Business <10 animals (3 Years)	M/D	207.00	217.00	4.8%
Grant Fee - Business 10-29 animals (3 Years)	M/D	221.00	232.00	5.0%
Grant Fee - Business 30-60 animals (3 Years)	M/D	233.00	245.00	5.2%
Grant Fee - Business > 60 animals (3 Years)	M/D	236.00	248.00	5.1%
Providing Day Care for Dogs (Crèche)				
Application Fee	M/D	248.00	260.00	4.8%
Grant Fee (1 Year)	M/D	138.00	145.00	5.1%
Grant Fee (2 Years)	M/D	160.00	168.00	5.0%
Grant Fee (3 Years)	M/D	181.00	190.00	5.0%
Keeping of Animals for Exhibition				
Application Fee	M/D	248.00	260.00	4.8%
Grant Fee	M/D	75.00	79.00	5.3%
Hiring out Horses				
Application Fee <10 Horses	M/D	248.00	260.00	4.8%
Application Fee 10-50 Horses	M/D	353.00	371.00	5.1%
Application Fee >50 Horses	M/D	458.00	481.00	5.0%
Grant Fee (1 Year)	M/D	32.00	34.00	6.3%
Grant Fee <10 Horses (2 Years)	M/D	138.00	145.00	5.1%
Grant Fee 10-50 Horses (2 Years)	M/D	191.00	201.00	5.2%
Grant Fee >50 Horses (2 Years)	M/D	244.00	256.00	4.9%
Grant Fee <10 Horses (3 Years)	M/D	266.00	279.00	4.9%
Grant Fee 10-50 Horses (3 Years)	M/D	372.00	391.00	5.1%
Grant Fee >50 Horses (3 Years)	M/D	478.00	502.00	5.0%
Variation of licence for additional horses	M/D	N/A	15.00	N/A
Selling Animals as Pets				
Application Fee	M/D	274.00	288.00	5.1%
Grant Fee (1 Year)	M/D	151.00	159.00	5.3%
Grant Fee (2 Years)	M/D	172.00	181.00	5.2%
Grant Fee (3 Years)	M/D	193.00	203.00	5.2%
Dangerous Wild Animals				
Application Fee for Dwarf Caiman or Serval	M/D	222.00	233.00	5.0%
Application Fee for any other Animal	M/D	327.00	343.00	4.9%
Grant Fee (2 Year Licence)	M/D	112.00	118.00	5.4%
Zoo Licence				
New Application Fee	M/D	379.00	398.00	5.0%
Grant Fee (4 Year Licence)	M/D	944.00	991.00	5.0%
Renewal Fee (6 Year Licence)	M/D	1,464.00	1,537.00	5.0%
Transfer Fee	M/D	£52 per hour of officer time	£54 per hour of officer time	3.0%
Variation Fee for any of the above categories	M/D	£52 per hour of officer time	£54 per hour of officer time	3.0%
Vet's fees at cost plus 15% administration plus VAT	V D/D	N/A	N/A	N/A

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

* Please note, if you undertake more than one activity at the same premises, you will pay whichever is the higher of the fees, plus a £54 variation fee

	VAT (V) /Code	2021/22 £	2022/23 £	% change
Food Surrender Certificate	D/D	£81.00 per hour	£85.00 per hour	4.0%
The following standardised fees have been agreed across Greater Manchester:				
Food Export Certificate	D/D	163.00	163.00	0.0%
Export Health Certificates (fishery products)	D/D	£81.00 per hour	£85.00 per hour	4.0%
Request for a re-inspection under the Food Hygiene Rating Scheme	D/D	180.00	189.00	5.0%
Request for a pre-inspection	D/D	130.00	137.00	5.4%
Request for advice - hourly rate	D/D	85.00	85.00	0.0%

B) Environmental Protection	VAT (V) /Code	2021/22 £	2022/23 £	% change
Environmental Protection fees are set nationally by DEFRA and are announced annually in March.				
Authorised Processes - Application Fees				
Standard part B	M/M	1,650.00	1,650.00	0.0%
Part B - Reduced Activities	M/M	155.00	155.00	0.0%
Annual Subsistence Fees				
Standard Part B				
- Low Risk	M/M	772.00	772.00	0.0%
- Medium Risk	M/M	1,161.00	1,161.00	0.0%
- High Risk	M/M	1,747.00	1,747.00	0.0%
Part B - Reduced Activities				
- Medium Risk	M/M	158.00	158.00	0.0%
Vehicle Refinishers				
- Low Risk	M/M	228.00	228.00	0.0%
- Medium Risk	M/M	365.00	365.00	0.0%
- High Risk	M/M	548.00	548.00	0.0%
Mobile Screening and Crushing Plant				
- Low Risk	M/M	646.00	646.00	0.0%

Environmental Protection cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
Environmental Searches				
Basic environmental search (250m radius)	V M/D	£81.00 per hour	£85.00 per hour	4.0%
Extended basic environmental search (250-500m radius)	M/D	£81.00 per hour	£85.00 per hour	4.0%
Detailed environmental search	M/D	£81.00 per hour	£85.00 per hour	4.0%

C) Housing Standards	VAT (V) /Code	2021/22 £	2022/23 £	% change
Housing Inspection				
Immigration Inspections	V D/D	173.00	195.00	12.7%
Notices & Works in Default				
Service of Statutory Notice under Housing Act	D/D	435.00	547.00	25.7%
Administration charge for works in default	M/D	£81.00 per hour	£85.00 per hour	4.0%
* A new standard rate across AGMA has been calculated and agreed for this				
HMO Licensing (Housing Act 2004 part 2)				
Pre-HMO Licence Application Advice	D/D	N/A	357.00	N/A
Maintenance of HMO register	D/D	N/A	56.67	N/A
Per habitable room fee.	M/D	77.00	21.00	(72.7%)
Initial application (plus fee per habitable room over 6 rooms)	M/D	845.00	832.00	(1.5%)
Fee on granting of HMO licence	D/D	N/A	173.00	N/A
Application to vary licence or licence conditions.	M/D	110.00	272.00	147.3%
Penalty Charges Under Smoke and Carbon Monoxide Alarm (England) Regulations 2015				
First breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	2,000.00	2,000.00	0.0%
For each subsequent breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	5,000.00	5,000.00	0.0%

D) Pest Control	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Dwelling Houses				
- Wasps & Bees (Single or first nest below gutter level)	V D/D	68.00	70.00	2.9%
- Wasps & Bees (Single or first nest above gutter level)	V D/D	89.00	90.00	1.1%
- Wasps & Bees (Second or subsequent nests treated at same time)	V D/D	35.00	35.00	0.0%
- Ants	V D/D	87.00	91.00	4.6%
- Rats or Mice (3 visits)	V D/D	89.00	89.00	0.0%
- Grey Squirrels (3 visits)	V D/D	174.00	183.00	5.2%
- Rodent investigatory visit	V D/D	79.00	83.00	5.1%
- Fleas	V D/D	123.00	129.00	4.9%
- Fleas (respray within 14 days)	V D/D	61.00	64.00	4.9%
- Cockroaches	V D/D	183.00	192.00	4.9%
- Bedbugs (2 visits)	V D/D	220.00	231.00	5.0%
- Call out charge and missed appointments (all customers, all pests)	V D/D	38.00	40.00	5.3%
Amateur pack (rats & mice)	V D/D	21.00	22.00	4.8%
Amateur pack (ants)	V D/D	21.00	22.00	4.8%
Amateur pack (fleas)	V D/D	From 35.00	From £37.00	5.0%
All other pests and insects in dwelling houses will be charged at an hourly rate of £129.00. The time charged would be a minimum of one hour for each visit and time in excess of one hour will be charged in rounded up thirty-minute periods.	V D/D	123.00	129.00	4.9%

E) Works In Default	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Administration charge for works in default	D/D	£81 per hour	£85 per hour	4.0%

F) Stray Dogs	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Stray Dogs Charge [Note: This charge applies when a stray dog has been seized by the Dog Warden .Where a dog is returned directly to the owner by the Council's dog warden contractor, a lower fee is payable which will be in accordance with the contract. The current contract is with Salford Council, and the fee is £40.00 which is collected by them directly. Owners retrieving dogs from Manchester Dogs' Home are charged £90. Additional kennelling charges may also be applied by Manchester Dogs Home).	M/D	145.00	£40.00/£90.00	N/A

Licensing

Licence Application Fees

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

1. Taxis – Private Hire & Hackney	VAT (V) /Code	2021/22 £	2022/23 £	% change
Taxi Licences – Vehicles & Drivers				
Grant Hackney Vehicle Licence (includes the cost of two vehicle tests)	D/D	248.00	-	N/A
Renewal Hackney Vehicle Licence (includes the cost of two vehicle tests)*	D/D	342.00	-	N/A
Grant or Renewal Private Hire Vehicle Licence	D/D	248.00	-	N/A
Grant Hackney Vehicle Licence (excludes the cost of two vehicle tests)	D/D	N/A	142.00	N/A
Renewal Hackney Vehicle Licence (excludes the cost of two vehicle tests)*	D/D	N/A	236.00	N/A
Grant or Renewal Private Hire Vehicle Licence	D/D	N/A	142.00	N/A
Initial Grant of Hackney Carriage/Private Hire Driver (1 Year)	D/D	134.50	134.50	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (2 Years)	D/D	199.00	199.00	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (3 Years)	D/D	264.00	264.00	0.0%
Renewal (Hackney Carriage Driver) (1 Year)*	D/D	101.00	101.00	0.0%
Renewal (Hackney Carriage Driver) (2 Years)*	D/D	166.00	166.00	0.0%
Renewal (Hackney Carriage Driver) (3 Years)*	D/D	231.00	231.00	0.0%
Renewal (Private Hire Driver) (1 Year)	D/D	85.00	85.00	0.0%
Renewal (Private Hire Driver) (2 Years)	D/D	149.00	149.00	0.0%
Renewal (Private Hire Driver) (3 Years)	D/D	214.00	214.00	0.0%
Vehicle Tests				
Test Fee S.68	D/D	75.00	N/A	N/A
Test Fee S.68	D/D	N/A	53.00	N/A
Retest Fee	D/D	50.00	50.00	0.0%
Partial Retest Fee	D/D	25.00	25.00	0.0%
Penalty – arriving late for vehicle test	D/D	28.00	28.00	0.0%
Accident damage check	D/D	25.00	25.00	0.0%
Meter Test	D/D	14.00	14.00	0.0%
Tint test (to check compliance with tinted glass policy)	D/D	13.20	13.20	0.0%
Exceptional Vehicle Condition Test	D/D	25.00	25.00	0.0%
* Includes charge to cover the cost of unmet demand survey				
Drivers Tests				
Taxi Driver Training & Test	D/D	124.00	124.00	0.0%
Taxi Driver Knowledge Test	D/D	85.00	85.00	0.0%
Taxi Driver Knowledge Test Re-sit	D/D	75.00	75.00	0.0%

Taxis cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
Taxi Operators Licence				
1 vehicle (1 Year)	D/D	190.00	190.00	0.0%
1 vehicle (5 Years)	D/D	800.00	800.00	0.0%
Additional vehicle 2-5	D/D	190.00	190.00	0.0%
Plus per extra vehicle	D/D	31.00	31.00	0.0%
6-10 vehicles (1 Year)	D/D	368.50	368.50	0.0%
6 - 10 vehicles (5 Years)	D/D	1,552.00	1,552.00	0.0%
11 -29 vehicles (1 Year)	D/D	498.00	498.00	0.0%
11 - 29 vehicles (5 Years)	D/D	2,098.00	2,098.00	0.0%
30+ vehicles (1 Year)	D/D	654.00	654.00	0.0%
30+ vehicles (5 Years)	D/D	2,755.00	2,755.00	0.0%
Other Charges				
Duplicate Licence	D/D	15.00	15.00	0.0%
Duplicate Plate	D/D	26.00	26.00	0.0%
Duplicate Badge	D/D	4.30	4.30	0.0%
Disclosure and Barring Service checks (was CRB)	M/M	40.00	40.00	0.0%
DVLA Mandate	D/D	13.00	13.00	0.0%
Roof Signs	D/D	65.00	65.00	0.0%
Change of Vehicle	D/D	41.00	41.00	0.0%
Owner Transfer of Vehicle	D/D	15.00	15.00	0.0%

2. Liquor & Entertainment Licensing		VAT (V) /Code	2021/22 £	2022/23 £	% change
Personal Licences	M/M		37.00	37.00	0.0%
Premises Licences					
Band A	M/D *		70.00	70.00	0.0%
Band B	M/D *		180.00	180.00	0.0%
Band C	M/D *		295.00	295.00	0.0%
Band D	M/D *		320.00	320.00	0.0%
Band E	M/D *		350.00	350.00	0.0%
Temporary Event Notices (Approx)	M/D *		21.00	21.00	0.0%
Change of Designated Premises Supervisor (Approx)	M/D *		23.00	23.00	0.0%
Consultation fee for completion of application form (grant/variation of premises licence):					
Pre- application advice - small application**	V D/D		165.40	165.40	0.0%
Pre-application advice - medium application**	V D/D		414.20	414.20	0.0%
Pre-application advice - large application**	V D/D		1,409.65	1,409.65	0.0%
Premises Licences for Concerts					
30,000 to 39,999	M/D *		16,000.00	16,000.00	0.0%
40,000 to 49,999	M/D *		24,000.00	24,000.00	0.0%
50,000 to 59,999	M/D *		32,000.00	32,000.00	0.0%
Variation of Premises Licence					
Band A	M/D *		100.00	100.00	0.0%
Band B	M/D *		190.00	190.00	0.0%
Band C	M/D *		315.00	315.00	0.0%
Band D	M/D *		450.00	450.00	0.0%
Band E	M/D *		635.00	635.00	0.0%
Other Charges					
Theft, loss, etc. of premises licence or summary	M/M		10.50	10.50	0.0%
Application for a provisional statement where premises being built etc.	M/M		315.00	315.00	0.0%
Notification of change of name or address	M/M		10.50	10.50	0.0%
Application for transfer of premises licence	M/M		23.00	23.00	0.0%
Interim authority notice following death etc. of licence holder	M/M		23.00	23.00	0.0%
Theft, loss etc. of certificate or summary	M/M		10.50	10.50	0.0%
Notification of change of name or alteration of rules of club	M/M		10.50	10.50	0.0%
Change of relevant registered address of club	M/M		10.50	10.50	0.0%
Theft, loss etc. of temporary event notice	M/M		10.50	10.50	0.0%
Theft, loss etc. of personal licence	M/M		10.50	10.50	0.0%
Duty to notify change of name or address	M/M		10.50	10.50	0.0%
Right of freeholder etc. to be notified of licensing matters	M/M		21.00	21.00	0.0%
* Discretionary up to a maximum limit. The current fees are at the statutory limit.					
3. Renewal of Annual Safety at Sports Ground Certificate		VAT (V) /Code	2021/22 £	2022/23 £	% change
Manchester United	D/D		22,668.00	23,630.00	4.2%
Altrincham Football Club	D/D		308.10	2,125.00	589.7%
Lancashire Cricket Club	D/D		1,646.40	8,755.00	431.8%
Sale Rugby Club	D/D		147.40	2,125.00	1,341.7%
4. Grant of a new Safety at Sports Ground Certificate		VAT (V) /Code	2021/22 £	2022/23 £	% change
Number of proposed Spectators:					
5,000 to 9,999	D/D		1,474.00	1,785.00	21.1%
10,000 to 14,999	D/D		2,955.00	3,103.00	5.0%
15,000 to 19,999	D/D		5,910.00	6,206.00	5.0%
20,000 to 29,999	D/D		11,820.00	12,411.00	5.0%
30,000 to 39,999	D/D		23,640.00	24,822.00	5.0%
40,000 to 49,999	D/D		35,460.00	37,233.00	5.0%
50,000 to 59,999	D/D		47,280.00	49,644.00	5.0%
60,000 to 69,999	D/D		59,100.00	62,055.00	5.0%
70,000 to 79,999	D/D		70,920.00	74,466.00	5.0%
80,000 to 89,999	D/D		82,740.00	86,877.00	5.0%
90,000 and over	D/D		94,560.00	99,288.00	5.0%
5. Safety Certificate for a new Stand at a Sports Ground		VAT (V) /Code	2021/22 £	2022/23 £	% change
Number of proposed spectators:					
up to 999	D/D		147.40	510.00	246.0%
1000 to 1999	D/D		375.20	765.00	103.9%
2000 to 2999	D/D		589.90	1,020.00	72.9%
3000 to 3999	D/D		817.50	1,275.00	56.0%
4000 to 4999	D/D		1,032.00	1,530.00	48.3%
6. Special Safety Certificates		VAT (V) /Code	2021/22 £	2022/23 £	% change
Capacity 0 -1,000	D/D		N/A	5,397.00	N/A
Capacity 1,001 - 10,000	D/D		N/A	6,035.00	N/A
Capacity > 10,000	D/D		N/A	11,390.00	N/A

7. Street Trading Provisions of Local Government (Miscellaneous Provisions) Act	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Street Trading Licences (Non MUFC)				
Consent Certificate – purchased April to June.	D/D	1,061.55	1,061.55	0.0%
Consent Certificate – purchased July to September.	D/D	906.35	906.35	0.0%
Consent Certificate – purchased October to December.	D/D	757.05	757.05	0.0%
Consent Certificate – purchased January to March.	D/D	488.25	488.25	0.0%
One day event licence (Including Special Events) - dedicated locations to be identified for each event (Max no's to be applied). Price on Application Arrangements to be introduced for one day event licences to reflect the varying nature and scale of events and associated costs.	D/D	poa	poa	N/A
Licensed Pitch MUFC				
Food - Premium zone	D/D	3,315.20	3,315.20	0.0%
Food - Non-premium zone	D/D	2,395.70	2,395.70	0.0%
Merchandise - Premium zone	D/D	1,725.40	1,725.40	0.0%
Merchandise - Non-premium zone	D/D	1,465.20	1,465.20	0.0%
Sale Town Centre				
Licensed Pitch	D/D	1,805.90	1,805.90	0.0%
Licensed Pitch (Non-Food)	D/D	1,294.30	1,294.30	0.0%
Duplicate Licence	D/D	65.05	65.05	0.0%
Cancellation Fee	D/D	206.15	206.15	0.0%

8. Other Licences	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Scrap Metal Dealers - Site Licence				
Grant - One Site	D/D	884.40	928.60	5.0%
Grant - Per additional site	D/D	689.95	724.45	5.0%
Renewal - One Site	D/D	603.10	633.25	5.0%
Renewal - Per Additional Site	D/D	449.20	471.65	5.0%
Minor Variation	D/D	167.50	175.90	5.0%
Major Variation	D/D	381.90	401.00	5.0%
Scrap Metal Dealers - Collector's Licence				
Grant	D/D	381.90	401.00	5.0%
Renewal	D/D	214.35	225.10	5.0%
Minor Variation	D/D	100.50	105.55	5.0%
Major Variation	D/D	884.40	928.60	5.0%
Marriage Act Approval	D/D	1,668.15	1,751.65	5.0%
Sex Establishment Licence	M/D	2,080.25	2,184.30	5.0%

Gaming Act Fees	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>Application Type (New Application)</u>				
New Small Casino	M/D *	8,000.00	8,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	3,500.00	3,500.00	0.0%
Betting Premises (excluding Tracks)	M/D *	3,000.00	3,000.00	0.0%
Tracks	M/D *	2,500.00	2,500.00	0.0%
Family Entertainment Centres	M/D *	2,000.00	2,000.00	0.0%
Adult Gaming Centre	M/D *	2,000.00	2,000.00	0.0%
Lottery Registration	M/M	40.00	40.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	200.00	200.00	0.0%
Club Gaming Permit or Club Gaming machine Permit "Excluding club premises certificate holders"	M/M	100.00	100.00	0.0%
<u>Application Type (Annual Fee)</u>				
New Small Casino	M/D *	5,000.00	5,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	1,000.00	1,000.00	0.0%
Betting Premises (excluding Tracks)	M/D *	600.00	600.00	0.0%
Tracks	M/D *	1,000.00	1,000.00	0.0%
Family Entertainment Centres	M/D *	750.00	750.00	0.0%
Adult Gaming Centre	M/D *	1,000.00	1,000.00	0.0%
Lottery Registration	M/M	20.00	20.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	50.00	50.00	0.0%
Club Gaming Permit or Club Gaming machine Permit "Excluding club premises certificate holders"	M/M	50.00	50.00	0.0%

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

Gaming Act Fees cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>New Small Casino</u>				
Application to Vary	M/D *	4,000.00	4,000.00	0.0%
Application to Transfer	M/D *	1,800.00	1,800.00	0.0%
Application for Re-Instatement	M/D *	1,800.00	1,800.00	0.0%
Application for Provisional Statement	M/D *	8,000.00	8,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	3,000.00	3,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>New Large Casino</u>				
Application to Vary	M/D *	5,000.00	5,000.00	0.0%
Application to Transfer	M/D *	2,150.00	2,150.00	0.0%
Application for Re-Instatement	M/D *	2,150.00	2,150.00	0.0%
Application for Provisional Statement	M/D *	10,000.00	10,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	5,000.00	5,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Regional Casino</u>				
Application to Vary	M/D *	7,500.00	7,500.00	0.0%
Application to Transfer	M/D *	6,500.00	6,500.00	0.0%
Application for Re-Instatement	M/D *	6,500.00	6,500.00	0.0%
Application for Provisional Statement	M/D *	15,000.00	15,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	8,000.00	8,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Bingo Club</u>				
Application to Vary	M/D *	1,750.00	1,750.00	0.0%
Application to Transfer	M/D *	1,200.00	1,200.00	0.0%
Application for Re-Instatement	M/D *	1,200.00	1,200.00	0.0%
Application for Provisional Statement	M/D *	3,500.00	3,500.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,200.00	1,200.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%

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

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

Gaming Act Fees cont.				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>Tracks</u>				
Application to Vary	M/D *	1,220.00	1,220.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	2,434.00	2,434.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Temporary Use Notice	M/D *	500.00	500.00	0.0%
<u>Family Entertainment Centres</u>				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	1,947.00	1,947.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Adult Gaming Centres</u>				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	1,172.00	1,172.00	0.0%
Application for Re-Instatement	M/D *	1,172.00	1,172.00	0.0%
Application for Provisional Statement	M/D *	1,172.00	1,172.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,172.00	1,172.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
<u>Club Gaming Permit or Club Gaming Machine Permit</u>				
Application to Vary	M/M	100.00	100.00	0.0%
Copy Licence	M/M	15.00	15.00	0.0%

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

Trading Standards

Weights & Measures Fees				
	VAT (V) /Code	2021/22 £	2022/23 £	% change
General				
The charges for examining, testing, certifying, stamping, authorising or reporting on any weighing or measuring equipment will be individually calculated by the local authority based upon a figure of per officer/hour. The time charged will include travel.	V M/D	£81 per hour	£85 per hour	4.0%
The charges for the provision of specialist advice in support of Primary Authority Partnership. Please note: Additional fees to be levied for the provision of tailored training events - price on application	M/D	£81 per hour	£85 per hour	4.0%
Charges for tailored business advice provided other than under an existing Primary Authority Partnership. This is a new fee that will apply not just to Trading Standards but across other teams in Regulatory Services, e.g. Environmental Health/Licensing.	M/D	£81 per hour	£85 per hour	4.0%
If a particular piece of work requires the presence of support staff then this will be charged in addition.	V M/D	47.35	49.70	5.0%
Additional charges will be levied if the council is required for example to hire in specialist equipment.	V M/D	£81 per hour	£85 per hour	5.0%

Community Safety

Abandoned Trolleys	VAT (V) /Code	2021/22 £	2022/23 £	% change
Collection per trolley	D/D	37.88	39.78	5.0%
Storage per trolley, per week	V D/D	5.29	5.56	5.1%
Return to owners' premises per trolley	V D/D	37.87	39.76	5.0%
Disposal per trolley if unclaimed	D/D	19.35	20.31	5.0%

Environmental Enforcement	VAT (V) /Code	2021/22 £	2022/23 £	% change
Fixed penalty for the offence of failing to remove dog faeces	D/D*	100.00	100.00	0.0%
Fixed penalty for the offence of leaving litter	D/D*	150.00	150.00	0.0%
Fixed penalty for the offence of abandoning a vehicle	D/D*	200.00	200.00	0.0%
Fixed penalty for nuisance parking offences	D/D*	100.00	100.00	0.0%
Fixed penalty for Waste receptacle offences	D/D*	80.00	80.00	0.0%
Fixed penalty for the offence of failure to produce authority	D/D*	300.00	300.00	0.0%
Fixed penalty for the offence of failure to furnish documentation	D/D*	400.00	400.00	0.0%
Fixed penalty for the offence of unauthorised distribution of literature	D/D*	150.00	150.00	0.0%
Fixed penalty for fly-tipping offences	D/D*	400.00	400.00	0.0%
Fixed penalty for failing to adhere to a Community Protection Notice	D/D*	100.00	100.00	0.0%
Fixed penalty for failing to adhere to a Public Space Protection Order	D/D*	100.00	100.00	0.0%
Fixed penalty for household waste duty of care offences	D/D*	200.00	200.00	0.0%
* Fixed penalty fees are Discretionary but are contained within limits set by DEFRA				

ECONOMIC GROWTH & PLANNING
Asset Management

Trafford Town Hall - Football Parking	VAT (V) /Code	2021/22 £	2022/23 £	% change
Season ticket	V D/D	200.00	210.00	5.0%
Single match	V D/D	10.00	10.00	0.0%
All Day Event	V D/D	15.00	15.00	0.0%

Planning and Building Control

Strategic Planning and Developments	VAT (V) /Code	2021/22 £	2022/23 £	% change
Trafford Revised Unitary Development Plan June 2006	D/D	73.00	77.00	5.5%
Written Statement only	D/D	44.00	46.00	4.5%
Proposals Maps - North/South sheet	D/D	36.00	38.00	5.6%
CD only	D/D	22.00	23.00	4.5%
Statement of Community Involvement (Adopted)	D/D	22.00	23.00	4.5%
Trafford Borough Retail and Leisure Study November 2007				
Written Study, including CD	D/D	370.00	388.00	4.9%
CD	D/D	295.00	310.00	5.1%
Main Report	D/D	73.50	77.00	4.8%
Appendix 1	D/D	147.00	154.00	4.8%
Appendix 2	D/D	147.00	154.00	4.8%
Planning and Research Studies *	D/D	* price on request	* price on request	N/A
Housing Land Availability Schedule	D/D	29.00	30.00	3.4%
Planning Policy and Development Guidance Briefs	D/D	22.00	23.00	4.5%
Photocopying per side	V D/D	0.52	0.54	3.8%
Core Strategy Adopted Version	D/D	51.50	54.00	4.9%
Supplementary Planning Documents	D/D	14.70	15.50	5.4%

Building Control Fees	VAT (V) /Code	2021/22 £	2022/23 £	% change
	V M/M	See Note below	See Note below	N/A

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

New Building Regulation charges	VAT (V) /Code	2021/22 £	2022/23 £	% change
Decision Notices and Completion Certificates - Duplicate Copies of Building Regulations Decision and completion certificates.	D/D	54.60	57.35	5.0%
Copies of correspondence (excluding 1 above Notices) relating to B Regs applications (includes up to 10 A4 sides – if above 10 sides add 30p per A4 side)	V D/D	17.85	18.74	5.0%
Researching site histories or providing "search type" information from the Building Control records (Cost per hour or part hour) - Domestic properties	D/D	54.60	57.35	5.0%
Researching site histories or providing "search type" information from the Building Control records (Cost per hour or part hour) - Commercial properties	V D/D	91.35	95.92	5.0%
Administrative fee for processing refund or part refund of fees for cancelled B Regs applications (excludes electronic transactions – currently no charge)	D/D	54.60	57.35	5.0%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are less than 10 years old and have been inspected within 10 years from when the works were completed).	D/D	140.00	155.00	10.7%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are more than 10 years old and have not been inspected within 10 years from when the works were completed).	D/D	120.00	180.00	50.0%
Where more than one site inspection is required, additional inspections will be charged at a rate of £60.65 per inspection.	D/D	57.75	60.65	5.0%
Additional site inspection in connection with above, per inspection	D/D	61.20	64.25	5.0%
Provision of written confirmation of exemption from the provisions of the Building Regulations	D/D	54.60	57.35	5.0%
Administrative processing cost for refunding of part of Building Regulation fees where fees have been paid but part of the work has not been carried out or cancelled	V D/D	35.70	37.50	5.0%
Provision of pre-submission consultancy advice after initial one hour for large schemes. (Fee refunded if application is deposited)	V D/D	84.00	88.20	5.0%
Pre-submission site visits where requested by owner or agent to maintain planning permission	V D/D	110.25	115.75	5.0%
The full withdrawal or cancellation of a submitted application that has been processed onto the database system.	D/D	54.60	57.35	5.0%

Planning Fees				
Business - pre-application advice	VAT (V) /Code	2021/22 £	2022/23 £	% change
Proposals comprising a single dwelling / floorspace of less than 100sqm / site area of less than 0.1ha.	V D/D	554.40	554.40	0.0%
Proposals comprising 2-5 dwellings / floorspace of between 100sqm and 499sqm / site area of between 0.1ha and 0.49ha.	V D/D	1,800.00	1,800.00	0.0%
Proposals comprising 6-10 dwellings / floorspace of between 500sqm and 999sqm / site area of between 0.5ha and 0.99ha.	V D/D	3,360.00	3,360.00	0.0%
Proposals comprising 11-20 dwellings / floorspace of between 1000sqm and 1999sqm / site area of between 1ha and 1.19ha.	V D/D	5,400.00	5,400.00	0.0%
Proposals comprising 21-50 dwellings / floorspace of between 2000sqm and 4999sqm / site area of between 1.2ha and 1.49ha.	V D/D	7,440.00	7,440.00	0.0%
Proposals comprising 51 and 99 dwellings / floorspace of between 5000sqm and 9,999sqm / site area between 1.5ha and 1.99ha.	V D/D	9,600.00	9,600.00	0.0%
Proposals comprising 100 or more dwellings / floorspace of more than 10,000sqm / site area of more than 2ha	V D/D	11,400.00	11,400.00	0.0%
1 hr Meeting with agreed minutes written by the applicant	V D/D	3,000.00	3,000.00	0.0%
2 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	4,800.00	4,800.00	0.0%
3 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	6,000.00	6,000.00	0.0%

Householder Extensions - pre-application advice	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Householder extensions Please note: On subsequently submitting a planning application, a fee of £250 will also be payable and therefore you should first consider whether you wish to move straight to the submission of a formal planning application.	V D/D	250.00	250.00	0.0%

Invalid planning applications	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Where an application remains invalid due to non-progression by the applicants any planning fee paid will be refunded minus a £38.85 administrative fee	V D/D	37.00	38.85	5.0%

Information and Documents	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Researching site histories or providing search type information from the planning records including copies of documentation. Per Hour	D/D	N/A	63.65	N/A
Where we do not hold the information electronically there will be an additional charge to the above towards the costs of retrieving the files.	D/D	N/A	10.00	N/A
(The above charges are for documents provided electronically via Public Access on our website. Printed documents incur an additional fee of 55p per side).	D/D	0.53	0.55	3.8%

Planning Fees - cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
Additional information requested from the planning records including copies of documentation. (SEARCH) Per Hour	D/D	60.64	63.50	4.7%
Where we do not hold the information electronically there will be an additional charge to the above towards the costs of retrieving the files.	D/D	N/A	10.00	N/A
Planning guidelines & related documents - (Free to download) or copies at 55p per side	V D/D	copies from £2.31 to £10.82	0.55	N/A
High Hedge fee	D/D	525.00	525.00	0.0%
Information research/retrieval from Building Control Files per hour	D/D	53.55 per hour + 30p per copy	56.00	4.6%
(The above charges are for documents provided electronically via Public Access on our website. Printed documents incur an additional fee of 55p per side).	D/D	0.53	0.55	3.8%

Housing Services	VAT (V) /Code	2021/22 £	2022/23 £	% change
Housing Improvement Grants:				
Technical and Professional Services fee - minimum charge (£211.00) or 15% of eligible expense (whichever is the greater).	M/D	201.00	211.00	5.0%
	M/D	or 15%	or 15%	0.0%

GOVERNANCE & COMMUNITY STRATEGY

	VAT (V) /Code	2021/22 £	2022/23 £	% change
Freedom of Information Act 2002 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.53	0.55	5.0%
Data Protection Act 1998 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.53	0.55	5.0%

Registration of Births, Deaths & Marriages

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

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

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

		VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Marriages & Civil Partnerships *					
Attending a marriage or civil partnership at Sale Town Hall					
Town Hall (inc. cert fee)					
	Monday to Thursday	V M/D	168.00	174.00	3.6%
	Friday	V M/D	246.00	252.00	2.4%
	Saturday AM	V M/D	246.00	252.00	2.4%
	Saturday PM	V M/D	324.00	330.00	1.9%
Council Chamber					
	Sun/Bank Holidays	V M/D	576.00	582.00	1.0%
Tailor made Weddings					
	Monday to Thursday	V D/D	600.00	600.00	0.0%
	Friday & Saturday	V D/D	660.00	660.00	0.0%
	Sunday / Bank Holiday	V D/D	710.00	710.00	0.0%
Verification of Overseas Pension					
		V D/D	13.50	14.00	3.7%

LIBRARIES

	VAT (V) /Code	2021/22 £	2022/23 £	% change
A) Fines				
Adults (over 16) - per book, per day	D/D	Free	Free	N/A
Children (under 16) - per book per day	D/D	Free	Free	N/A
Customers who are disabled	D/D	Exempt	Exempt	N/A
B) Reservation Fee				
In stock in Trafford	D/D	Free	Free	N/A
Not in stock in Trafford	D/D	6.00	6.50	8.3%
All Items requested from British Library, including photocopies, (in addition to standard not in stock charge).	D/D	10.50	12.00	14.3%
Lost British Library book (price set by the British Library)	M/M	182.80	185.50	1.5%
British Library renewal fee	D/D	5.35	5.45	1.9%
C) Photocopying, printing and scanning				
Black and white per side (A4)	V D/D	0.10	0.10	0.0%
Black and white per side (A3)	V D/D	0.15	0.15	0.0%
Colour (A4)	V D/D	0.50	0.50	0.0%
Colour (A3)	V D/D	1.00	1.00	0.0%
Scanning	V D/D	0.20	0.20	0.0%
D) Postage				
Recharge for overdue and reservation letters	D/D	0.90	1.00	11.1%
E) Local Studies				
Most Local Studies fees and charges are agreed by an AGMA group, lines agreed by AGMA marked with **				

Libraries cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
Research				
Right to Buy Research Fee (payable in advance)	V D/D	10.00	10.00	0.0%
Genealogical Research Fee - half hour (payable in advance)	V D/D	17.50**	17.50**	0.0%
Genealogical Research Fee - full hour (payable in advance)	V D/D	35.00**	35.00**	0.0%
Reprographics/ Research				
Minimum charge including 2 free A4 printouts	V D/D	5.00	5.00	0.0%
Additional sheets	V D/D	1.30	1.30	0.0%
Microfilm				
Microfiche/ film - A4 Copy	V D/D	0.80**	0.80**	0.0%
Microfiche/ film - A3 Copy	V D/D	1.60**	1.60**	0.0%
Photocopies - A4	V D/D	0.10	0.10	0.0%
Photocopies - A3	V D/D	0.15	0.15	0.0%
Photocopies - Maps	V D/D	0.50	0.50	0.0%
Photographs - superior quality	V D/D	10.00	10.00	0.0%
Digital Camera				
Supply of digital image	V D/D	10.00	10.00	0.0%
Self service photography permit - half day	V D/D	6.00**	6.00**	0.0%
Self service photography permit per day	V D/D	12.00**	12.00**	0.0%
Reproduction - Books periodicals, e-books, CD-Roms				
Publications - large print run - per image	V D/D	120.00**	120.00**	0.0%
Publications - small	V D/D	40.00	40.00	0.0%
Presentation and Internal Reports				
Internal organisation report	V D/D	10.00	10.00	0.0%
External organisation	V D/D	20.00	20.00	0.0%
Advertising in newspapers and periodicals				
All publications - per image	V D/D	120.00**	120.00**	0.0%
TV				
Broadcasting - per image for 10 years unlimited use	V D/D	600.00**	600.00**	0.0%
Exhibitions				
All publications - per image	V D/D	120.00**	120.00**	0.0%
Interior decoration of Commercial Premises				
Internal commercial decoration - per image	V D/D	300.00**	300.00**	0.0%
Web use				
Online, commercial publication - per image	V D/D	120.00**	120.00**	0.0%
Social media use (non commercial)	V D/D	0.00	0.00	0.0%
F) People's Network Charging				
ICT sessions	V D/D	FREE for the first hour, 50p	FREE for the first hour, 50p	0.0%

	VAT (V) /Code	2021/22 £	2022/23 £	% change
G) Musical Scores and Playsets				
Large groups (over 40 members) we will charge £250 per request (not per copy)	D/D	N/A	250.00	N/A
Small groups (under 40 members) we will charge £150 per request (not per copy)	D/D	N/A	125.00	N/A
Orchestral sets	D/D	see musical	see musical	N/A
H) Laminating				
A4	V D/D	1.20	1.50	25.0%
A3	V D/D	2.20	2.50	13.6%
I) Blue Badge Permits				
	M/D	10.00	10.00	0.0%
J) Room Hire Altrincham Library				
Per room per hour				
- Large meeting room (capacity over 20)	D/D	55.00	55.00	0.0%
- Medium meeting room (capacity up to 20)	D/D	30.00	30.00	0.0%
- Small meeting/interview room (capacity under 5)	D/D	15.00	15.00	0.0%
Per room per hour (community groups and charities)				
- Large meeting room (capacity over 20)	D/D	35.00	35.00	0.0%
- Medium meeting room (capacity up to 20)	D/D	20.00	20.00	0.0%
- Small meeting/interview room (capacity under 5)	D/D	10.00	10.00	0.0%

STRATEGY & RESOURCES AND TRADED SERVICES

Cemeteries & Crematorium	VAT (V) /Code	2021/22 £	2022/23 £	% change
A) Cemeteries				
<u>Exclusive right of burial in an earthen grave</u> <i>Subject to availability at individual Cemeteries</i>				
Exclusive Right Fee	D/D	1,620.00	1,630.00	0.6%
Resident Fee	D/D	935.00	945.00	1.1%
<u>Dunham Lawn Cemetery</u>				
Exclusive Right Fee Lawn Section	D/D	1,620.00	1,630.00	0.6%
Resident Fee Lawn Section	D/D	935.00	945.00	1.1%
<u>Exclusive right of burial of cremated remains</u>				
Exclusive right of burial of cremated remains	D/D	875.00	885.00	1.1%
Resident Fee	D/D	505.00	515.00	2.0%
<u>Interment Fees</u>				
At all cemeteries including Dunham Lawn				
To depth of up to 3 metres - 18 years or over	D/D	1,420.00	1,435.00	1.1%
Child/Junior (Up to 5 years of Age)	D/D	Free to Family	free to family	0.0%
Child/Junior (5 to 17 years of Age)	D/D	Free to Family	free to family	0.0%
Interment of cremated remains in grave	D/D	285.00	290.00	1.8%
Loose interment of cremated remains	D/D	110.00	115.00	4.5%
Interment of Body Parts	D/D	100.00	100.00	0.0%
Widening grave	D/D	140.00	150.00	7.1%
<u>Resident Fee</u>				
To depth of up to 3 metres - 18 years or over	D/D	940.00	950.00	1.1%
Child/Junior up to 17yrs of age	D/D	Free to Family	free to family	0.0%
Interment of cremated remains in grave in casket	D/D	265.00	275.00	3.8%
Loose interment of cremated remains	D/D	100.00	125.00	25.0%
Interment of Body Parts	D/D	100.00	100.00	0.0%

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

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

	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>Interment of Public Grave</u>				
Child/Junior up to 17 years of age	D/D	Free to Family	free to family	0.00
Persons 18 years or over	D/D	940.00	950.00	1.1%
<u>Exclusive right of Burial in Cremated Remains Vault 30 yrs</u>				
Exclusive right of Burial in Cremated Remains Vault 30 yrs	D/D	1,095.00	1,095.00	0.0%
Resident Fee	D/D	675.00	685.00	1.5%
Memorial for Cremated Remains Vault including 1st inscription.	D/D	560.00	575.00	2.7%

Cemeteries & Crematorium cont.	VAT (V) /Code	2021/22 £	2022/23 £	% change
<u>Headstones and Inscriptions</u>				
To erect a Headstone	D/D	150.00	155.00	3.3%
Subsequent Inscription Fee	V D/D	75.00	75.00	0.0%
Concrete Foundations	V D/D	135.00	135.00	0.0%
<u>Miscellaneous (All Cemeteries)</u>				
Transfer of Burial Rights	D/D	90.00	100.00	11.1%
Transfer of Burial Rights – to non resident (incs. transfer & out of district extra charge).	D/D	775.00	785.00	1.3%

B) Crematorium	VAT (V) /Code	2021/22 £	2022/23 £	% change
Dunham Massey, Altrincham				
Crematorium of persons 18 years or over - Early time slot	D/D	547.00	561.00	2.6%
Crematorium of persons 18 years or over - Direct Cremation	D/D	387.00	396.00	2.3%
Crematorium of persons 18 years or over - 30 Minute time slot	D/D	677.00	691.00	2.1%
Crematorium of persons 18 years or over - 45 Minute time slot	D/D	782.00	801.00	2.4%
Child/Junior (Up to 17 years of Age)	D/D	Free to Family	free to family	0.0%
Medical Referee's Services	M/M	31.00	31.00	0.0%
Cremation of Body Parts	D/D	100.00	100.00	0.0%
Interment of cremated remains (to Witness or from other Crematoria).	D/D	110.00	110.00	0.0%
Crematoria Chapel 30 Minutes	V D/D	265.00	275.00	3.8%
Crematoria Chapel 45 Minutes	V D/D	330.00	350.00	6.1%
Environmental Surcharge	D/D	62.00	63.00	1.6%

FINANCE & SYSTEMS

Revenues and Benefits

	VAT (V) /Code	<u>2021/22</u> £	<u>2022/23</u> £	<u>% change</u>
Summons Costs				
Council Tax Liability Orders	M/D	92.50	92.50	0.0%
NNDR Liability Orders	M/D	132.50	132.50	0.0%
Committal to prison proceedings				
- Committal application (maximum)	M/M	305.00	305.00	0.0%
- Arrest warrant with bail (maximum)	M/M	145.00	145.00	0.0%
- Arrest warrant without bail (maximum)	M/M	145.00	145.00	0.0%
Prosecution Fines, Court Costs, Charging Orders, Insolvency proceedings and Enforcement costs are decided at the court hearing on an individual basis.				

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TRAFFORD BOROUGH COUNCIL

Report to: Executive
Date: 16 February 2022
Report for: Decision
Report of: Executive Member for Finance and Governance and the Director of Finance and Systems

Report Title

Executive’s Response to Scrutiny Committee’s Recommendations to the Budget Proposals for 2022/23

Summary

At the Executive meeting on the 24 January 2022 a report was presented by the Scrutiny Committee chair, setting out the Scrutiny Committee’s comments and findings from the review of the Executive’s draft budget proposals for 2022/23.

The Executive values the contribution that the Scrutiny Committee makes to the budget process and is committed to working with Scrutiny Committee during the forthcoming year as part of their planned work programme.

This report contains a detailed response to each of the points raised by the Scrutiny Committee in their report.

Recommendation(s)

That the Executive’s response to the Scrutiny Committee be approved.

Contact person for access to background papers and further information:

Name: Graeme Bentley
 Extension: 4884

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The Scrutiny review of the budget is a requirement of the budget policy framework. It is relevant to all corporate priorities.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	All financial implications are contained in the body of the report.
Legal Implications:	The Scrutiny review of the budget is a requirement of the Council’s constitution.
Equality/Diversity Implications	There are none arising from this report.
Sustainability Implications	There are none arising from this report.

Carbon Reduction	There are none arising from this report.
Resource Implications e.g. Staffing / ICT / Assets	There are none arising from this report.
Risk Management Implications	There are none arising from this report.
Health and Wellbeing Implications	There are none arising from this report.
Health and Safety Implications	There are none arising from this report.

Other Options

Not Applicable

Consultation

Not applicable

Reasons for Recommendation

The report is in response to the review carried out by the Scrutiny Committee.

Key Decision

This is a key decision currently on the Forward Plan: No

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

Legal Officer Clearance ...JL.....



DIRECTOR'S SIGNATURE

BUDGET SCRUTINY ACTION PLAN

Area	Scrutiny Recommendation	Executive Response
2021/22 Budget	That the Executive provide Scrutiny with an update on the in-year budget position, including suggested actions to address the gap and the impact on the Council's reserves to its March 2022 meeting.	The Executive note this request and confirm that an update will be provided as requested for the March meeting. In addition Executive will provide further updates throughout the year to support the work of the Committee. There will also be emphasis to make clear the distinction between reserves related to Covid impacts and general Council reserves.
2022/23 Budget	That Scrutiny be kept updated on the impact of economic risks and their impact on the budget position.	The Executive note this request and confirm that updates on both the in-year and medium-term financial position and risks will be provided to Scrutiny on a regular basis throughout the year.
Council Reserves	That the Executive provide Scrutiny with regular updates on the use of reserves at its meetings during 2022/23.	The Executive note this request and confirm that regular updates on the reserves position will be made available to keep the Committee informed of how the Council's reserves are being used and their projected balances over the medium term.
Children's External Placements	That the Children and Young People's Scrutiny Committee be updated on the reduction of external placements and receive updates on implementation.	The Executive note this request and confirm that regular updates on the strategies and innovations to reduce the use of external placements will be made available to Scrutiny.
Children's - Early Help Offer and Family Hubs	Scrutiny would like appropriate updates on funding applications and other developments.	The Executive note this request and will share appropriate updates on any funding applications and the progress of the development of Family Hubs in Trafford.
Adult and Children's Social Care	That recruitment and retention of social workers and foster carers, particularly regarding support provided by the Council, be a key priority for	The Executive note the concerns and are pleased that Adult social care have developed a Trafford Academy to support the workforce across the

	<p>the Council within the refreshed Corporate Plan. Scrutiny would like to be kept updated on workforce challenges within the sector.</p>	<p>sector.</p> <p>The Executive is committed to implementing the Ethical Care Charter, moving this year to pay the real living wage to home care staff on a contractual basis through the framework providers. The Executive is also committed to supporting “Care for a Career” recruitment programme launched by the Association of Directors of Social Services.</p> <p>The Executive will continue to update Scrutiny with regards to the recruitment and retention of social workers for children’s services, including the local and national challenges for the sector. This remains a key priority within the Ofsted improvement plan. Updates with regards to the recruitment and retention of foster carers and initiatives to enhance this position will be shared with Scrutiny.</p>
<p>Adult Social Care - Delayed Discharges/Information on the support offered to carers and outcomes of the review of the adaptations service.</p>	<p>Scrutiny would like appropriate updates on the position on a regular basis.</p>	<p>The Executive note the request and will provide updates regularly on each area highlighted.</p>
<p>Adult Social Care – Direct Payments</p>	<p>Scrutiny would like to consider a review to increase the level of direct payments in Trafford.</p>	<p>The Executive have committed as part of the budget plans in 2022/23 to increase the number of people in receipt of Direct payments by 50.</p>
<p>Scrutiny Workplan</p>	<p>That each Scrutiny Committee meet with the relevant Executive Members and Lead Officers at the start of the 2022/23 municipal year to schedule updates and work leading from the recommendations of the report.</p>	<p>The Executive and senior officer will support this request.</p>

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