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TRAFFORD COUNCIL

AGENDA PAPERS FOR

EXECUTIVE MEETING

Date: Monday, 24 October 2022

Time: 6.30 p.m.

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

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

1. **ATTENDANCES**

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

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

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

3. **DECLARATIONS OF INTEREST**

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

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

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

5. **UK SHARED PROSPERITY FUND** 1 - 22

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

6. **SOCIAL VALUE CHARTER** 23 - 46

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

7. **PROPOSED CHANGES/SAVINGS TO THE COUNCIL TAX DISCRETIONARY SCHEMES INCLUDING THE COUNCIL TAX SUPPORT SCHEME FROM APRIL 2023** 47 - 50

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

8. **EXECUTIVE'S DRAFT REVENUE BUDGET PROPOSALS 2023/24 AND MTFS 2024/25 - 2025/26** 51 - 112

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

9. **FAIR PRICE FOR CARE RESIDENTIAL AND HOMECARE & NURSING HOMES 2023/24 (CONSULTATION)** 113 - 118

To consider a report of the Executive Member for Adult Social Care.

10. **GREATER MANCHESTER INTEGRATED CARE PARTNERSHIP** 119 - 128

To consider a report from the Chief Executive of Trafford Council and Place Based Lead for Health and Care Integration, NHS GM Trafford.

11. **GREATER MANCHESTER JOINT CLEAN AIR SCRUTINY COMMITTEE** 129 - 136

To consider a report of the Executive Member for Climate Change and Transport Strategy.

12. **MODERN SLAVERY** 137 - 148

To receive a report of the Executive Member for Culture, Leisure, and Strategic Partnerships and the Executive Member for Health, Wellbeing, and Equalities.

13. **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.

14. 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

15. LLP PERFORMANCE UPDATE

To consider a report from the Executive Member for Finance and Governance.	Para. 3	149 - 158

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, K.G. Carter, J. Harding, E. Patel, T. Ross, J. Slater, A.J. Williams and J.A. Wright

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

Alexander Murray, Governance Officer
Email: alexander.murray@trafford.gov.uk

This agenda was issued on **Thursday, 13th October 2022** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**24 October 2022**
Report for:	**Decision**
Report of:	**Executive Member for Economy and Regeneration**

Report Title

Shared Prosperity Fund - Trafford Communities and Place Investment Plan

Summary

The report provides an update on the UK Shared Prosperity Fund (UKSPF) and the approach to the Fund at the GM level. The report identifies the projects within the Trafford Communities and Place Investment Plan that forms part of the GMCA's Shared Prosperity Fund Programme.

Recommendation(s)

It is recommended that the Executive:

(i) Approves the Trafford Communities and Place Investment Plan and related projects which have been submitted to the GMCA as part of the Communities and Place Investment Priority of the Shared Prosperity Fund application.

(ii) Delegates authority to the Corporate Director of Place to make minor amendments to the Communities and Place Investment Plan projects as necessary, in consultation with the Executive Member for Economy and Regeneration.

(iii) Delegates authority to the Corporate Director of Place to deliver the Communities and Place Investment Plan projects, including engaging external resources, commissioning surveys and any other works required.

(iv) Delegates authority to the Corporate Director of Place in consultation with the Executive Member for Economy and Regeneration to progress all matters, including submitting projects where required, in relation to the Local Business and People and Skills Investment Priorities.

(v) Delegates authority to the Corporate Director of Place to agree and finalise any grant agreement or other legal agreement required in relation to these funds.

(vi) Authorises the Director of Legal and Governance to finalise and enter into all funding and legal agreements required to implement the above decisions.

Contact person for access to background papers and further information:

Name: Oliver Shimell (Inclusive Economy and Communities Manager)
07814060170
Mark Bamford (Principal Inclusive Economy and Communities Officer)
07989 208 306

Background Papers: None

Appendices:
Appendix 1 - Trafford Communities and Place Investment Plan

Relationship to Policy Framework/Corporate Priorities	The SPF proposal has been developed in line with the Council's three Corporate Priorities: Supporting people out of Poverty, Addressing our climate crisis and Reducing health inequalities.
Relationship to GM Policy or Strategy Framework	The proposal and projects put forward have close alignment with UK Shared Prosperity Fund interventions and the Government's Levelling Up Objectives. The Council has also been cognisant of Greater Manchester's Strategy (GMS) Shared Commitments and Ways of Working. In developing the proposal and projects the Council has also been mindful of the Five Foundations which underpin the GM Local Industrial Strategy.
Financial	There is just under £1.8 million assigned to Trafford to deliver on the Communities and Place Investment Priority and a grant agreement will be developed and signed by the Council to receive the funding.
Legal Implications:	The Council will need to ensure that it complies with all reasonable requirements of signing the grant agreement with GMCA.
Equality/Diversity Implications	In developing the proposal and projects, consideration has been given to the Council's Corporate Equalities Strategy 2021-2025.
Sustainability Implications	In delivering the projects associated with SPF, the council will be mindful of ensuring all projects are delivered sustainably.

Carbon Reduction	A number of the projects attached to Trafford's proposal will have a direct benefit in reducing carbon emissions.
Resource Implications e.g. Staffing / ICT / Assets	Existing resources will be used to support the delivery of the projects identified. This will be bolstered through an additional resource which will assist in the administration of the Shared Prosperity Fund which will include making financial claims and providing monitoring reports. The additional post will be funded separately from Trafford's original Communities and Place funding allocation. The funding for the role will be provided directly from GMCA.
Risk Management Implications	Risks will be monitored within each of the projects and appropriate mitigation will be utilised wherever possible by lead officers for each of the projects.
Health & Wellbeing Implications	A number of the projects put forward will have a direct influence on the health and wellbeing of residents.
Health and Safety Implications	There are no health and safety implications arising from the report.

1.0 Background

1.1 The UK Shared Prosperity Fund (UKSPF) is a replacement domestic fund for EU European Structural Investment Funds (ESIF) following the UK's departure from the European Union. ESIF was jointly managed through the European Commission and EU countries with a purpose to invest in job creation and develop a sustainable and healthy European economy and environment.

1.2 The primary goal of UKSPF is building pride in place and increasing life chances across the UK, while recognising the acute challenges town centres and communities have faced during the Covid pandemic. This will be achieved across three Investment Priorities.

- Communities and place
- Local business; and
- People and skills

2. Shared Prosperity Fund and GMCA

2.1 GMCA has been identified as the UKSPF Lead Authority for Greater Manchester. This means that GMCA will be the accountable body for the three-year GM UKSPF non-Multiply allocation of c£84m and will be responsible for the management and administration of the Fund.

2.2 GMCA have been allocated a total of £83,850,595 UKSPF from April 2022 to March 2025. The allocation is to be spent against the three priorities of Communities and Place, Local Business and People and Skills with each priority being assigned a set amount of funding. An element of this budget will also be allocated to fund administration.

The indicative GMCA UKSPF allocations (over 3 years) are as follows:

Communities & Place	£26,996,571.00
Local Business	£31,500,000.00
People & Skills	£22,000,000.00
Investment Theme Allocations	£80,496,571.00
Management Costs	£3,354,024.00
GM UKSPF Allocation Total	£83,850,595.00

2.3 GMCA has developed a GM Investment Plan which addresses the three priorities, in consultation with GM LAs, which was approved by the GMCA on 29th July 2022. This Investment Plan has subsequently been submitted to the Government for consideration. GMCA are expecting a response to the submission in late October.

2.4 The current next stage in the GMCA process is different for each Investment Priority as follows:

- Communities and Place
  - LA Communities and Place Investment Plan template circulated to LAs for completion
  - LAs complete the template, identifying individual projects and a 3 year spend profile
  - LAs submit Communities and Place Investment Plans to GMCA by 26th September

- Local Business
  - GMCA Investment Priority leads engaging directly with LAs to establish need and projects.
  - Projects may be commissioned directly by GMCA where appropriate

- People & Skills
  - The majority of the expenditure for People and Skills is profiled for 2024-25 due to ongoing EU funding programmes due to finish by the end of 2023. As such, the next stages of this element of the UKSPF are still to be clarified.

2.5 The timeline for when funding will become available for each of the three UKSPF Investment Priorities (Communities and Place, Local Business and People and Skills) is different for each.

2.6 The first tranche of funding is available for the Communities and Place Investment Priority, including spend in 2022/2023 (Year 1), hence the focus on each LA producing their Communities and Place Investment Plans. Planning for UKSPF spend in Years 2 and 3 for the two remaining Investment Priorities of Local Business and People and Skills will follow within the next few months or by mid-2023 respectively. It should also be noted that under the Shared Prosperity Fund, there is no requirement for the Council to provide any level of match funding.

3. SME Workspace Fund

3.1 GMCA is also developing a separate SME Workspace Fund. The Workspace Fund for GM totals £15m and is designed to create the conditions in which small businesses can grow and develop across the conurbation. This may take the form of designing or creating shared workspaces within individual areas. The spend profile for the Fund is:

· 2022/23 £2m
· 2023/24 £3m
· 2024/25 £10m

3.2 For the SME Workspace Fund, spend can be both Capital and Revenue, however a maximum of 50% Revenue is permitted across the programme. Benefiting Schemes must be Local Authority led. In view of the tight timescales for spend during the current financial year, the GMCA set a date for initial submissions of 10 October 2022 to the Fund. The Development and Estates Team have taken a lead role in preparing information for a bid. There is no specific funding allocation for Local Authorities and assignment of any funding will be on a competitive basis.

4. Interventions

4.1 The three UKSPF Investment Priorities of Communities and Place, Local Business and People and Skills are being supported by what have been labelled as interventions. Table 1 details each of the agreed GM interventions which underpin each of the three UKSPF Investment Priorities, each of which has a range of associated outputs and outcomes.

4.2 Local Authorities who wish to access the available funding for their area were requested to develop a series of projects under the Communities and Place Investment Priority which are supported by the interventions E1, E3 and E6 and separately for the SME Workspace Fund under intervention E11.

Table 1 – UKSPF Communities and Place Interventions - GMCA

Communities and Place	Local Business	People and Skills
E1 – Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs. (capital and revenue)	E19 – Investment in research and development at the local level	E33 – Employment support for economically inactive people
E3 – Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces	E23 - Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.	E34 – Courses including basic, life and career skills
E6 –Support for local arts, cultural, heritage and creative activities.	E22 – Enterprise infrastructure and employment/innovation sites	E37 – tailored support for the employed to access courses
E11 – Investment in capacity building and infrastructure support for local civil society and community groups	E26 – Growing the social economy	

5. Trafford Communities and Place Investment Plan

5.1 GMCA has requested that LA's prepare their own Investment Plan for the Communities and Place Investment Priority covering the interventions of E1, E3 and E6. Trafford's Communities and Place Investment Plan is attached as Appendix 1. Trafford's draft Communities and Place Investment Plan has previously been shared with the Executive when it was sent on the 9 September.

5.2 Intervention E11 which has a focus on VCSE capacity building/infrastructure, is being developed separately and therefore does not form part of the Investment Plan for Communities and Place. Communities and Place is currently the only Investment Priority with a LA allocation which for Trafford is set out in Table 2 below.

Table 2 – Trafford Allocation under Communities and Place Intervention

2022/2023	2023/2024	2024/2025	Total
£484,734	£653,814	£629,484	£1,768,032

5.3 When considering the split of revenue and capital within the overarching GM Investment Plan, an indicative split has been set as per Table 3 below:

Table 3 – GM Investment Plan – Revenue and Capital Split

Year	Revenue %	Capital %
2022-23	90%	10%
2023-24	87%	13%
2024-25	80%	20%

5.4 Discussions have taken place with the GMCA with regards to the revenue and capital splits of the funding and GMCA confirmed that it set the lowest possible split for revenue and capital. It was considered that this approach would allow the greatest flexibility and also acknowledges that at the time of submitting the GMCA Investment Plan only limited information was known about the future potential projects to be submitted by each LA. Therefore, the focus of the Trafford Communities and Place Investment Plan has been on projects that meet Corporate Priorities and local need, irrespective of minimum revenue and capital splits.

5.5 The Inclusive Economy and Communities Team (IECT) has engaged with a wide range of relevant departments since June 2022 to develop the Trafford Communities and Place Investment Plan. These have included Leisure, Health, Customer Service, Libraries and Culture, Development and Estates, Strategic Partnerships and Policy, Finance and Communications. A summary of the projects contained within the Communities and Place Investment Plan are as follows:

Table 4 Trafford Communities and Place Investment Plan - Projects

Project and Bid Amount	Project Detail
Inclusive and Vibrant Town Centres Investment Programme Project Cost= £626,863	Developing a programme of revenue investment in Trafford's town centres, to ensure that they are inclusive, with an improved offer for all groups that boosts footfall, spend and visitor numbers. Projects will include: 1. Marketing & promotion. 2. Town centre performance analytics to help inform the programme and future opportunities 2. Commissioning a night-time economy audit and action plan, delivering initiatives to support the growth of the night-time economy 3. Undertaking a comprehensive review and updating of the Council's Invest in Trafford website to have a greater focus on town centre activities and encouraging greater inward investment and enhanced marketing of the area for visitors. Developing a programme of capital investment in Trafford's town centres, to ensure that they are inclusive, with an improved offer for all groups that boosts footfall, spend and visitor numbers. projects

	will include the following works: 1. Funding accessibility improvements identified in the accessibility audit 2. Funding smaller capital schemes such as hard and soft landscaping, improved signage identified recently by the review of the Sale Public Realm and Movement Strategy, 3. Capital improvements identified by the updating of the Sale Moor and Hale Place Plans from April 2023 4 A town centre capital improvement fund, including investment in refurbishment of retail premises and public realm 5.Funding a project manager to oversee the capital scheme management (10% of the overall budget has been assigned to this).
Greening Trafford Park Project Cost = £249,000	Following on from the low Carbon studies recently undertaken on Trafford Park, the project will have a focus on supporting a number of actions to create green vibrant spaces, reducing emissions and improve the general environment in Trafford Park.
Active Trafford Project Cost = £259,000	The project's aim will be to develop clear pathways into active travel through social prescribing, specifically linking areas with high levels of deprivation and health inequalities into local walking and cycling infrastructure. The project will help promote behaviour change support via social prescribing link workers; access to cycles, equipment and cycle training; and improve the public realm for pedestrians. In addition, resources are to be made available to help the co-ordination of a placed based approach to sport, physical activity and movement and wider health and wellbeing outcomes.
Cycle Hub Project Cost= £165,000	The project would enable a leisure centre to become an active travel hub through the creation of a cycle hub. This would support onward active travel journeys and footfall into the leisure centre. The provision of the cycle hub would promote and help embed the active travel agenda and behaviour change.
Creative Trafford Project Cost = £199,606	The Creative Trafford project will comprise of three linked elements which will see the delivery of community festivals, provision of creative spaces and the creation of a talent development programme. Creative Trafford will aim to bring about pride in the area through the engagement of communities across Trafford who will be supported to develop and deliver their own events and build on existing plans to develop a greater art offering within Trafford including through the provision of arts spaces and performances.

Public Health through Art Project Cost = £42,072	The Public Health Through Art project would be delivered through two elements: • Artwork to be created in a number of locations within the borough with a local artist in collaboration with community groups/schools with guidance from Public Health, supported by the Community Engagement team. Each piece of artwork to have a focus on a decided health priority for that area. To be displayed in community spaces - Hubs, Libraries, GPs, Schools. • Educational films to be produced using local film makers. Films to target ethnic minority communities to address the subjects of LARCs and STIs/HIV. Films to include the experiences from members of the targeted communities and advice from trusted community leaders and professionals.
Libraries Community Engagement Programme Project Cost = £60,000	The Libraries Community Engagement Programme will see the enhancement of the Trafford Libraries community engagement offer which will include provision for a temporary community engagement and events/activities role (18months) to build on what libraries already offer and expand this provision, while working towards embedding more sustainable and efficient planning and delivery for cultural events and activities within the service (upskilling existing staff within our services in the process).
Trafford Heritage Programme Project Cost = £71,760	The Trafford Heritage Programme will be delivered through three connected approaches: • Archives and Local Heritage Exhibition programme: Partner with local history and/or community groups to identify and co-curate material to appear in both permanent and temporary displays in Local Studies. With an emphasis on equality, diversity, and inclusion, these exhibitions would provide interactive and accessible platforms for engaging with the history of Trafford and its communities. • Community Heritage Partnership programme: Foster a deeper engagement with local history and Trafford community groups through a formal research and community lecture

	programme. Organised by Local Studies and available to all members of the public, this programme will create new opportunities for the archive and heritage collections to be studied, and for new perspectives to be shared. • Archives and Local Heritage Internship programme: Employ interns at a Further Education and/or University level to catalogue and repackage Local Studies Archive collections. This summer programme would provide students with paid employment, and the opportunity to gain critical professional skills in the GLAM (Galleries, Libraries, Archives and Museum) sector. It would also provide staff with the opportunity to establish and/or further develop mentorship skills. Outputs would be published on the Local Studies department website and appear in the collections catalogue, which in the long-term would provide increased accessibility for the Trafford community.
Social Value Co-ordination Project Cost = £94,500	This project will see the creation of a social value coordination role in Trafford to manage, deliver and monitor Trafford's Social Value Charter and action plan. The role would increase the benefits of social value for the VCFSE sector and our communities by delivering a brokerage service between businesses and VCFSE organisations/ communities ensuring identified needs were prioritised to be met from social value offers from businesses.

5.6 Due to timescales set down by the GMCA, Trafford had to submit the Trafford Communities and Place Investment Plan and the supporting financial submission document on the 26 September 2022. Prior to this, the Executive had been informed and consulted through a Briefing Note provided on 19 August 2022, and on the completed Draft Investment Plan distributed on 9 September 2022. GMCA will meet to consider the summaries of each Local Authorities Communities and Place Investment Plans and consider recommendation(s) of the LPB on the 28 October which will follow the formal approval of the Council's Communities and Place Investment Plan on the 24 October.

5.7 In addition and as advised by the GMCA, the three MP's covering the borough have also been consulted and were sent the draft Communities and Place Investment Plan on the 13 September following Executive review.

6. Next Steps for the Communities and Place Investment Plans and GM Overarching Investment Plan

6.1 Table 5 below sets out the process followed and next steps in relation to Communities and Place Investment Plan and highlights the likely timescale that GM will seek approval from government for the overarching Investment Plan.

Table 5 – Timetable and Next Steps – Communities and Place Investment Plans

Activity	Timeline
Submission of Communities and Place Investment Plans to GMCA	26 September
GMCA aggregate all Communities and Place Investment Plans to ensure GM level indicative expenditure and outcome/output profile set out in the GMCA Investment Plan has been achieved	Early October
Communities and Place Investment Plans submitted to the Local Partnership Board (LPB) for comments and any recommendations to be followed up	19 October
GMCA meet to consider the summaries of each Local Authorities Communities and Place Investment Plans and consider recommendation(s) of the LPB.	28 October
GMCA seek approval of final overarching Investment Plan from government	Late October
Individual grants and legal agreements signed off between GMCA and Local Authorities	Late October/Early November
Commencement of projects	Early/mid November

Other Options

A long list of projects were initially developed and through close working with all relevant departments, these were narrowed down to ensure they met the available funding allocation for Trafford and the Communities and Place interventions set by GMCA.

In addition, an option was considered of bringing individual reports forward which contained projects in support of the Local Business and People and Skills Investment Priorities to the Executive but given the limited timescales that may be available, it is proposed that delegated authority is given to officers to submit the proposals in consultation with the Executive Member.

Consultation

There has been significant consultation and engagement carried out with a range of Council departments, the Executive and MPs to build a robust and coherent Trafford Communities and Place Investment Plan. In developing projects for the Local Business and People and Skills Investment Priorities it is expected that a similar, comprehensive approach to consultation will be carried out before any submission takes place.

Reasons for Recommendation

Through submitting a comprehensive Trafford Communities and Place Investment Plan, Trafford will benefit from significant funding being awarded to the borough to deliver a wide range of projects that meet Corporate Priorities and local need.

By seeking delegated authority from the Executive, the Council will be able to submit projects in a timely manner for the Local Business and People and Skills Investment Priorities as well as the Communities and Place Investment Priority, as they are launched.

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

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

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*

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

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Appendix 1 – Shared Prosperity Fund Proposal and Projects

Trafford Borough Council
Mark Bamford
Principal Inclusive Economy and Communities Officer

Telephone	07989 208 306
Email	mark.bamford@trafford.gov.uk

The Inclusive Economy and Communities Team engaged with appropriate teams and external partners in June 2022 to start to build a programme of activity to form the basis of Trafford's Investment Plan. In developing the proposals, the Council has closely aligned its aspirations to the overarching interventions.

Specifically, when considering the Communities and Place proposal the following interventions are the focus of Trafford's focus:

E1 – Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs. (capital and revenue).

E3 – Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.

E6 –Support for local arts, cultural, heritage and creative activities.

Set out below is an overview of the Council's approach to the Communities and Place focus for the UKSPF.

Inclusive and Vibrant Town Centres Investment Programme

There is an ongoing need to assist our town centres to remain resilient and sustainable. The Covid pandemic proved a significant challenge to the health and resilience of the town centres within Trafford which further compounded the challenges previously faced such as the effects of online shopping. There is now a need to recreate these spaces as more than just retail spaces and to provide safe, welcoming spaces that people wish to visit for both retail and social needs.

The need for support is evident in some of the statistics, for example vacancy rates across each of the 4 town centres and Partington remain higher than the average vacancy rates. Footfall remains subdued and the continued increase in online sales is having an impact on the physical stores.

It is proposed that an Inclusive Vibrant Town Centres Programme is developed and delivered to address the needs of our town centres which will be supported through a mix of revenue and capital investment.

The programme will have a revenue funding element and will include enhanced marketing and promotion activity building on the activity funded by the Welcome Back Fund and will utilise town centre performance analytics to help inform the programme and future activities. In addition, a night-time economy audit will be undertaken and an action plan will be delivered to support the growth of the night-time economy. A comprehensive review of the Council's Invest in Trafford website will be undertaken to ensure a greater focus on town centre activities and encouraging greater inward investment and enhanced marketing of the area for visitors.

The capital elements of the programme will include funding accessibility improvements identified in the accessibility audit of town centres along with funding smaller capital schemes such as hard and soft landscaping, improved signage identified recently by the review of the Sale Public Realm and Movement Strategy and potential capital improvements identified by the updating of the Sale Moor and Hale Place Plans from April 2023. The programme will also support a town centre capital improvement fund, including investment in refurbishment of retail premises and public realm. The capital elements will be supported by a dedicated project management resource.

Creative Trafford

The Creative Trafford project will comprise of three linked elements which will see the delivery of community festivals, provision of creative spaces and the creation of a talent development programme. Creative Trafford will aim to bring about pride in the area through the engagement of communities across Trafford who will be supported to develop and deliver their own events and build on existing plans to develop a greater art offering within Trafford including through the provision of arts spaces and performances.

Public Health through Art
The Public Health Through Art project would be delivered through two elements:

- **Art Installations:** Artwork to be created in a number of locations within the borough with a local artist in collaboration with community groups/schools with guidance from Public Health, supported by the Community Engagement team. Each piece of artwork to have a focus on a decided health priority for that area. To be displayed in community spaces - Hubs, Libraries, GPs, Schools.

- **Sexual Health Educational Films:** Educational films to be produced using local film makers. Films to target ethnic minority communities to address the subjects of LARCs and STIs/HIV. Films to include the experiences from members of the targeted communities and advice from trusted community leaders and professionals

Libraries Community Engagement Programme

The Libraries Community Engagement Programme will see the enhancement of the Trafford Libraries community engagement offer which will include provision for a temporary community engagement and events/activities role (18months) to build on what libraries already offer and expand this provision, while working towards embedding more sustainable and efficient planning and delivery for cultural events and activities within the service (upskilling existing staff within our services in the process).

Trafford Heritage Programme

The Trafford Heritage Programme will be delivered through three connected approaches:

- **Archives and Local Heritage Exhibition programme:** Partner with local history and/or community groups to identify and co-curate material to appear in both permanent and temporary displays in Local Studies. With an emphasis on equality, diversity, and inclusion, these exhibitions would provide interactive and accessible platforms for engaging with the history of Trafford and its communities.

- **Community Heritage Partnership programme:** Foster a deeper engagement with local history and Trafford community groups through a formal research and community lecture programme. Organised by Local Studies and available to all members of the public, this programme will create new opportunities for the archive and heritage collections to be studied, and for new perspectives to be shared.

- **Archives and Local Heritage Internship programme:** Employ interns at a Further Education and/or University level to catalogue and repackage Local Studies Archive collections. This summer programme would provide students with paid employment, and the opportunity to gain critical professional skills in the GLAM (Galleries, Libraries, Archives and Museum) sector. It would also provide staff with the opportunity to establish and/or further develop mentorship skills. Outputs would be published on the Local Studies department website and appear in the collections catalogue, which in the long-term would provide increased accessibility for the Trafford community.

Active Trafford

The project's aim will be to develop clear pathways into active travel through social prescribing, specifically linking areas with high levels of deprivation and health inequalities into local walking and cycling infrastructure. The project will help promote behaviour change support via social prescribing link workers; access to cycles, equipment and cycle training; and improve the public realm for pedestrians. In addition, resources are to be made available to help the co-ordination of a placed based approach to sport, physical activity and movement and wider health and wellbeing outcomes.

Cycle Hub

The project would enable a leisure centre to become an active travel hub through the creation of a cycle hub. This would support onward active travel journeys and footfall into the leisure centre. The provision of the cycle hub would promote and help embed the active travel agenda and behaviour change.

Greening Trafford Park

Following on from the low Carbon studies recently undertaken on Trafford Park, the project will have a focus on supporting a number of actions to create green vibrant spaces, reducing emissions and improve the general environment in Trafford Park.

Social Value Co-ordination

This project will see the creation of a social value coordination role in Trafford to manage, deliver and monitor Trafford's Social Value Charter and action plan. The role would increase the benefits of social value for the VCFSE sector and our communities by delivering a brokerage service between businesses and VCFSE organisations/

communities ensuring identified needs were prioritised to be met from social value offers from businesses.

- *Aligns with other elements of the UK Shared Prosperity Fund*
- *Support the Greater Manchester Strategy (GMS) Shared Commitments and Ways of Working Delivers against your Local Strategic Priorities*
- *Complements other funding streams*
- *Maximises leverage*

The proposals Trafford Council has formed have a strong alignment to the other elements of the UK Shared Prosperity Fund.

In developing the proposals Trafford has been mindful of the Government's intention to level up all parts of the UK and as such, the proposals that Trafford has developed meet the needs of the UK Shared Prosperity Fund and the Government's Levelling Up Objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

Trafford's proposals are wholly aligned with the Government's primary UK SPF goal 'to build pride in place and increase life chances across the UK'.

The Council has also been cognisant of Greater Manchester's Strategy (GMS) Shared Commitments and Ways of Working when considering how to formulate its proposals. In particular the proposals that have been generated have close alignment to the following commitments:

- Create a carbon neutral city region by 2038, with better air quality and natural environment
- Realise the opportunities from our world-class growth and innovation assets, enabled by specific plans including Places for Everyone plan, Local Growth Plans, and Industrial Strategy to open up opportunities in all parts of the city-region
- Support our businesses to grow sustainably, to become as prosperous as they can be
- Support the creation of better jobs and good employment that has a purpose beyond growing shareholder value, utilising the opportunity to make a positive difference to our communities.
- Tackle food and fuel poverty experienced by Greater Manchester residents
- Reduce health inequalities and improve both physical and mental health
- Drive investment into our growth locations, and use that to create opportunities in adjacent town and local centres
- Enable resilient, safe, and vibrant communities where everyone has access to essential services, with local centres and high streets which are successful and reflective of their populations, and access to high quality leisure spaces

The proposals also complement a range of other funding streams the Council has used to deliver against the proposals including Future High Streets Funding, Welcome Back Funding, Reopening High Streets Funding and there are strong links with the three

funding bids the Council has submitted to the Levelling Up Fund in August 2022. In developing the proposal and projects the Council has also been mindful of the Five Foundations which underpin the GM Local Industrial Strategy.

- *Move Greater Manchester closer to its 2038 Net Zero Carbon target*
- *Reduce the inequalities that exist within GM, including as outlined in GMS*
- *Will deliver social value*

The Council will ensure that all proposals that it seeks funding for under the Shared Prosperity Fund will move Greater Manchester closer to its 2038 Net Zero Carbon budget through considering opportunities for reduction of carbon as a core element within its project management approach. Each project put forward will be assessed against the opportunity to reduce carbon emissions and in addition, the Council has included a number of specific projects including the Greening Trafford Park project which will have as their overriding objective to minimise and offset carbon emissions.

In addition, when considering which proposals to put forward, the Council has had a strong focus on addressing inequalities as a focus for all of its proposals ensuring that activities will be focussed on those geographies and areas that need the most assistance. A number of the projects put forward seek to promote community cohesion and are built with an inclusive approach as their foundation to success.

As part of the proposal, the Council seeks to establish itself as a beacon of good practice in relation to Social Value and will utilise the funding to appoint specialist Social Value co-ordination support to deliver actions contained in the emerging Social Value Charter and Action Plan. The Action Plan will see strong co-ordination of the needs of Trafford's communities being highlighted to businesses who contract with the Council and as such, will ensure that the prioritised needs are addressed through Social Value activities.

Please describe how you have engaged with local stakeholders (public, private, HE/FE, civil society orgs, MPs etc) in the development of your proposal and how you will consider the potential role of the VCSE sector in delivery of your proposals, in line with the GM Accord.

The Council has shared its proposals being put forward under the Shared Prosperity Fund with a wide range of public, private and VCFSE sectors to ensure that its proposals were reflective and responsive to their needs.

The Council will endeavour to provide regular updates to partners throughout the three year term of delivery to ensure that they have ongoing opportunities to be updated of progress and to ensure their input in to how the projects can be delivered and improved can be recognised.

The proposal and associated projects has been shared with the local MPs to gain their feedback.

How will you deliver your public sector equality duty in implementing your proposal and specific projects?

The Council in delivering against the proposals it has put forward, will ensure the objectives as set out in the Equality Act 2010 with regards to its Public Sector Equality Duty are adhered to, the Council will ensure that it seeks to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

All proposals must also consider how they will deliver in line with subsidy control as set out in the guidance.
All projects will need to be delivered in line with the Subsidy Control Act and this will be part of your responsibilities in the Grant Funding Agreement.
Please confirm you have considered this as part of your proposal.

In developing the proposal and associated supporting projects, the Council has considered Subsidy Control as part of the development of the schemes. It is envisaged that the vast majority of the projects which support the proposal will not be considered to have any implications under the Subsidy Control Act 2022. The limited number of projects that may have to consider the Subsidy Control Act 2022, such as the town centre capital improvement fund, will consider how best to address the implications of Subsidy Control during the scheme's detailed development where specialist legal advice may be sought to ensure the scheme is in compliance with the Subsidy Control Act 2022.

Please explain what processes you will have in place to ensure that your proposal will :

- Deliver within the required timescales (particularly in relation to delivery in Year 1 – 22/23)
- Meet the agreed UKSPF outputs and outcomes
- Meet the agreed expenditure profile

The proposal and associated projects have been developed to take account of the need to deliver the programme within a three-year timeframe. Where possible, funding of projects will commence in the last quarter of 2022/23 and is primarily focussed on revenue expenditure. Projects which have a greater focus on capital delivery have been planned to be delivered in the last two years of the three-year programme to take account of the longer lead in time to deliver on capital projects. Through careful forward planning of the projects, the Council is confident it will meet the agreed expenditure profile required under SPF.

Each of the projects put forward has been assessed against how they will contribute to the GM outputs and outcomes prescribed with data, where available, put forward as to how Trafford will play a strong role in helping GM meet its wider targets that it is negotiating with Central Government.

To ensure that all UKSPF proposals are compliant with government guidance, contribute to the required outputs and outcomes set out in the GM UKSPF Investment Plan, and enable GMCA to fulfil the reporting and performance management guidelines as set out by DLUHC, GMCA will need to collect a range of information on all UKSPF projects that will be delivered across GM.

Whilst specific reporting and monitoring requirements set out by DLUHC will be detailed as part of the grant funding arrangements and confirmed by Government later this year, capturing a level of information on specific projects that make up LA proposals at this stage will help GMCA to ensure we can achieve the expenditure and outcomes and outputs profiles we submitted within the GM UKSPF Investment Plan.

This includes.

- *Project name*
- *Overview of project*

- *Likely impact of the project*
- *Expenditure profile (cap/rev)*
- *Output and outcome profile*
- *Delivery timescales and risk management*

Please note, while there is no expectation that the information provided at this stage in the process will cover the full 3-year delivery period, an outline of projects to be delivered in the first 18 months would allow GMCA UKSPF team to refine the indicative expenditure/output and outcome profile submitted within the GM UKSPF Investment Plan.

This will then be reviewed and updated on a regular basis (likely to be 6-month review points) to ensure GMCA is fulfilling DLUHCs reporting and forecasting requirements for UKSPF.

Please detail the internal governance approval/sign-off process for this proposal
The proposal and associated projects have been considered by the Council's Corporate Leadership Team and by relevant Executive Members. The proposal and the associated projects will be considered at a formal meeting of the Council's Executive in October 2022.

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TRAFFORD COUNCIL

Report to: **Executive**
Date: **24 October 2022**
Report for: **Decision**
Report author: **Corporate Director for Place**

Report Title

Trafford Social Value Charter and Draft Social Value Action Plan

Summary

The report provides an update on Social Value in Trafford and how the approach to developing and implementing social value measures will be set by the Trafford Social Value Charter and accompanying outline draft Social Value Action Plan.

Recommendation(s)

It is recommended that the Executive:

(i) Approves the Trafford Social Value Charter.
(ii) Approves the outline draft Social Value Action Plan.

Contact person for access to background papers and further information:

Oliver Shimell (Inclusive Economy and Communities Manager) 07814060170
Nidi Etim (Principal Inclusive Economy and Communities Officer) 01619124085

Appendices

Appendix 1 Trafford Social Value Charter
Appendix 2 Outline Draft Social Value Action Plan
Appendix 3 STAR Trafford Annual Achievements Report 2021-2022

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	The Social Value Charter and Action Plan are closely aligned to the Council's three Corporate Priorities and are explicitly referenced in the draft Charter.
Relationship to GM Policy or Strategy Framework	The Charter and Action Plan have strong links to the Combined Authority's Social Value definition.
Financial	The delivery of the Action Plan will require additional resources and as part of the report, the Shared Prosperity Fund has been highlighted as a potential opportunity for short term funding.
Legal Implications:	The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it. The Charter and Action Plan are key ways in which the Council is able to demonstrate its compliance with the Act.
Equality/Diversity Implications	None as a consequence of this report.
Sustainability Implications	There is the ongoing opportunity to ensure the offers made through Social Value have a clear remit to ensure sustainability is embedded in all activities where possible.
Carbon Reduction	There is the ongoing opportunity to ensure the offers made through Social Value and are able to assist and help promote carbon reduction activities within Trafford's communities.
Resource Implications e.g. Staffing / ICT / Assets	Additional resources are being investigated to ensure there is a coordinating role of the Social Value Charter and Action Plan.
Risk Management Implications	None as a consequence of this report.
Health & Wellbeing Implications	There is the ongoing opportunity to ensure the offers made through Social Value and are able to assist and help promote health and wellbeing within Trafford's communities.
Health and Safety Implications	None as a consequence of this report.

1. Background

1.1 Social Value is commonly seen in the context of deriving benefits from public sector contracts which generate social, economic and environmental benefits for local communities at no extra cost to the Council.

1.2 Social Value should both support and help drive all aspects of the recovery from the Covid pandemic and more recently the Cost-of-Living Crisis. There is an ongoing need to embed the wider consideration of Social Value in all parts of the Council and within partner organisations' activities and as such it is timely to develop a Social Value Charter and supporting Action Plan.

1.3 This report sets out the progress made to date in developing Social Value across Trafford. It is considered that producing a Social Value Charter and associated Action Plan will enable Trafford and its partners to build on the good work already delivered in this area.

2. Current Approach to Social Value

2.1 **STAR**

STAR Procurement has partnered with a number of Councils in Greater Manchester and exists to provide a high-quality procurement and consultancy service for the organisations it works with, that deliver real and tangible transformation and improvements within the area they serve. STAR Procurement invested in the Social Value Portal in April 2019 which captures measures and reports on Social Value delivered through procured contracts. This has resulted in automated processes and practices and has enabled the wider workforce to work more closely with Social Value through robust contract management. By considering Social Value at the outset, STAR Procurement working alongside the Councils it is partnered with, is able to maximise the return from money that is spent on 3rd party contracts. The results are reported quarterly through 5 STAR Measures at the STAR Board and Joint Committee. The measures are also shared periodically with the Trafford Audit Committee. The STAR Procurement Annual Achievements Report for 2021-2022 is set out in Appendix 3 to the report.

2.2 The Social Value Maturity Index is a self-assessment tool which measures how far Social Value has been embedded within an organisation. In February 2021, an assessment was undertaken and reported to the Council's Corporate Leadership Team. At that time the Council was assessed as overall "developing to becoming an innovator". The five stages are:-

O: Minimum
1: Developing
2: Mature
3: Leader
4: Innovator

An action plan has been devised which references where we are in the Social Value maturity index against key themes. The Action plan also includes:-

- Ensuring managing and delivering Social Value as a responsibility for all officers including Social Value as a KPI in committee meetings and papers
- Updating Themes, Outcomes, Measures (TOMS) for local priorities annually, consult stakeholder and public sector bodies as part of the process
- Applying Social Value to all aspects of the Council e.g. grants planning etc.
- Creating a Social Value Steering Group with representation from across the Council and partner organisations.

2.3 STAR adopted the Themes, Outcomes, Measures (TOMS) approach in April 2019 in line with the implementation of the Social Value Portal to measure Social Value and apply it to all contracts over £50k. The TOMS are used to chart how well the Council and STAR, through the procurement process, are performing against the Social Value Maturity Index. It should be noted that the TOMS will continue to be assessed to ensure they are the most pertinent measures for Trafford. The assessments will take place jointly between the council and STAR Procurement.

2.4 **Trafford**
It is recognised that a cohesive and inclusive approach to Social Value is needed across the whole of the Council. A number of different teams are currently working to some extent on Social Value aspects, but it is crucial that this work is brought together and coordinated effectively to ensure benefits for the Council and the wider community.

2.5 There are significant benefits to be achieved from an effective Social Value process for both communities and businesses within Trafford. Section 3 of the report sets out a brief overview of a number of outcomes from good Social Value practice within Trafford.

2.6 The TOMS provide a useful measurement of progress against a range of measures for Social Value for both the Council and STAR Procurement, however, there is the opportunity to undertake more specific activities in linking the needs of Trafford's communities with the Social Value provision generated from companies contracting with the Council.

2.7 The Inclusive Economy and Communities Team have consulted with a range of local communities over the summer with a focus on the borough's Community Hubs about what their priority needs are in order to guide where assistance and offers of help and information can be provided. It is intended that this information will be collected on a regular basis and used to communicate with businesses as to where they should focus their Social Value commitments.

2.8 The initial consultation generated the following priorities from communities:

- Social isolation- tackling mental health, reducing physical barriers and improving access to travel and improving digital inclusion
- Poverty- access to emergency support for households e.g. debt and benefit advice
- Food support- affordability, access to community based provision and also culturally appropriate food
- Employment support- more community based provision
- Community based support- working with local community assets and ensuring accessibility for all
- Business engagement- all community hubs who responded already had good links with local businesses and wanted to build on this

3. Social Value Outcomes Within Trafford

3.1 Working with STAR Procurement on ensuring there has been good Social Value outcomes for Trafford's communities and businesses has generated a number of positive outcomes. All contracts over £50K are reported through the Social Value Portal. Over the course of 2021/22, STAR Procurement working with Trafford, has achieved notable successes which align closely with the principles contained within the proposed Charter, a number of which are set out below:

- The cumulative value of Social Value offered is 53% i.e., for every £1 spent, the Council has been offered 53p back in Social Value
- Trafford has secured a total of £24m of Social Value to date
- Spend being retained within Trafford and Greater Manchester is 76.4%

3.2 Positive examples of Social Value working in Trafford are provided below:-

Support for Trafford Hong Kong newcomers

Trafford has a number of people settling in the area coming in from Hong Kong as part of the British Nationals overseas programme. Exact numbers are not known but this is estimated to be in the region of at least 1,500 people. Under the scheme newcomers have the right to work in the UK but do not have any separate recourse to public funds including Government benefits or free access to any adult education training (apart from ESOL). In August 2021 the Trafford Hong Kongers wrote to Trafford Council asking for help in settling into the area and helping newcomers to move into employment.

Trafford Council worked with partners to deliver employment support to the newcomers using key organisations Social Value commitments as they could not be signed up to any of the mainstream programmes. An employment support event was organised by Trafford Council at UA92 on the 16 November 2021 and was attended by over 200 Hong Kong newcomers looking for help to

get them into work. The event was supported by a number of organisations' using their Social Value commitments including: -

- The Growth Company who deliver several employment support programmes in GM had employment specialists on hand to provide one to one advice to people on CVs and job applications
- UA92 provided the venue for free and gave advice on how to apply to University
- Momentic and the Business Growth Hub provided business advisers to speak to those wanting to start or grow a business in the UK
- Trafford College Group provided advice to people on available training and how to convert their qualifications in the UK
- Two recruitment agencies provided advice on accessing the UK jobs market and signed up a number of people onto their books to work with them directly

The event was successful in helping a number of the Hong Kongers move forward into employment and has been followed up with further employment and business support events over the past few months. This support would not have been possible without being able to utilise Social Value commitments as the Hong Kong newcomers were ineligible for any of the mainstream support the organisations offer.

Trafford Carers Centre
Through a contract with Trafford Carers Centre, significant Social Value benefits will be realised within Trafford which include:

- Over 25 local people employed on a full time basis for a year or the whole duration of the contract.
- An apprentice will be employed each year of the contract
- A number of initiatives to be undertaken to support older, disabled and vulnerable people to build stronger community networks throughout the course of the contract.
- A number of initiatives will be undertaken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the local community.

4. Social Value Steering Group

4.1 The Trafford Social Value Steering Group has been established to meet Trafford Partnership's commitment to promote and drive forward Social Value throughout the organisation and the supply chain, to benefit the whole community.

4.2 The main objectives of the Social Value Steering Group are:

- To develop monitor, review and update the Social Value Action Plan.
- Establish clear Social Value priorities for Trafford, including priority areas/groups where appropriate.
- Map identified needs across the borough so that these can be referenced in any contracts that are awarded.
- Map what Social Value is already being delivered, where good practice already exists and identifying opportunities to grow Social Value.
- Optimise the potential of Social Value through the planning process and in contracts, to build local community and voluntary sector capacity.
- Raise awareness of Social Value opportunities for local businesses, VCSFE organisations and local communities.
- Influence decision making forums in Trafford to account for Social value and capture Social Value impact on major programmes.

4.3 The Group includes representatives from across the Council such as Health, Customer Service, Development Management and relevant partner organisations including Trafford College, Trafford Council and Trafford CCG, Trafford Partnership and STAR Procurement and is responsible for ensuring that a strategic approach is taken to Social Value. The Social Value Steering Group is chaired by the Inclusive Economy and Communities Manager who is the day-to-day lead within the area supported by officers within the Inclusive Economy and Communities Team.

5. Social Value Charter

5.1 The proposed Social Value Charter (see Appendix 1) has been developed by the Social Value Steering Group following a review of best practice and consideration of local priorities. The proposed Charter sets out a range of broad principles that Trafford and its partners will work towards to fully embed Social Value in their operations, to ensure both communities and businesses benefit from Social Value commitments. These include:

- All our residents will have access to quality learning, training and jobs
- All our communities will be happy, healthy and safe
- All our businesses both large and small and town centres will be supported to recover and flourish for the benefit of everyone

5.2 The proposed Social Value Charter identifies a range of areas for focus and identifies where organisations may choose to undertake initiatives to support Social Value in Trafford. These activities and initiatives do not necessarily have a financial focus as their core but set out a range of opportunities that businesses of all sizes may be able to help local communities in Trafford.

5.3 The Social Value Steering Group will be responsible for communicating and seeking further support for the Charter from all sectors, and in the delivery, monitoring and review of the Action Plan. Further support for the Charter will initially include encouraging partner organisations to also adopt the Charter and take lead roles in delivering elements of the Action plan.

6. Draft Social Value Action Plan

6.1 An outline draft Social Value Action Plan (see Appendix 2) has been developed to support the broad principles of the Charter. The Plan is a 'live' document and will be further reviewed and developed to ensure it meets corporate priorities and local need.

6.2 The Plan has been developed following a review of best practice from across other areas and blending activities that are already happening or due to take place in Trafford. For example, the "Preston Model", has been referenced in the outline Action Plan and demonstrates how Social Value benefits may be generated through the Planning system with examples given on how the Local Plan could consider including a policy on Social Value to encourage all developments above an agreed threshold to maximise Social Value in the area.

6.3 The draft Action Plan focusses on a number of broad themes which are set out below.

- Internal Management
- Engagement
- Policy and Scope
- Outcomes and Measures
- Commissioning
- Procurement
- Governance

6.4 These themes are based on the Social Value Maturity index assessment for Trafford which identifies Trafford's progress in embedding Social Value across all areas. It builds on the work already done by STAR Procurement and the Council in developing actions to address the themes with the ambition to move Trafford from the current performance level of "Developing" to the highest level of "Innovator".

6.5 The Action Plan references the current status of how Trafford is performing against the Social Value Maturity index and what the desired outcome is for each theme as well as setting out initial actions to move towards the desired outcome.

6.6 The responsibility for the monitoring and updating of the outline Action Plan will be the responsibility of the Social Value Steering Group. The Action plan will be a standing item on each agenda where updates will be requested with progress against actions shared both within the Council and with partner organisations.

6.7 Both within the council and with partners, there is a strong desire to fully embed Social Value but to undertake a comprehensive approach to driving forward the agenda it is recognised there will be a need for a dedicated resource. In order to address this requirement, a project has been put forward as part of Trafford's Shared Prosperity Communities and Place Investment Plan, which is considered in another item on the Executive agenda, to fund a dedicated Social Value Co-ordinator.

7. Next steps

7.1 Once formal agreement of the Social Value Charter and Action Plan has been achieved, both documents will be circulated to key partners on the Social Value Steering Group to gain formal agreement and adoption from their respective organisations. A press release will need to be issued highlighting the agreement of the Charter and highlighting key areas of the Action Plan to be taken forward. The Steering Group will continue to meet on a regular basis to oversee the delivery and development of the Action Plan in line with the principles of the Charter.

Other Options

Option One – Continue with no change
The option of not having a Social Value Charter and draft Action Plan has been considered but is not preferred as Charter and Action Plan allows for Trafford and partner organisations to clearly set out their aspirations for Social Value in Trafford.

Option Two- Use existing resources
The use of nominated Social Value leads across all departments has also been considered. This option is not preferred as it would not provide sufficient resource to drive Social Value across wider stakeholders and across the Trafford Partnership.

Consultation

To produce the Charter and Action Plan, significant engagement has taken place with members of the Social Value Steering Group which is made up of representatives from within the Council and partner organisations.

Reasons for Recommendation

Having in place a clear Social Value Charter and Action Plan clarifies the Council's and partners' aspirations of how Social Value can play a significant role in supporting existing and emerging community needs and will help guide businesses in delivering their social value commitments.

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

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

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

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*

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

Appendix 1 – Draft Trafford Social Value Charter

Trafford Social Value Charter

Social Value is Everyone's Business. This charter sets out Trafford Partnership's commitment to delivering a Social Value vision where a range of partners including Trafford Borough Council, Trafford College, businesses and Voluntary, Community, Faith and Social Enterprise (VCFSE) partners work together for the benefit of the citizens and communities of Trafford.

We are committed to developing an ethical and sustainable future for our borough, a borough where people are proud to live and work.

The Social Value Charter will assist to help meet the Vision:-

Trafford - where all our residents, communities & businesses prosper

Trafford's Social Value Charter is seen as a key way in which we will meet a range of partners' priorities and also help meet Trafford Borough Council's three Corporate Priorities:

1. Reducing health inequalities
2. Supporting people out of poverty
3. Addressing our climate crisis

The Social Value Charter will be a key tool in ensuring our priorities remain focussed and the following key outcomes are met:

- All our residents will have access to quality learning, training and jobs
- All our communities will be happy, healthy and safe
- All our businesses both large and small and town centres will be supported to recover and flourish for the benefit of everyone

Why do we have a Social Value Charter?

The Social Value Charter has been developed to set out a range of partners' ambitions to support the principles of Social Value through the activities we all undertake throughout the borough on behalf of and in partnership with a range of stakeholders.

The Charter will serve as an expression of a common commitment to our ambitions. It will provide a baseline for good practice that can be built upon over the coming years and provide both strategic and operational encouragement to take the actions necessary to deliver the Trafford that we all want.

Our Promise

To achieve this we will:

- Ensure Social Value is embedded within our organisations and throughout our supply chain.
- Ensure staff are well trained, motivated, supported and understand Social Value principles and relevance.
- Engage with our local communities and service users to consult with them to get their voices heard and have a say in what they want ensuring citizen empowerment;
- Work to support sustainable development through policies and strategies approved by our organisations' governance arrangements
- Work towards being real living wage employers and encourage our providers who work with us to do the same to improve living standards and opportunities for employees and their families

To ensure Social Value is embedded we have an established Social Value Steering Group which consists of representatives from a range of organisations within Trafford. The group is responsible for embedding Social Value throughout the organisations and supply chains to benefit the whole community.

Wider Social Value Activity

Within Trafford Borough Council, the Trafford Pledge encourages businesses to sign up commit to supporting the residents of Trafford into employment by offering a job, recruiting an apprentice, offering work experience or mentoring a young person with particular regard to priority groups. As part of the Social Value Steering Group we will develop an approach that seeks to match Social Value offers of help and support with the communities that highlight where that help and support is needed most.

Thrive Trafford, delivered by Pulse Regeneration; provides support to VCFSE Sector organisations and communities in Trafford. Thrive Trafford are developing a sustainable Strategy supporting the VCSE Sector and promoting volunteering.

Thrive Trafford provides a unique opportunity to work with all partners in Trafford and beyond, including statutory, private sector, and third sector organisations, to help make a step change and create long lasting impact with Social Value a cornerstone of this approach.

Social Value through Procurement

Trafford Council spend approximately £130m per annum with businesses and organisations that provide works, supplies, and services. We want them to play an active part in their communities to build ambition, resilience, skills and prosperity so that they flourish. We also want the opportunities of contracts to be accessible to smaller, Trafford based businesses wherever possible.

The Council's procurement team, STAR Procurement are Chartered Institute of Purchase and Supply Corporate (CIPS) Ethics Certified and we will ensure and maximise the community benefit by:

- Including Social Value in every procurement opportunity where relevant and proportionate and attribute a minimum weighting of 15% with an overall target of 20%, in all competitive procurement activity with a total agreement value in excess of £25k where applicable & appropriate
- Ensuring all providers and suppliers adhere to our ethical standards and eradication of modern slavery
- Using the Social Value Portal to record and monitor suppliers' Social Value commitments for all competitive procurement activity with a total agreement value in excess of £50k

Social Value Journey

Embedding of Social Value is considered as a journey for the wider Trafford area and as such, over time it is considered that the Social Value Charter will develop and respond to best practice in this area to ensure the needs of residents and businesses throughout Trafford are met and exceeded.

The Social Value Charter is supported by the Social Value Action Plan which ensures the ambitions of the Charter are delivered on the ground.

Part of the role of the Charter is to help improve the knowledge of the opportunities in how those involved in Social Value activity within the borough can promote and enact the principles of Social Value. Suggestions for potential partners have been included within this Charter set out within Annex A and can be used to promote and raise awareness with partners that there are a wide range of opportunities for them to deliver and benefit local communities with their Social Value commitments.

Annexe A – Social Value Potential Activities

Set out below in themes, are a number of activities and initiatives that local organisations can support Social Value in Trafford. The outline Social Value Action Plan which supports the Charter will attempt to address a number of the opportunities below and also promote the opportunities to organisations within Trafford.

Create employment and training opportunities for people in Trafford and be a good employer

- Maximising employment and training opportunities locally
- Encourage the creation of local employment opportunities, training opportunities and apprenticeships as part of procurement and sub-contracting arrangements
- Establish an employee volunteering scheme that develops competence in your workforce and provides labour and skills in communities
- Create employment and training opportunities, including recruiting people who might often be excluded, including supporting people into work through targeted training and placement opportunities
- Work with schools to ensure that the young people of Trafford develop the skills to succeed in the labour market
- Develop a motivated and capable work force by supporting staff development and welfare and rewarding workers fairly
- Pay employees fairly, aim for the Real Living Wage; use fair contracts

Grow and strengthen the local economy by investing the Trafford pound in Trafford

- Grow and strengthen the local economy through a focus on local suppliers and the growth of the local infrastructure
- Support the local economy by choosing suppliers close to the point of service delivery where possible
- Encourage out of town suppliers to invest in the local economy through their supply chain
- Encourage your suppliers to endorse the principle of local investment throughout their supply chains.
- Create a culture where Trafford businesses look to other Trafford businesses to meet their needs

Be sustainable, fair and ethical

- Recognise the environment as an important asset
- Seeing the place you do business and operate in as an asset that needs to be valued now and for the future
- Minimise waste and energy use by adopting the ‘reduce, reuse, recycle’ approach

- Pay suppliers on time; pay a fair share of taxes; be open transparent and fair in working relationships Being a good neighbour, minimise negative local impacts, like noise and poor air quality, think about the impact on local people
- Maintain and improve the local environment, like green spaces
- Minimising the negative impact of transport wherever possible
- Minimise miles –develop efficient route plans or support another organisation to do this such as local cargo zero emissions schemes
- Minimise emissions by changing fuel type or engines
- Share vehicles with other organisations or allow vehicles to be used for other purposes during down-time Implementing sustainable travel to work policies
- Support green travel to work initiatives, like encourage cycling to work, car sharing or the use of initiatives

Recognise the added value that community led activity and organisations bring to Trafford

- Create a culture where working in partnership with communities and the third sector is the norm
- See citizens, other businesses and community organisations as valued partners, use an asset based approach supporting community organisations with sponsorship, resources, expertise
- Invest in the development and maintenance of a sustainable and effective VCFSE Sector
- Consider sponsorship or partnership with a local school or community organisations: ask what one-off or on-going contribution you could make. It could be low cost, low input or something more major e.g. a small amount of money could ensure that the local school can provide termly prizes for attendance or achievement; a staff team might commit a day to stewarding the parking at a local fun day or fete; or a member of staff or team may wish to use their work skills to support a small third sector organisations need in that area; a business may want to sponsor a local sports team by buying the kit or covering the cost of transport to away matches, a community organisation can provide an opportunity for an employee to develop skills.
- Promoting volunteering by individuals and by employees
- Work with the Council or the volunteer centres to promote volunteering to your staff, via notice boards, meetings

Further Opportunities

- Look to share buildings
- Offer your meeting room or conference room space to a local community group or charity for a regular meeting, one off event or offer hot desk office space

- Offer your transport yard as a safe parking space for a minibus or van belonging to a local charity/voluntary group/school office services
- Offer to do photocopying for a local charity or community group, or offer to format and publish a charity / voluntary organisations annual report or publicity materials, or to design and print the flyers for a local event

IT Support

- Could your IT specialists staff provide help to a local community group or charity or local start up SME Pass on your old equipment, furniture, IT equipment and other materials
- If you are refurbishing your offices or hotel, or updating your IT system - you could donate your old desks, chairs, IT kit and other items to a local re-use charity for refurbishment and circulation

Sharing Specialist Skills and Knowledge

- If you have specialist skills in your staff team or organisations can you share them with a voluntary organisation e.g. business planning; buildings project management Support around Transport
- If you run in-house training for public service/drivers - offer a free place to a voluntary organisation
- If you have in-house mechanics to maintain your vehicles – offer free servicing for a local groups minibus or van
- If you provide coach and mini bus transport - offer the use of a bus to a local school for a one –off trip that they couldn't otherwise afford

Appendix 2 - Outline Draft Trafford Social Value Action Plan

Draft Social Value Action Plan					
Theme and Current status in SV maturity index	**Desired outcome**	**Actions**	**By whom**	**By when**	**Resources Required**
Internal management **SV Maturity Index status: Leader**	Managing and delivering Social Value to be the responsibilities of all officers. Introduce Social Value as a KPI in Cabinet/Scrutiny Committee meetings where appropriate.	Implement Social Value as a consideration in all Committee reports. Social value requirements to be written into project management methodology so that project managers have responsibility for capturing and monitoring Social Value on their projects.	Governance team Business change team Project Managers	December 2023	Officer time
		Recruit SV Co-ordinator Identify short/medium and longer term funding sources Draw up role profile.	OS/ NE / STAR procurement	July 2023	Funding for the post initially identified through Shared Prosperity Fund, longer term finance to be considered as part of top slicing contract finance if feasible.
		Internal awareness raising and training across different Council departments and across different organisations on role of Social Value. Scope out what is needed and whom for. Develop and awareness raising campaign for internal and external audiences.	Learning and Development Team, STAR Procurement and specialist SV Co-ordinator post	October 2023	Dedicated SV Co-ordinator post is needed, additional finance may be required to develop specialist learning modules that can be rolled out within the Council and to partner organisations.

Draft Social Value Action Plan					
Theme and Current status in SV maturity index	**Desired outcome**	**Actions**	**By whom**	**By when**	**Resources Required**
		Develop e-learning modules for staff training.			
Engagement **SV Maturity Index status:** Developing	Introduce a programme of specific initiatives to build partnerships with business and the third sector. Add long term feedback mechanisms for market engagement (e. g. satisfaction surveys).	Identify key stakeholders across Council and partner organisations to raise awareness of SV opportunities.	SV Steering Group	Nov 2022	SV Steering Group time commitment.
		Pilot SV Brokerage Event to provide opportunity of matching SV offers from businesses to Community Groups.	IECT/ Community Collective/ Thrive	Nov 2023	Internal staffing from IECT for pilot, future events will need dedicated resource. Funding needed for venue and marketing.
		Set up process to regularly engage with local communities on priorities and feed into the TOMs. IECT carrying out community needs analysis work with Community hubs.	IECT team completing initial analysis	December 2022	Initially resourced through officers in the IECT, will require additional resources and time from specialist SV Co-ordinator.
		Develop SV Engagement and Communications Plan.	Comms lead supported by SV Co-ordinator	March 2023	Communications Team time commitment and dependant on SV coordinator being in place

Draft Social Value Action Plan					
Theme and Current status in SV maturity index	**Desired outcome**	**Actions**	**By whom**	**By when**	**Resources Required**
Policy and scope **SV Maturity Index status:** Mature	Apply SV to Grants, works, services and planning supplies. SV imbedded into all frameworks. Develop specific policies.	Identify key strategies and plans SV needs to be embedded in. Steering group workshop to identify key policies, strategies and plans. Schedule of works to embedding SV into policies and strategies.	SV Steering Group Directorate leads	April 2023 December 2023	SV Steering Group time commitment supported by specialist SV Co-ordinator.
		Social value requirements to be written into project management methodology so that project managers have responsibility for capturing and monitoring Social Value on their projects.	Business change team Project Managers	December 2023	Business change team time commitment, internal approvals and training for relevant staff
	Embed Social Value in specific policies and strategies where appropriate as per the "Preston Model".	Investigate the opportunity to Include a community benefit/Social Value policy within the Local Plan to encourage all developments above an agreed threshold to maximise Social Value. Investigate the feasibility of requiring all qualifying new housing developments to deliver an Employment and Skills Plan.	Directorate leads	December 2023	Business change team time commitment, internal approvals and training for relevant staff
Outcomes and measures	Processes to incorporate changes to local community	Mapping exercise to establish current Social Value across the Council and ensure outcomes are	SV Steering Group and nominated SV champions	Dec 2023	SV Steering Group time commitment Social value champions to be

Draft Social Value Action Plan					
Theme and Current status in SV maturity index	**Desired outcome**	**Actions**	**By whom**	**By when**	**Resources Required**
SV Maturity Index status: Developing	priorities in the TOMS annually. Consultation with stakeholders and public sector bodies on the local TOMS development/ update process. Suppliers to be achieving or working towards Social Value Certificate Levels 2 or 3 (or equivalent).	being achieved and benefits are being realised.	across the Council / STAR procurement		identified supported by specialist SV Co-ordinator.
		Set up a reporting system and identify who needs to feed into this- SV "champions" across the organisation and wider partners Draft out reporting arrangements.	SV Steering Group	Dec 2023	SV Steering Group time commitment supported by specialist SV Co-ordinator.
		Request partners to report back using standardised templates rather than their own format for SV – standardise reporting format Devise template and reporting format.	SV Steering Group	Dec 2023	SV Steering Group time commitment supported by specialist SV Co-ordinator.
		Provide biannual progress update on the Social Value Action Plan to Trafford Council's Executive and other partners' key bodies as required.	SV Steering Group	Biannual Reports	SV Steering Group time.
		Write in requirement for suppliers to be working towards Social Value certificates.	STAR procurement	December 2023	STAR Procurement staff time
Commissioning **SV Maturity Index status:** Innovator	Robust commissioning process with Social value embedded in the process.	Update TOMS and build into commissioning documents.	Procurement Team Social Value Steering Group	Ongoing	Met through STAR Procurement
		Review Social Value targets for different types of commissioning, particularly in areas where	Procurement team	December 2023	Officer time

Draft Social Value Action Plan					
Theme and Current status in SV maturity index	**Desired outcome**	**Actions**	**By whom**	**By when**	**Resources Required**
		commissioning may be challenging e.g. IT contracts to ensure decision making not entirely driven by Social Value KPIs.	Departmental leads		
Procurement **SV Maturity Index status:** Leader	Process implemented to incorporate feedback and lessons learnt across the Partnership. Provide examples of tenders that have been open/ transparent to the public, that take account of resident's input.	Set up process to showcase what's been achieved and provide case studies and examples of good practice. Produce annual report.	Procurement Team Social Value Steering Group	Dec 2023	Met through STAR Procurement
Governance **SV Maturity Index status:** Developing	Ensure that the requirements of the Social Value Act are addressed in Corporate Strategies/Plans.	Establish governance arrangements for Social Value work.	Social Value Steering Group	November 2023	Individual Steering Group members to map out governance and paper to CLT to gain approval for arrangements .
		Review Corporate Strategies/Plans to ensure Social Value requirements are included.	Policy Team	December 2022	Social Value Steering Group
		Publish Social Value Charter and Action Plan on the Council's website.	Social Value steering Group Comms Team	January 2023	IECT Officer time

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STAR

Leading transformation through procurement and cooperation

Our Achievements in 2021 / 2022

£5.9 Million
Of in-year efficiencies

94%
On-contract spend

51.9%
Of contracted spend with local businesses within the STAR Boroughs

542
Procurements undertaken

31%
Social Value return secured on total contract value awarded

78.1%
Of contracted spend retained within Greater Manchester

7
Team members supported through their Apprenticeships and CIPS qualifications

17
SLAs delivered to public sector organisations within the UK

STAR

Leading transformation through procurement and cooperation

Trafford Achievements

Trafford's 5 STAR Results

46.4%	53%	£630,612	1.6 X	94.4%
Local Spend	Social Value Return	Savings	Return on Investment	Compliance

Trafford have achieved savings of on average £1.7m per annum over the last five years!

Return on Investment has been achieved in the last 3 years, despite difficult market conditions.

Spend being retained within Trafford and Greater Manchester is 76.4% !
A significant increase in local & GM spend, from 46% in 2017 / 18

Trafford have also achieved a significant increase in compliance.
Achieving 94.4% in 2021 / 22, increased from 74% in 2017 / 18 !

Trafford's Social Value return is very high and exceeding targets.
56 tenders went though the Social Value Portal in 2021 / 22, this creates a total so far of 112.
29% of bidders are based in GM, and 7% within Trafford.
Trafford have secured a total of £24m of Social Value to date!

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Trafford Achievements

Trafford's Activity

Trafford have a controllable spend of £180m
£42m with People Team, £116m within Place Team, and £21m within Professional Team.

Route to Market

34	39	58	11	5
Call Off – Direct Award	Exemption	RBS Low / Mini Competition	Above Threshold Tender	RBS High

In 2021 /22 Trafford had 39 Exemptions.
This is a slight improvement from the previous financial year, dropping from 41.

Focus for 2022 / 23

The **GMCA Driving Social Value in GM Public Procurement** report sets out the next steps on the Greater Manchester Social Value journey. GMCA and all Greater Manchester Authorities have confirmed their commitment to the report and are now seeking their internal approvals. The GMCA have appointed a Senior Responsible Officers to oversee this to ensure this adds value to shared objectives and the Greater Manchester Strategy. This report covers six key GM Priorities:

- Real Living Wage
- Tackling Inequality (Protected Characteristics)
- Principles of GM Good Employment Charter
- Economic Diversity (SME & VCSE)
- Carbon Reduction - Net zero by 2038 (GM) / 2050 (UK)
- Local Spend (GM Based Businesses)

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Trafford Achievements

Focus for 2022 / 23

12 Steps to Social Value

Support 'Better Bidders' to be Match fit : Tender Ready and Social Value Organisations	Use the Policies and Law (NPPS and New Regulations) to direct change	Grow Social Economy Organisations, and Remove Barriers	STAR Partners to Become Social Value Organisations
Increase Local Spending within STAR Boroughs and GM	Refresh STAR Social Value Strategy / Responsible Procurement Strategy	Target Social Value to GM Key Priorities e.g. Sustainability / Carbon Neutral 2038	STAR Partners to Produce an Annual Social Value Statement
Challenge Social Value through the Supply Chain	Target Social Value TOMs to our desired Outcomes within STAR Boroughs and GM	Review our approach to Measuring, Reporting and Delivery of Social Value Outcomes	Develop a 'Place-based' approach within STAR Boroughs and GM (Influence Anchor Institutions)

New Contract Procedure Rules to be implemented
The new CPRs will allow for easier updates to the Handbook and the Handbook will help to harmonise CPRs with regulations.
They ensure effective and efficient procurement and flow with legislation language changes post EU Exit.

To deliver activity under the Continuous Improvement Group

Continue to support Real Living Wage accreditation and promotion of Good Employment Charter

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TRAFFORD COUNCIL

Report to: **Executive**
Date: **24 October 2022**
Report for: **Decision**
Report of: **Executive Member for Finance and Governance**

Report Title

Council Tax Discretionary Schemes – Proposal to Remove Some Discretionary Empty Property Discounts from 1 April 2023

Summary

Council Tax liability charges are set based on legislative requirements. There are a number of statutory discounts that the Council is required to award, however, since April 2013, the statutory discounts were removed for certain empty properties and councils were required to set their own discretionary policies.

This report seeks approval to remove some of the current discretionary empty property discretionary discounts from the 1 April 2023.

In addition, the report seeks approval to align future long term empty home premiums with the Levelling Up and Regeneration Bill changes as detailed in the report.

Recommendation(s)

That the Executive gives approval to:

- Implement Council Tax Discretionary Scheme changes on the discretionary Empty Property Charges detailed in this report from April 2023;
- Introduce the maximum charge on long term empty properties subject to the outcome of the Levelling Up and Regeneration Bill

Contact person for access to background papers and further information:

Name: Louise Shaw
Contact Number: 07815 699615

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value For Money
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	Changes to the discretionary scheme will impact on the level of funding the Council receives from council tax which is used to support the delivery of services.
Legal Implications:	The Council can legally set its own policy in relation to the discretionary discount changes proposed in this report
Equality/Diversity Implications	An EIA has been completed and concluded that there are no specific groups adversely affected, and the hardship scheme fund is being increased and made available to any groups that are suffering financial hardship as a direct result of the change.
Sustainability Implications	Not Applicable
Carbon Reduction	Not Applicable
Resource Implications e.g. Staffing / ICT / Assets	Potential increase in costs if individual discretionary applications increase significantly
Risk Management Implications	Not Applicable
Health & Wellbeing Implications	Not Applicable
Health and Safety Implications	Not Applicable

1.0 Introduction

1.1 As of 1 April 2013, local authorities have had the discretion to allow discounts on certain classes of Council Tax empty properties. Trafford Council offers a number of discretionary schemes designed to help residents by reducing their Council Tax based on the individual circumstances of them or their property.

1.2 As there are no central government grants covering the cost of these discretionary awards, which in 2021/22 cost the Council c£985k, it has been deemed appropriate to review them as the Council continues to meet stretching savings targets.

1.3 Subsequently, on 20 June 2022, the Executive approved the proposal to commence a public consultation on removing the following existing discretionary empty homes discounts from the 1 April 2023:

- 100% discount for up to 1 month, including new properties;
- 100% discount for up to 12 months on properties requiring structural repairs or alterations to make it suitable to live in.

1.4 The public consultation shortly followed and closed on 26 August 2022.

2.0 Council Tax Empty Property Discretionary Discounts – The Current Position

2.1 Trafford currently awards the following discretionary discounts on empty and unfurnished properties:

- 100% discount for up to 1 month, including new properties;
- 100% discount for up to 12 months on properties requiring structural repairs or alterations to make it suitable to live in.

2.2 In 2021/22, the total amount of these awards cost the Council c£985k.

2.3 Once the discount ends, the owner is responsible for the full charge. In line with the drive to bring empty properties back in to use, an empty homes premium applies after 2 years and the Council Tax charge increases to 200%, rising again at years 5 to 300% and 400% for properties empty for 10 years or more.

2.4 There are plans to change this within the Levelling Up and Regeneration Bill to allow Council's to charge 200% after 1 year rather than the current 2 years, which received its first reading in May 2022.

2.5 Owners can apply for a further discretionary award once the discounts end if they can demonstrate exceptional circumstances as to why the property remains empty. A common example is retirement properties that are difficult to sell and the liable person can demonstrate continuous reductions in the sale price. Another common example is where structural work has taken longer than anticipated due to delayed planning permission and/or further works identified once works begin.

3.0 Council Tax Empty Property Discretionary Discounts – Public Consultation

3.1 The Council consulted on removing both of the additional discretionary awards detailed above, thereby resulting in no discount to the owners of these empty and unoccupied properties.

3.2. The consultation ran from the 1 July to 26 August and sought views on the removal of the empty discounts.

3.3 The overall response rate to the consultation was low, with 13 responses in total. Of these there was a mixed response with a number in favour and some against. Given the low response rate, it is difficult to properly inform a decision but based on the limited responses there was no overwhelming opposition to the proposals.
Therefore, it is proposed to remove the discounts in order to support the Council's overall budget position and protect vital community services.

4.0 Proposal

4.1 It is proposed to remove the discretionary discounts as described in paragraph 2.1 above from 1 April 2023.

4.2 It is proposed to implement the maximum long term empty property charges in line with any future legislation, such as proposed in the Levelling Up and Regeneration Bill.

.

Other Options

The Council could decide to leave the existing discretionary awards in place, however, this would potentially mean that savings would need to come from elsewhere which is more likely to have a more direct impact on vulnerable and/or financially struggling residents.

Reasons for Recommendations

The recommendations are set out at the start of this report.

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

Finance Officer Clearance

Graeme Bentley – Director of Finance and Systems

Legal Officer Clearance

Steven Boyle – Head of Legal & Governance

DIRECTOR'S SIGNATURE G. Bentley……
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Agenda Item

TRAFFORD BOROUGH COUNCIL

Report to: **Executive**
Date: **24 October 2022**
Report for: **Decision**
Report of: **Executive Member for Finance and Governance and the Director of Finance and Systems**

Report Title

Executive's Draft Revenue Budget Proposals 2023/24 & MTFS 2024-26

Summary

This report sets out the Executive's updated 3-year budget strategy proposals including the draft revenue budget proposals for 2023/24 and the Medium Term Financial Strategy (MTFS) for the period 2024/26.

The key summary of figures for the revenue budget, based on current estimates are:

- The draft overall budget movement for 2023/24 is an increase in the net budget of £16.58m or 8.6%, from £192.57m to £209.15m.

- The budget gap for the three years before applying any of these draft budget proposals is currently estimated to be £45.89m with £25.82m relating to 2023/24.

- This report presents a draft set of budget proposals to balance the planned budget gap of £25.82m in 2023/24, which in line with our three year strategy, contributes towards closing this budget gap by £17.3m via a mixture of measures:
    - Additional funding
    - Planned use of earmarked reserves
    - New savings and income generation

- These proposals will now form the basis of consultation with members of staff and, where required, the general public and are therefore subject to change; the draft proposals are also subject to review by the Scrutiny Committee.

- It should be noted that if all the budget proposals in this report are implemented there currently still remains a residual budget gap of £17.01m over the three years, comprising:
    - £8.52m in 2023/24,
    - £2.72m in 2024/25,
    - £5.77m in 2025/26,

- Note this assumes the use of reserves to mitigate the potential ongoing risk from the significant income streams from Business Rates and the Asset Investment Strategy. Any further recurrent impact in later years which could not be mitigated by the use of reserves would represent a further increase to the budget gap in

those later years.

- Final decisions will be taken by the Executive after taking into consideration further proposals to address the gap, all relevant matters and feedback, at which time a proposed budget will be put to full Council for approval on 15 February 2023.

Recommendations

It is recommended that the Executive:

a) Approve the 2023/26 proposed budget strategy, including the 2023/24 draft revenue budget and the 2023/27 MTFS. The income and savings proposals are included for the purposes of consultation only (where necessary) and these proposals will also be referred to the Scrutiny Committee for their consideration;

b) Notes the proposal to increase Council Tax by 2.99% in 2023/24 (comprising 1.0% adult social care precept and 1.99% general increase) and by similar levels for the remaining years of the MTFS 2023/26;

c) Notes the assumptions made in setting the MTFP in section 3.2 and the degree of uncertainty;

d) Notes the remaining budget gap for the years 2023/24 to 2025/26;

e) Notes the commentary of the Director of Finance and Systems, the Council's statutory S151 officer, regarding the financial sustainability of the Council in Section 1.6

f) Notes that the draft proposals are subject to various consultation exercises, further analysis of reserves, savings and income including impact assessments, potential future movements in core funding and specific grants, revised costings and robustness assessments.

g) Notes the review of the Capital Programme which is ongoing and agrees that no further contractual commitments are made on capital projects which are financed from either capital receipts or borrowing until the current review of the capital programme is completed.

h) Notes the flexible use of capital receipts to support in part the cost of the Modernisation Team in developing the Council's Finance and Change Programme for the next two years.

Contact person for access to background papers and further information:

Name:	Cllr Tom Ross	Graeme Bentley
Extension:		4336

Background Papers - None

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed draft budget for 2023/24 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	The update to the Corporate Plan has been done to ensure alignment with GM priorities where possible.
Financial	The report sets out the proposed draft revenue budget proposals for 2023/24 as they currently stand.
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 the Council will carry out consultation in relation to specific proposals within the budget. All proposals will also be assessed in line with the Council's Public Sector Equality Duty. Where any budget proposal has the potential to affect staff there will be a requirement to consult separately internally through routine staff consultation arrangements. 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	Equality Impact Assessment to be carried out supporting the budget proposals as appropriate.
Sustainability Implications	None arising out of this report.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – any impact on staffing will be subject to consultation.
Risk Management Implications	The risks associated with each budget proposal have been assessed and further work will be undertaken before the final budget is presented to Executive in February 2023.
Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.
Health and Wellbeing Implications	Equality Impact Assessment to be carried out supporting the budget proposals as appropriate.
Health and Safety Implications	An impact assessment of each budget proposal to be carried out.

Other Options

The budget proposals included in this report assume an overall increase to the level of council tax of 2.99% in 2023/24 comprising an increase of 1.0% 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 could be made to increase its ‘relevant basic amount of council tax’ above these levels. However this would exceed the referendum limits, which would mean a local referendum would be required to be held before any such increase could be implemented. Alternatively not increasing council tax by the level recommended in this report, subject to the final referendum level being notified in December 2022, would increase the overall funding gap by up to £3.41m in 2023/24 which would mean further reductions to expenditure on council services would be necessary.

Consultation
The report recommends that the draft and indicative proposals go forward for consultation (where necessary).

Reasons for Recommendation
To enable consultation with the public, businesses (s65 of the Local Government Finance Act 1992), stakeholders, staff and Scrutiny Committee to take place

Key Decision
This is a key decision currently on the Forward Plan: No

Finance Officer Clearance ……DM…..
Legal Officer Clearance *……DS…..……*

DIRECTOR'S SIGNATURE

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

Executive's Draft Revenue Budget Proposals 2023/24 & 2024-26 Medium Term Financial Strategy

24 October 2022

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1. BUDGET APPROACH AND PROCESS

1.1 Budget Approach 2022/26

1.1.1 The Medium-Term Financial Strategy (MTFS) provides the context for the detailed budgeting process the Council undertakes.

1.1.2 The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked funds and the allocation of ongoing revenue budget and capital resources for key priorities.

1.1.3 The MTFS is refreshed each year to give a rolling five-year assessment of the fiscal environment. Given the uncertainty on any reforms to local government financing, this forecast will need to be refreshed as further information becomes available following the provisional local government finance settlement in December 2022.

1.1.4 The MTFS sets out how the Council intends to respond to:

- the forecast size of the financial challenge it faces in the medium term
- the constraints of the national and local landscape
- the risks to financial resilience.

1.1.5 In the current financial climate, the Council's principal financial aim is to continue to effectively align scarce resources to support Council priorities as set out in the Corporate Plan.

1.1.6 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.

The vision for Trafford is:

'Trafford - where all our residents, communities & businesses prosper'

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.

1.1.7 Revisiting the Corporate Plan and strategic priorities also provided the opportunity to review the performance framework to be more data led and outcome focused. 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)
- 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)

1.1.8 It is essential that the Council does not lose sight of our key ambition and objectives for 2023/24 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.
- Supporting local residents and businesses through the cost of living crisis.
- Continuing the strategic regeneration for the Civic Quarter, Stretford town centre and the Stamford Quarter, Altrincham.
- Investing in and maintaining our parks and green spaces.
- Increasing levels of physical activity, including the development of schemes which support active travel, alongside investing on our ageing leisure facilities.
- 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.
- Realising our ambitions to improve outcomes for children and families.
- 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 2023/24 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 Accreditiation, 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.

1.1.9 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 to review the overall budget position and to ensure it supports the delivery of outcomes related to each priority.

1.2 Finance and Change Programme

1.2.1 The scale of the financial challenge for 2023/24 and later years has warranted a different approach to budget setting this time around. This was due largely due to twelve years of national austerity measures which has seen the Council deliver over £263m of budget reductions, savings, income proposals and council tax increases. The challenge in balancing Council budgets has been made more difficult due to the long term effects of the Covid-19 Pandemic which put demand pressure on many Council services. The current economic and fiscal climate is also causing immense pressure on all areas of Council expenditure and important income streams. These have both resulted in an increased use of reserves; something which is not sustainable.

1.2.2 Immediately following the approval of the budget for 2022/23 in February 2022 a Finance and Change Programme was established to drive forward the development of a three-year change programme which would support the achievement of a balanced and sustainable budget in both the short and medium term. This programme was based around a number of key themes:-

- **Budget Proposals –** assessing and analysing all new ideas and determining any quick wins.
- **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 and redesign.

- **Asset Management** – consider the assets that are required to deliver the strategy and services.

- **Service Reviews** – reviewing all services to include a financial target while giving consideration to existing strategy, the local context and previous decisions.

1.2.3 The output of the work of the Programme has helped address the significant budget gap, with more detail included in Section 4.3 and Annex C.

1.2.4 To supplement the above approach there has been:-

- A review of all benchmarking data

- A successful staff ideas scheme

- A structured lobbying campaign which is due to be rolled out during October.

1.2.5 At the time of setting up the Programme the gross budget gap for 2023/24 and 2024/25 was £22.72m and £8.2m respectively. To compound an already difficult financial landscape inflationary pressures on both pay and prices, not seen since the 1970's due at least in part to the war in Ukraine and the effect of the cost of living crisis on demand for Council services, have now altered that outlook for the worse, and created a great deal of additional uncertainty.

1.2.6 Recent years have seen significant growth in demand for Children's Social Care nationally which has also been experienced in Trafford. Challenges in recruitment and retention, and pressures in Adult Social Care are also contributing to a situation in which Council finances are under more strain now than any time in the last twelve years.

1.2.7 The Council's budget position is also clearly impacted by its position as one of the lowest funded and spending councils in the country. It is also worth noting that prospects that the Government's Fair Funding review, which has potential to materially improve the level of resources the Council receives, are receding with the likelihood of funding reform being delayed again. The Council does hope that its suggestion of putting a floor under core spending power has gained some traction with Government as this would improve the Council's finances. However, the Council cannot plan on the basis that funding reform happens or that the Government provides further funding for all local authorities to compensate for inflationary pressures.

1.2.8 The impact of inflation and other pressures on the Council's budget will be profound. The gross budget gap in 2023/24 is expected to grow from £22.72m at the time the MTFS was approved in February to £25.82m based on current inflation projections. Over the life of the MTFS the gap could increase from £42m to over £46m unless mitigating actions are taken. These estimates will grow even further if the trend of worsening economic news continues.

1.2.9 The usual approach to balancing the budget, that has served the Council well, will need to continue but be augmented by additional measures and further work by the Finance and Change Programme in the run up to Christmas and before final budget proposals for 2023/24 are presented to Council in February 2023.

1.2.10 All local authorities are under severe pressure from inflation and it is likely that those that react first will manage the best. Waiting for certainty about how bad things are going to be will only serve to reduce options and cause reactive decision making. Government's initial reaction has been short term interventions and with the potential for more substantial resolutions only after some authorities get into more genuine difficulty. Taking early action to ensure that this, low funded, Council does not get into financial difficulty is therefore vital.

1.2.11 A full review of all assumptions used in developing the budget plans has been undertaken by the Finance and Change Programme, to ensure they are still relevant and up to date, including a review of all continuing savings programmes. To bridge the budget gap for 2023/24 a number of new savings proposals have been identified and business cases are under development.

1.2.12 All the proposals in the report have been subject to review by the Executive and Corporate Leadership Team and further work on robustness, the continued development of business cases and equalities impact will be undertaken before final budget proposals are submitted to the Executive in February 2023.

1.2.13 The output from the work of the Finance and Change Programme is included in these budget proposals and whilst good progress has been achieved to identify proposals to help balance the budget there remains a significant budget challenge. A solution will need to be identified before the final budget can be agreed for 2023/24 at the Council Meeting in February 2023.

1.3 Future Risks and Challenges

1.3.1 The challenges over the next few years are not limited to the direct impact of inflation. A summary of the other significant challenges that are not fully reflected in the MTFS are set out in the paragraphs below and will need further consideration over the next few months:

- Council Tax and Business Rate Income – the impact of the cost of living pressures on both residents and businesses remains a real concern. Historically the collection rates in both areas have been strong but an assessment on the rates will be made when reviewing the tax-bases in December. The budget proposals include for an increase in council tax in 2023/24, which is a difficult proposal in the current climate but this is in-line with Government expectations of rises by local government and included in their Core Spending Power forecasts. To support residents through the current pressures the Council will continue to provide one of the most generous council tax support schemes in Greater Manchester, continue to provide enhanced welfare advice support both through its internal team and the Citizens Advice Bureau, provide the Trafford Assist scheme for

vulnerable residents, support the continuation of the community hubs and provide “Warm Spaces/ Living Rooms” over the winter period.

- Adult Social Care Reforms present a high risk of substantial additional cost which have potential to be well in excess of Government funding estimates. This is the case for both achieving a fair cost of care payable to care providers and in respect of the planned adult social care charging reforms, effective from October 2023.

- Providing sufficient capacity in the social care sector to prevent extended stays in hospital is estimated to cost in the region of £5m per year. There is currently no recurrent funding to support this programme across the health sector.

- High cost placements Children’s Social Care – The Council has recently experienced a small number of children requiring placements in high dependency units. Such placements are difficult to predict and with annual unit costs which can exceed £0.5m they place a disproportionate demand on limited resources.

- High/Special Educational Needs reforms – consultation is ongoing relating to the financial impact and sharing model of the cost of SEN and on-going overspends. Department for Education position may conclude that on-going overspends is local government’s problem.

- Cost of Living Crisis – has potential to place additional demands across a range of Council services as well as impact on debt collection.

- Recession – the size of the predicted recession and the Government response is unknown. Unless mild this will drive service demand and reduce income.

- Funding Reforms - no benefit assumed but could compound problems if the expected refresh does not tackle fundamental problems.

1.4 Budget & Staff Consultation

1.4.1 Proposals in this report may require consultation with the public, businesses and staff, with the form of consultation to be developed before the end of October 2022.

1.4.2 Details on these draft budget proposals will be made available on the Council’s website via the 2023/24 budget pages.

1.4.3 Where any budget proposal has the potential to affect staff there will be a requirement to consult separately internally through routine staff consultation arrangements.

1.5 Scrutiny Review

1.5.1 A Scrutiny review will be held during November and December 2022 to review the gap in the Council’s Medium Term Financial Strategy (MTFS), the assumptions underpinning the overall gap and the plans for budget consultation. In addition, the Leader will present the 2023/24 draft budget

proposals contained within this report, which will enable Scrutiny members to review the budget proposals and feedback any comments in January 2023.

1.6 Statutory Obligations of the Responsible Financial Officer ("S151 Officer")

1.6.1 The role and functions of the S151 Officer is informed by a comprehensive framework of statutory duties and responsibilities. The S151 Officer is charged with responsibility for the effective financial management of the Council.

1.6.2 The role and responsibilities of the S151 Officer are extensive and integral to the strategic management of the organisation as a whole. In summary, the S151 Officer:

1.6.2.1 must ensure compliance with all statutory requirements for accounting and internal audit (including supporting records and all systems of internal checks and control);

1.6.2.2 manage the financial affairs of the authority in all its dealings and transactions and in so doing secure the proper stewardship of Council (and Members) responsibilities;

1.6.2.3 must report under S114 powers to the Executive, the District Auditor and all Members of an authority if there is, or is likely to be any item of unlawful expenditure or an unbalanced budget;

1.6.2.4 owes a personal duty of care to local taxpayers in managing Council resources on their behalf. In discharging this responsibility, the S151 Officer must balance the needs and interests of both current and future taxpayers.

1.6.3 Members will be aware that the Council has a legal requirement to deliver a balanced budget. The S151 Officer must issue a Section 114 (S114) notice under the relevant section of the Local Government Finance Act, where it appears to the S151 Officer that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

1.6.4 In February 2022, the Council's S151 Officer concluded that given the low level of reserves that are available to the Council it was imperative that it embarks on a programme to deliver sustainable savings. The report also said that across local government and Trafford is no exception, that there were serious concerns in achieving a sustainable position in future years. The impacts and uncertainty being felt presently, caused largely by the effect of inflation, further compound the reality of this position and make the risk of more S114 notices even more real.

1.6.5 The work of the Finance and Change Programme has been positive and significant progress has made to identify permanent base budget savings with a number of measures included in this draft budget report; despite this progress there still remains a significant budget gap.

1.6.6 At this stage it is important that the Executive does not rely on the assumption of further financial support from Government, beyond those already assumed in these budget proposals. It remains imperative that the impetus and momentum of the work achieved so far continues over the next few months, so the S151 Officer is able to conclude that the final budget proposals for 2023/24 are robust and he is not placed in a position where he felt necessary to issue a S114 notice. Therefore, Executive need to continue to identify measures to address the remaining gap by December 2022 and before the local government financial settlement, such that it is able to present balanced budget proposals to Council in February 2023.

2. FINANCIAL BACKGROUND

2.1 Background to the Budget

2.1.1 In understanding the budget proposals, it is useful to understand the financial envelope within which the Council operates, where resources are allocated and key metrics behind the budget.

2.1.2 The Council's current gross budget is £514.90m, however this includes specific funding of Dedicated Schools Grant and Housing Benefit. The Council's gross income budget is £322.33m leaving a total net budget of £192.57m.

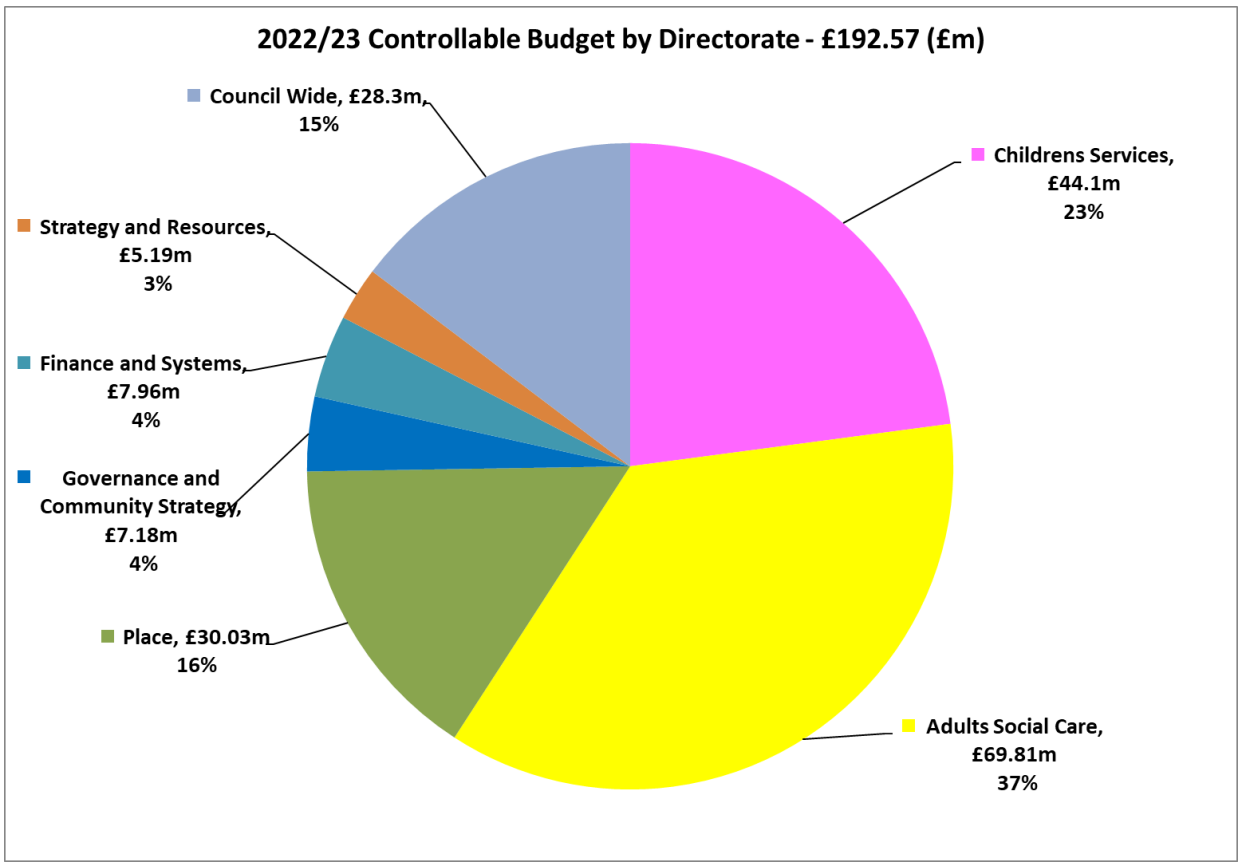
2.1.3 The table below demonstrates the movement between gross and net budget.

Gross to Net Budget	2022/23 £m
Gross Expenditure	514.90
Schools DSG	(166.94)
Housing Benefit	(47.66)
Other Government Grants	(31.60)
Sales, Fees & Charges and Rents	(43.99)
Contributions & Re-imbursements	(18.69)
Other Income	(10.08)
Earmarked Reserves	(3.37)
Gross Income	**(322.33)**
Net Budget (*)	**192.57**

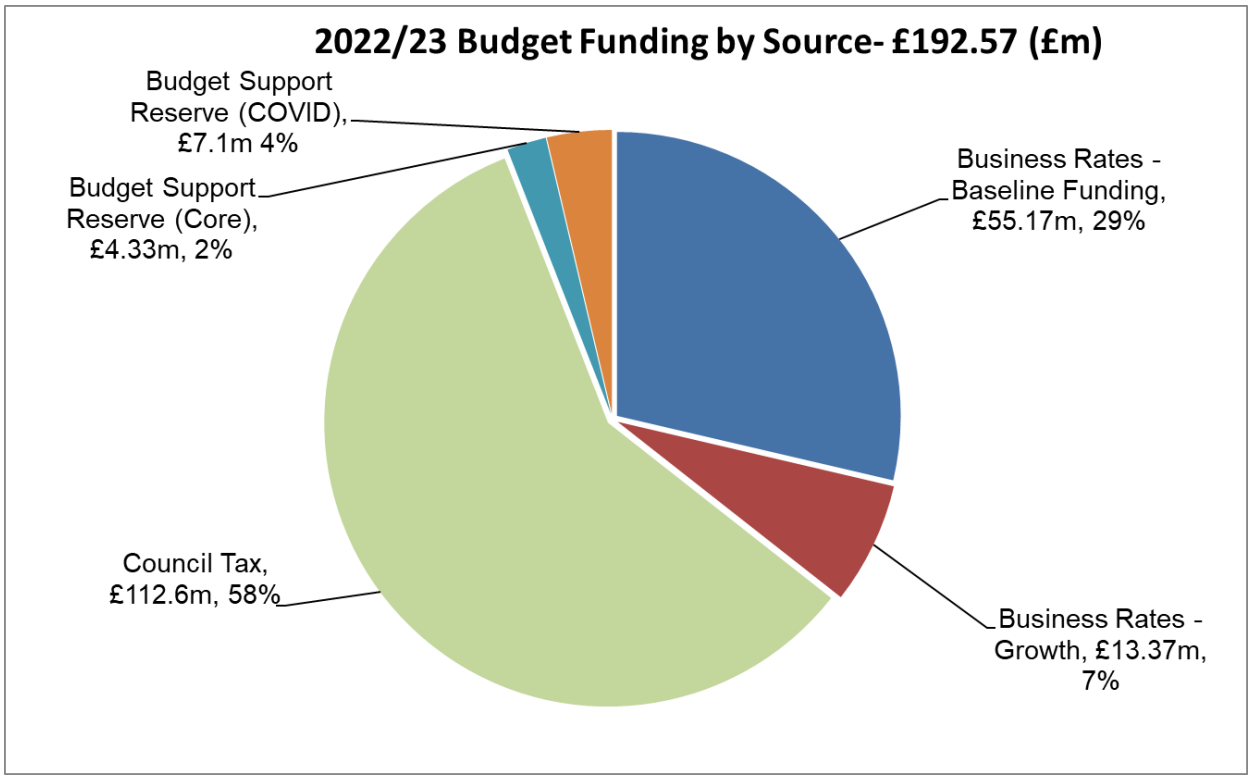
	£m
Children's Services	44.10
Adult Services	69.81
Place	30.03
Governance and Community Strategy	7.18
Finance and Systems	7.96
Strategy & Resources and Traded Services	5.19
Council Wide	28.30
	192.57

(*) The budget for each Directorate is shown at the time as agreed by Council in February 2022 and excludes virements agreed during the year.

2.1.4 The Council's net controllable budget agreed by Council in February 2022 was £192.57m.



2.1.5 The Council's £192.57m net budget is funded mainly from Council Tax and Business Rates.



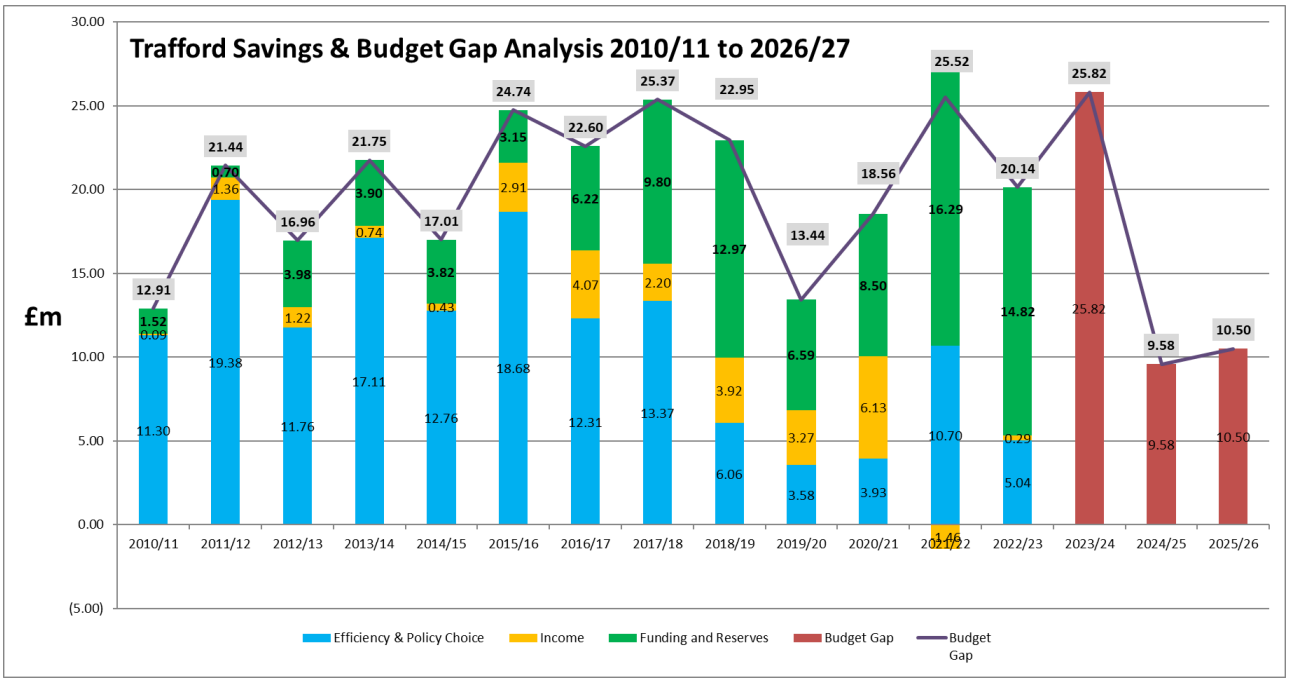
2.2 DELIVERY OF SAVINGS SINCE 2010

2.2.1 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.

2.2.2 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.

2.2.3 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.

2.2.4 By 2022/23 the total value of budget gaps caused by the expenditure pressures and funding reductions since 2010/11 to 2022/23 was £263.39m. There is a further forecast gap for the next three years of £45.89m, of which £25.82m relates to 2023/24.



2.2.5 The future gap of £45.89m 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 and our Statistical Neighbours of £826.96.

- If Trafford received the average funding per head as its GM neighbours, it would benefit from an additional £34.20m per annum and an additional £19.03m if compared with Statistical Neighbours.

- 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 rate across all GM 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 4th lowest across all metropolitan authorities at £1,371.58.

- Trafford have joined a group of twenty lowest funded councils (the F20) to lobby government for a temporary resource solution pending the Fair Funding Review. The F20 Group argues for the Government to introduce a funding floor, to quickly bring the least well-resourced local authorities up to a feasible level. If a funding floor were set at 90% of the average core spending power of local authorities, Trafford would receive an extra £24 per head or £5.70m.

2.3 Revenue Budget Monitoring 2022/23 Period 4 (July 2022)

2.3.1 Summary of Outturn - There is a net estimated outturn pressure of £6.91m at Period 4. This position includes :

- An overspend against the approved budget of £912k (See Table 1 below)
- the impact of inflation, which is significantly higher than the provisions included in our approved budget, and which is currently estimated to cost an additional £6m in 2022/23. This estimate includes the outcome of the draft local government pay settlement for 2022/23 and the spiralling forecast for energy costs. Significant risk exists on this estimate given the volatility of the situation. Government has to date given strong indications that local authorities will need to manage the impact of this themselves and that no government support will be available, which means this will affect the delivery of other Council services.

2.3.2 Detailed below in Table 1 is a summary breakdown of the service and funding variances against the latest service budgets.

Table 1: Budget Monitoring results by Service	**2022/23 Budget (£000's)**	**Forecast Outturn (£000's)**	**Forecast Variance (£000's)**	**Percent-age**
Children's Services	44,057	45,655	1,598	3.63%
Adult Services	56,927	56,813	(114)	(0.20)%
Public Health	12,887	12,868	(19)	(0.15)%

Place	30,998	32,872	1,874	6.05%
Strategy & Resources	5,137	4,917	(220)	(4.28)%
Finance & Systems	8,169	8,256	87	1.07%
Governance & Community Strategy	6,310	6,617	307	4.87%
Total Directorate Budgets (*)	**164,485**	**167,998**	**3,513**	2.14%
Council-wide budgets	28,087	25,486	(2,601)	9.26%
Net Service Expenditure variance	**192,572**	**193,484**	**912**	0.47%
Funding				
Business Rates	(68,540)	(68,540)	0	
Council Tax	(112,601)	(112,601)	0	
Reserves Budget Support	(4,334)	(4,334)	0	
Reserves to Support COVID-19	(7,097)	(7,097)	0	
Funding variance	**(192,572)**	**(192,572)**	**0**	**0.00%**
Net Revenue Outturn variance	**0**	**912**	**912**	**0.47%**
Dedicated Schools Grant	**157,129**	**157,853**	**724**	**0.46%**

2.3.3 The following issues are worthy of being highlighted and require consideration when setting the budget for future years.

- **Children's placements** £350k overspend largely due to the service costs of a small number of high cost placements.
- **Home to School Transport** pressures of £980k due to the continued increase in demand in passenger numbers, additional costs for fuel and complexity of cases.
- **Adult placements** continue to be break-even, however assumptions on demand remain uncertain; a contingency balance of £750k has been included for future demand.
- **Adults Hospital Discharge Programme** – COVID related national funding for this budget has been removed and local budgets, managed through a Section 75 Agreement between the Council and the former Trafford CCG, are required to sustain the current operating model. A one-off support fund was established from the 2021/22 outturn whilst the model is reviewed. Current projections are that there are sufficient monies within this fund to cover projected costs in the current year.
- The recurring budgets are not thought sufficient to support the current level of demand and this remains a key risk for the provision of service in this area for 2023/24 onwards. In recognition of this risk, on 22 September 2022, the Care Secretary and Deputy Prime Minister, set out the government's 'Our Plan for Patients' to improve access to the NHS and social care, this winter and next. To help people get out of hospitals and into social care support, the government is launching a £500 million Adult Social Care Discharge Fund. The full details of the scheme have yet to be announced, however it is likely that this will

have a neutral impact on the Council's budget as the resource will be used to offset additional costs.

- **Strategic Investment Programme** – The Strategic Investment Property Portfolio is expected to deliver a net benefit to the revenue budget in 2022/23 of £5.67m. This is £1.56m lower than budget due to economic factors affecting some of the income particularly from the town centre investments.
- **Impact of COVID-19** – There continues to be nothing to suggest that the impact of the pandemic is having any adverse pressure on income from Sales, Fees and Charges in this early monitor. ***The balance of the centrally held COVID-19 contingency budget of £1.5m has therefore been released in full as previously reported.***
- Staffing budgets across all service areas are forecast to underspend by £761k. This was an area of significant underspend in 2021/22 largely due to difficulties in recruitment and the management controls introduced in the year. At this stage in the year, assumptions have been made that vacant posts will be filled, however this remains an area for review in managing the overall future budget gap.
- **Schools DSG**

  The overspend on the schools DSG budget is now £725k which is mainly due to additional funding being allocated to the high needs block and an underspend in the growth fund;

  The High Needs Block (HNB) still has significant pressures and work continues to take place on this with a HNB sub-group of the funding forum which is working on a report to summarise options for longer term savings;

  In addition to this work a DSG Deficit Recovery Plan is currently underway and will be finalised by the end of October 2022. This will include the options for longer term savings and assist in future planning.

2.3.4 **Inflation, Energy and Cost of Living Impact**

The Consumer Price Index (CPI) rose by 10.1% in the 12 months to July 2022, which represents a 40 year high. There is particular concern in relation to energy prices, contractual inflation from companies in our supply chain and the impact of the 2022/23 local government pay award.

Not only does the escalating level of inflation pose a risk to the in-year position, where solutions need to be found to contain any pressures within existing resources, but also the impact on the Medium-Term Financial Plan and increase in the budget gap in future years.

At this stage our working assumption on the impact of the various inflation pressures in 2022/23 continues to be that a prudent figure of £6.0m would be needed. Representations have been made to Government with regards the impact in 2022/23 and anticipated ongoing implications. Pending the outcome of discussions with the Government,

as a precaution during the 2021/22 year end closedown, the opportunity was taken to create a specific Inflation Risk Reserve to help mitigate against some of the 2022/23 pressures and a balance of £3.0m was transferred from the Budget Resilience Reserve. To alleviate the in-year inflation pressures further, a figure of £1.0m could be released from the central contingency budget of £1.7m, to arrive at a resource of £4.0m, although this would leave no flexibility for other unknown pressures during the year.

2.3.5 **Collection Fund Council Tax -** As at Period 4, there is a favourable outturn on the Council Tax element of the Collection Fund. This is largely due to better than expected collection of historic debt.

2.3.6 **Collection Fund Business Rates -** As at period 4 a number of movements associated with the level of historic appeals, better collection rates of historic debt and the renegotiated growth pilot sharing agreement with GMCA have resulted in a favourable movement compared to budget.

2.4 Impact on Future Years

2.4.1 Despite continuing efforts to control expenditure and uncertainties in the forecasts, there are a number of areas where evidence of pressures is sufficiently robust to provide additional resource or reinforcement of our existing MTFS assumptions. Therefore the draft budget plans for 2023/24 have been reviewed in the following areas :-

- Service Pressures – an additional £1.5m has been added to accommodate the broad pressures associated with Home to School Transport and Children's placements.
- Additional pressures associated with the 2022/23 local government pay award, contractual and energy inflation.
- The release of the favourable outturn from Council Tax and Business Rates.
- Recurrent staffing vacancies indicates a possible permanent saving area.

And furthermore, support of our existing plans already assumed in our MTFS:-

- As no evidence of recurrent pressures emerges, the removal of the £1.5m one off COVID-19 contingency budget from 2023/24.
- The recurrent shortfall in the Asset Investment Strategy, acts as further evidence to reduce the net budgeted income by £1.5m in 2023/24 and £0.5m in each year thereafter.

2.4.2 The outturn position for 2022/23 will be considered further before final budget proposals are brought back to the Executive in February 2023.

3. Budget Assumptions

3.1 The components of the budget gap

3.1.1 The Medium Term Financial Strategy (MTFS) looks at financial planning and management for a five year period. It helps us to develop a sustainable budget over the medium term and incorporates forecasts of key factors such as changes in Government funding, our spending plans, changes in demand and inflation and the level of savings we need to make to keep Council Tax affordable. It offers assurance that our spending plans are affordable over the medium term.

3.1.2 The changes in assumptions can be grouped into the following budget components

- Base Budget pressures – this includes the usual annual pressures associated with the day to day running of the council such as pay awards, inflation and service demand/demographic growth.

- Base Budget funding – this includes changes in non-policy choice funding, such as the way the council is funded from Government via general and specific grants and the business rates retention scheme and local funding changes such as those in our council tax base (number of properties we raise council tax from) and the use of our own one off earmarked reserves.

- Policy Choice changes – these include the policy decisions the Council makes to balance its budget, such as increasing the basic rate of Council Tax and making efficiency savings or reductions to services.

3.2 Events impacting the budget assumptions

3.2.1 Any update to the MTFP relies on many assumptions on future activities and forecast of demand. There has been an unprecedented level of change and uncertainty in the wider financial landscape, initially exacerbated by the COVID-19 pandemic and more recently the escalating cost of living crisis and the changes in the Government leadership. The level of uncertainty looks set to continue in the medium term and the situation and assumptions made in the update to the draft budget for 2023 to 2025 contain a high level of uncertainty, much of which is outside the control of the Council.

3.2.2 At the last Spending Round (2021) on 27th October 2021, the then Chancellor announced headline numbers for government departmental spending for the three years 2022/23 – 2024/25. The Local Government Provisional Finance Settlement, announced in December 2021, was subsequently met with some disappointment due to the lack of clarity given to local authorities over future years budgets with only 1 year being announced (2022/2023). There was a promise of consultation on significant financial reform early in 2022; albeit this has not transpired.

3.2.3 **Mini Budget – The Growth Plan 2022** - On 23 September 2022, the Chancellor announced in the mini-budget "The Growth Plan 2022", which was themed around the headlines of significant tax cuts to provide the stimulus for long term economic growth. Initial judgement is that this is not good news for public spending, given that such growth is a medium term objective, and public spending will not increase beyond current plans. This would leave local authorities having to work within the current resource envelope, with social care perhaps the only exception.

On 31 October, the Chancellor will set out his Medium-Term Fiscal Plan detailing the government's fiscal rules, including ensuring that debt falls as a share of GDP in the medium term. The Chief Secretary to the Treasury stated the government is sticking to spending settlements for this spending review period (SR21).

A worst-case scenario is that the Chancellor has to make cuts to Spending Review 2021 (SR21) funding allocations. This is the logic of a fiscal policy with tax cuts and little or no economic growth in the short term. The Chancellor is likely to face a choice between increased debt or cutting spending plans.

Funding for social care is the one exception where funding may increase. During the Conservative leadership election, the new Prime Minister promised to reprioritise funding from the NHS to social care in recognition of the pressures in the hospital discharge programme due to lack of capacity and funding for social care.

There are no new spending commitments in the Growth Plan. The reversal of the Health and Social Care Levy will not affect the £13bn funding commitments for the NHS and social care over next two years. The Chancellor "confirmed funding for health and social care services will be protected and will remain at the same level as if the Levy were in place".

In a statement on 22 September 2022, the Health Secretary, Therese Coffey, announced what appears to be the first tranche of a rebalancing between the NHS and social care, with a £500m Adult Social Care Discharge Fund to support discharge from hospital into the community.

Although we are awaiting full detail of how the new fund will operate, it seems very likely that there will not be any new money, and that local NHS bodies will have to share some of their additional funding with local authorities to deliver more social care.

3.2.4 At this stage a number of assumptions have been made using the previous settlement and a sector wide judgement on delayed timescales for the promised significant financial reform such as Business Rates Reset and Fair Funding Reform. The outcome of the review along with other assumptions, such as issues as inflation and their impact on the Council's budget plans, include :

3.2.5 **Fair Funding Review** – This was a complete review of the relative needs and funding required by different councils to fund their services. Consultation was expected in early 2022 but was not released. It is assumed the new methodology will now be effective from 2025/26. Based on the provisional

consultation at the time, a reduction in resources of £0.5m per annum was anticipated starting from 2023/24. The re-phasing has benefited 2023/24 and 2024/25 by £0.5m in each year.

3.2.6 **Business Rates Retention Scheme –** Since 2017/18 Trafford has been part of the Greater Manchester 100% Business Rate Retention pilot. This scheme allows the full benefit from business rates growth to be retained within the region and is shared with Greater Manchester Combined Authority. The annual benefit of the pilot is in the region of £5m, and any significant changes pose a planning risk to the Council's budget. Consultation on the scheme, including the future of pilots and reset, was expected in early 2022; as with the Fair Funding Review this has been delayed. Assumptions included in our plans are :-

- The business rate reset will be postponed until 2025/26. On the face of it, deferring the business rates reset is positive news for Trafford as any reset will put at risk most of the benefit the Council currently receives from business rates growth rewards. However, it should be noted that there is a significant risk associated with the financial reliance of business rates and the lack of clarity on the future changes which are now expected to take place from 2025/26. In which case the immediate benefit from the rates reset being postponed from 2024/25 is assumed as neutral in our plans for that year.
- When the Business Rates reset occurs, several assumptions have been made that funding would be returned to the Council through some other mechanism which would include a level of protection relating to taper arrangements. Future growth post reset has also been anticipated.
- The annual budget for business rates includes a provision which is set aside to cover businesses who successfully appeal against their charge. A review of the historic trend is indicating that the annual amount set aside can be reduced, alongside a reduction in the accumulated historic provision. The benefits will be released in 2023/24, however a smoothing reserve will be used to deliver the benefits of the one-off element over a period of three years 2023/24 to 2025/26.
- The Government has on several occasions frozen the Business Rate Multiplier (frozen at previous year rate or capped at 2%) which is applied against the rateable value of business properties.

  The Council receives S31 compensation from the Government to reflect the loss of income, as the decision to freeze the Small Business Rates Multiplier is part of a national policy. The compensation has been uprated using either the Consumer Price Index (CPI) or the (higher) Retail Price Index.

  Given the material increase in inflation and the difference between RPI and the lower CPI, there is significant uncertainty if the Government will continue to freeze the multiplier, as it has since 2020/21 or move to a cap (ie maximum increase of say 2%) and more importantly the level of compensation it will offer (RPI/CPI or lower).

  Our assumptions are based on the Multiplier being capped at 2% rather than frozen at the 2020/21 rate and a level of compensation of 6%.

- A renegotiation of the 100% pilot sharing agreement in 2021/22 resulted in a greater share of the benefits being retained by the local councils, the benefits of which have been reported in the 2021/22 outturn report and the 2022/23 budget monitoring reports. It is anticipated that the Growth Pilot and the amended sharing agreement will continue into 2023/24. The 2023/24 benefit will flow directly into the rates budget assumptions, whilst the benefit from 2021/22 and 2022/23 form part of the general fund outturn and will flow through the Budget Support Reserve.

3.2.7 **Social Care reforms** which will see the cost of care capped, changes to the means test and market sustainability/fair cost of care, which will harmonise LA and private rates, and pay a "fair" rate which covers actual operating costs plus a reasonable profit. Additional funding totalling £5.4bn was previously announced over the next three years, most of which was being met from an increase in Social Care National Insurance Levy contributions.

Although the increase in funding may be significant, it will also be coupled with new burdens. 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 which are currently paid for by self-funders. Further to this there will be an increase in costs due to market sustainability/ fair cost of care 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.

In the MTFS we have assumed that the reforms are cost neutral to the Council overall. It should however be noted that many Councils are starting to identify significant shortfalls between expected funding levels and the likely cost of these reforms. The Local Government Association have formally written to the new Prime Minister raising these concerns.

On 22 September 2022, the Chancellor of the Exchequer announced the reversal of the Social Care National Insurance Levy, and also confirmed that it will not affect the previously announced quantum of funding. Furthermore, there was an indication in the leadership campaign that resources, within the £5.4bn initially focused on clearing NHS backlogs, may be reprioritised towards local government budgets in order to support those needing social care support.

Although the removal of the NI Levy is welcome news, as the Council will now pay a lower employer contribution, it should be noted that additional grant resource was also provided to local authorities to neutralise the impact of the levy; it is likely the reduction in the levy will be offset by a reduction in grant support.

3.2.8 **Hospital Discharge Programme** – On 22 September 2022 the Government announced their "Plan for Patients" which will inject £500 million of additional funding into adult social care to help people get out of hospitals and into social care support during this winter and next. The Adult Social Care Discharge Fund will help speed up the safe discharge of patients from hospital this winter to free up beds as well as helping to retain and recruit more care workers.

With 13,000 patients in beds who should be receiving care in the community, this will improve the flow in emergency departments and help reduce ambulance delays

The details of the scheme have yet to be announced, however it is likely that this will have a neutral impact on the Council's budget as the resource will be used to offset additional costs.

3.2.9 **National Living Wage (NLW)/ Real Living Wage (RWL) and Fair Price for Care**

In addition to the reforms above, the Council undertakes a local annual exercise to increase care provider rates which reflects changes in running costs such as increases in the NLW/RLW and other operating costs e.g. energy and utilities. Budget assumptions have been bolstered over three years to reflect projected increases in energy costs and in the NLW to reach the proposed target for external care staff by 2025/26.

In addition, in line with the Council's aspiration of paying all providers at the RLW, an additional £1.5m has initially been included in our plans from 2024/25 to cover increases for suppliers of social care staff. This figure may need to be updated given the recently announced increase of 10.1% in RLW for 2023/24 on 22 September 2022.

The impact on meeting the RLW for all other suppliers has not been included in our plans at this stage and will be considered once a market impact assessment has been concluded by our procurement service.

3.2.10 **Inflation** - The escalating levels of inflation have been well documented with the Consumer Price Index (CPI) increasing by 10.1% in the 12 months to July 2022, which represents a 40 year high. The Bank of England had forecast inflation to remain high, with a peak of over 13% before reaching a figure in the region of 2% over the next 18 months. These rates are now being revised downwards, to a range of 5% to 7% in 2022/23, given the recent intervention on the energy price gap.

High levels of inflation are of particular concern relating to energy prices, contractual inflation from companies in our supply chain, the impact of the local government pay award and assumptions surrounding Government funding. Our budget assumptions include a pay award at 4% for 2023/24, plus a further 4% related to the additional costs of the 2022/23 pay award. Contractual inflation has been assumed to average 8% in 2023/24 with energy inflation being increased by 200% before tapering down over the last two years of the MTFS. The Government recently announced support towards the escalating cost of energy under the Energy Bill Relief Scheme (EBRS) scheme which provides price cap protection for non-domestic users for a period of six months from October 2022. The six month review may result in a positive movement from the figures assumed in the draft.

3.2.11 **Pay and Pension** – in addition to the inflation increases mentioned above, the regular tri-annual actuarial pension valuation is due later this year. Initial

indications suggest potential for a small reduction in employer contribution rates with the formal announcement expected later in the autumn.

3.2.12 **Demography**- an annual budget increase has been added to reflect the increasing pressures and number of adults and children requiring social care to reflect demographic growth.

3.2.13 **Current Year Estimated Outturn** – the regular period budget monitoring is used to highlighted potential service pressures which could be considered recurrent and required additional resource to be added in 2023/24.

3.2.14 **General and Service Grants** – These relate to specific grants which are credited direct to service areas and are either earmarked for a specific purpose or form part of general funding. The changes since the February 2022 budget and the assumptions relating to those grants already within existing budgets can be summarised as follows :-

- **New Homes Bonus Grant** – this scheme was due to be phased out, however has been extended several times. The New Homes Bonus money is however in the Local Government System, and our assumptions assume that the funding would be redistributed via an alternative mechanism (e.g. relative needs). No change in the amount received has been made in our forecast and no change from previous assumptions.
- **Improved Better Care Fund** – No assumptions had previously been made on inflationary uplifts; however, we now expect a level of inflation to be applied.
- **Lower Tier Services Grant and a Services Grant -** Although the Services Grant allocation method was stated as one off when it was announced in 2022/23, it was indicated that the funding will remain in local government in future years. We anticipate that both grants this will continue until the Fair Funding Formula review is implemented in 2025/26. No change from previous assumptions.
- **Social Care Grants** - The recently appointed Prime Minister made it clear in pre-nomination debates she wanted to increase funding for social care, although was unclear about how much and when. There has been additional funding for adult social care in every year since 2015-16. Social care grants (for adults and children's services) have increased by at least £500m in every year. The smallest increase was £500m in 2020-21, the largest £1.2bn in 2017-18. An assumption of an additional £500m nationally in 2023/24 and 2024/25 has been made and would result in approximately £2.0m per annum.

- **Settlement Funding Assessment** – This element of the core funding was historically increased by the uplift in the Small Business Rate Multiplier (SBRM) which is based on the September Consumer Price Index (CPI). As mentioned in the previous paragraphs the Government has frozen the increase in SBRM since 2020/21 and has provided the Council with S31 compensation grants to cover the loss of income. It is not clear if the Government will again freeze the SBRM and at what level it will offer compensation. Assumptions have been included in the business rates figures above.

- **Public Health Grant** – No inflationary increases have been assumed in Public Health grant in our plans. Although we have received uplifts in the past, these have been reflected by an equal increase in the public health budget resulting in a neutral effect. Any increase in grant and budget will be built in our plans when announced.

- **Revenue Support Grant (RSG)** – The uplifts in RSG have varied over recent years from being frozen to increases in Retail Price Index (RPI) and most recently CPI in 2022/23. Our assumptions include an uplift in line with an estimated of CPI at 10.05% (July 2022 rate). The benefit of this will feed through the business rates model.

3.2.15 **Council Tax** – Council Tax referendum limits for local authorities are in line with those outlined in Spending Review 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.

It could be anticipated that the high level of inflation may result in the referendum limits being increased at the next SR, however as the increase in Council Tax is used within the calculation of CPI it is likely that an increase will be avoided. The Government may offer some form of compensation; however, no assumptions have been made in our plans.

Other assumptions relating to council tax include, growth in our taxbase for new properties, of +1% in each year, a positive outturn above expectations in 2021/22 (£0.99m) plus any estimated outturn in 2022/23 (currently neutral). A review of the provision set aside for bad debt is expected to deliver £0.25m. A review of the level of discretionary discounts relating to empty properties is currently being consulted on and could deliver £0.5m per annum from 2023/24.

3.2.16 **Income from the Asset Investment Strategy** – The income generated from the investment programme is a key element of the MTFS with a net budget contribution of £7.23m in 2022/23. Given the medium term outlook, the pressures in achieving the desired budget in recent years and the proposed changes to tightening of the guidelines relating to investment activity, the reliance on the income generated from the programme has been tailored down by £2.5m over the three years of the MTFS.

There is however an expectation that as some investments which are due for planned repayment by third parties over the next three years will be replaced by pipeline of investment opportunities. A figure of £2.2m is included in the MTFP to represent the need to identify replacement opportunities; this is included in our savings programme.

3.2.17 **Treasury Management – Investments and Borrowing** – Treasury management activities represent a significant element of the Council's budget and includes costs associated with the Council's borrowing and investments (loan repayments, loan interest and investment interest). Many of the aspects relating to Treasury Management activities are governed by legislation and supporting guidance issue by the Department for Levelling Up Housing and Communities/ the professional accountancy body, CIPFA.

Options are being considered to review the treasury management financial assumptions where it is prudent to do so and it would remain within the parameters of the guidance. In addition, changes will reflect recent changes in the Bank of England's Monetary Policy Committee forecasts relating to future increases in base rates.

3.2.18 **Treasury Management Strategic Investment Income from Manchester Airport Holdings (MAH) -** prior to the pandemic the Council budgeted for £5.6m of dividend income from our strategic investments in MAH. 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. A contribution from reserves was used in both of the financial years 2021/22 and 2022/23 in recognition of the temporary loss of income from the dividend. The removal of the one off reserve contribution in our 2023/24 plans is therefore a contributing factor to the accumulative budget gap. Due to the evolving wider economic uncertainty, the income from our MAH investments has only been included in our long term plans from 2026/27, a year later than previous assumptions.

3.2.19 **Schools DSG Deficit** - New provisions were put into regulations at the end of 2019/2020 so that local authorities were required to carry forward DSG deficits to their school's budget and not the Council's general fund budget. The impact of these statutory provisions were that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorised a local authority not to do this.

3.2.20 This override is ending on the 31st March 2023 and if not extended, the in year deficit outlined at in section 2 plus the balance brought forward of £0.068m would need to be met from the Council's general fund. There has been a request by DLUHC for submissions from Local Authorities on the impact this would have on general fund budgets. This has been provided and we are now awaiting the outcome. **Our assumptions are based on the override continuing and being met from future DSG with no impact on the general fund.**

3.3 Summary on assumptions

3.3.1 As can be seen from the previous paragraphs, the degree of financial uncertainty faced by the Council and the lack of clarity on Government funding, is causing perhaps one of the most difficult planning periods the Council has ever faced. This level of uncertainty has been exacerbated by the significant levels of savings Trafford has made since the beginning of austerity in 2010, coupled together with a history of low spend and low funding when compared to its statistical neighbours.

3.3.2 Recent Government policy is refocusing on reducing the tax burden in order to stimulate government tax receipts over the medium term. A mini budget was delivered on 23rd September, however until any further fiscal statement and the provisional settlement is announced in December, the level of resources to support Local Government will remain unclear. It is likely that a rollover of existing resources will be the only option available to the Government, given the complexity and lead time to deliver significant change in policy. Resources

may be redirected or rephased to pressure points, such as the NHS discharge programme and Social Care Reform.

4. Bridging the Budget Gap

This section identifies: -

- The components of the budget gap as they stood at February 2022
- The revised budget gap for 2023/24 and later years taking into account the assumptions identified in the previous section.
- The draft set of budget proposals to address the budget gap.

4.1.1 The MTFS position reported to Council in the February 2022 Budget Report showed a net budget gap for 2023/24 of £15.7m and 2024/25 of £2.7m.

4.1.2 The components of the gap, as they stood at February 2022 are shown in the table below

	2023/24 £'000	2024/25 £'000
The Budget Gap February 2022		
Base Budget Pressures		
Pay	1,618	1,651
Fair Cost of Care	3,449	1,926
Inflation - General, Contractual	2,399	2,461
Demographics/ Care Costs	2,500	2,500
Grants, Legislative & Service Transfers	(1,322)	0
Treasury Management	100	0
Treasury Management (MAH)	0	0
Strategic Investment Programme	3,300	870
Short Term COVID-19 Service Pressures (Covid contingency)	(1,500)	0
Levies	487	493
Reversal of One of Savings in 22 23	534	0
Other	2,245	750
Base Budget Pressures	**13,810**	**10,651**
Base Budget Funding Changes		
Growth in Tax Base +1% pa, Changes in Rates, Fairer Funding	(2,523)	(2,440)
Remove Prior Year Funding from Reserves (*)	11,431	0
Change in Base Budget Funding	**8,908**	**(2,440)**
Gross Budget Gap	**22,718**	**8,211**
Gap Closed by Policy Choice Proposals (at Feb 2022)		
1.99% Increase in basic Council Tax	(2,266)	(2,390)
1% Increase in Social Care Precept	(1,139)	(1,184)

Income and Efficiency Savings at Feb 22	(3,616)	(1,941)
Total Policy Choice Proposals	**(7,021)**	**(5,515)**
Total Budget Gap February 2022	**15,697**	**2,696**

(*) reserve contributions included £7.1m associated with COVID-19 pressures including £5.6m temporary loss of income from dividend income from investments in Manchester Airport Holdings

4.1.3 If the proposed increases in Council Tax and prior year savings programme are excluded this gave a gross budget gap of £22.71m for 2023/24 and £8.21m for 2024/25, totalling £30.93m

4.2 Updated Budget Gap

4.2.1 Since February the Medium Term Financial Strategy has been updated and expanded from the previous three year timeframe to five years and now includes the financial years 2026/27, 2027/28. This has 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 period. The focus of the budget report will however remain to be the next one to three financial years.

4.2.2 The position has also been updated to reflect changes in budget assumptions such as the escalating levels of inflation, service related growth and demographic pressures and changes in non-policy choice funding assumptions, such as the delay of the fair funding review until 2025/26. This has increased the gap from £42.0m to £45.89m over the three year period with £25.82m relating to 2023/24. A full breakdown of the changes to the budget gap are detailed in Annex B and summarised below :-

Budget Movements	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	Total (£'000)
Gross Budget Gap before Feb 22 Savings and Policy Choice Funding Proposals	**22,718**	**8,211**	**11,072**	**42,001**
Movements in Funding BAU	(11,060)	4,389	527	**(6,144)**
Movements in Budget Assumptions (BAU)	14,161	(3,024)	(1,104)	**10,033**
TOTAL BUDGET MOVEMENTS	**3,101**	**1,365**	**(577)**	**3,889**
REVISED GROSS BUDGET GAP (Oct 22)	**25,819**	**9,576**	**10,495**	**45,890**
ACCUMULATIVE BUDGET GAP (Oct 22)	**25,819**	**35,395**	**45,890**	

4.2.3 **Business As Usual Pressures :-**

The main features are detailed below with a summary of the base budget assumptions shown in Annex A along with a Subjective Budget Analysis in Annex D:

Expenditure Pressures

- **Pay - £5.85m in 2023/24, £9.35m over three years**. 2023/24 includes the additional costs of the 2022/23 provisional pay award (approximately 6% against budget 2%) £3.3m above budget and an estimate of 4% for the 2023/24 pay award. This is £1.6m or 2% above our previous assumptions. A core provision for a 2% increase has been assumed for all other years**.** A reduction of £0.7m in 2023/24 has been included for an anticipated reduction in employer pension contributions following the tri-annual valuation**. An additional pressure of £4.23m in 2023/24.**

- **National Living Wage, Real Living Wage and Fair Price for Care - £8.35m in 2023/24, £13.42m over three years.** This covers projected increases in the NLW to reach the proposed target for external care staff by 2025/26, £6.0m relates to 2023/24. A further £2.4m in 2023/24 relates to additional funding from the Social Care Reform grant to pay for the fair price of care reforms**. A combined additional pressure in 2023/24 of £4.9m over previous assumptions.**

  The figures for 2024/25 include an additional £1.5m, for social care suppliers, in partial reflection of the Council's aspiration to reach the hourly rates set out under the Real Living Wage.

- **Inflation General and Contractual £8.17m in 2023/24 and £11.10m over three years.** Inflation has been revised upwards to an average of 8% in 2023/25 adding an additional pressure of £2.58m. Future years have been assumed at 3% in 2024/25 before dropping to 2%. Inflation relating to energy has been identified separately, our assumption includes a 200% increase in energy inflation an additional £3.2m in 2023/24. **A combined additional pressure in 2023/24 of £5.78m over previous assumptions.**

- **Levies:** includes inflationary allowances for waste disposal, transport and Environment Agency (flood defence) of £0.487m in 2023/24 or £0.980m over three years. **No change from previous assumptions.**

- **Demography-** an annual budget increase to reflect the increasing pressures and number of adults and children requiring social care with £2.5m in each of the three years of the plan. **No change from previous assumptions.**

- **General and Service Grants £3.97m in 2023/24 and £7.27m over three years** – Additional grants in 2023/24 relating to Social Care Reform (Fair Price of Care) £2.4m in 2023/24, plus an assumed share of general social care grant of £2.0m in both 2023/24 and 2024/25 and indexation of Improved Better Care Fund £0.65m in each year. All other grants assumed to continue at existing levels. **Additional grants in 2023/24 of £2.65m over previous assumptions.**

- **Treasury Management Strategic Investment Income from Manchester Airport Holdings (MAH)** – No expectation of any dividend income over three years, assumed reinstated in 2026/27, one year later than previous assumption.

- **Income from the Asset Investment Strategy** – A reduction of £3.3m in 2023/24 and £4.67m over three years. £1.8m in 2023/24 relates to pressure as investments are repaid to the Council. A requirement to replace these with new opportunities is presented within the savings programme. A further £1.5m in 2023/24 (£2.5m over three years) relates to reduced reliance on the programme. **No change from previous assumptions.**

- **Short Term Covid Pressures** – 2023/24 £(1.5)m reduction - this represents the removal of a one off contingency budget established during the pandemic to cover any unforeseen pressures. **No change from previous assumptions.**

- **Reversal of One off Savings Targets from Previous Year** - £0.53m in 2023/24, £0.53m over three years – reinstatement of pressures associated with prior year one off/non recurrent savings.

- **Other Changes £4.17m in 2023/24, £5.19m over three years**. The pressure in 2023/24 includes pressures of £1.5m identified in the current year period monitoring, largely related to home to school transport, which are likely to be recurrent. A rescheduling of a home care sustainability project at £1.0m, a potential loss in SLA income previously received from the CCG of £0.3m, £0.25m relating to amendments in social care charging following a legal review and £0.67m has been added to the general contingency to accommodate potential future uncertainty and a figure of £1.0m in 2025/26 relating to potential long term ICT funding.

Funding Pressures

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

- **Collection Fund Council Tax (Non-Policy Choice) -:** assumptions include anticipated growth in the tax base +1% in each of the years of the plan; no change from previous assumptions. Collection of historic debt, a one-off benefit of £0.25m in 2023/24. Discretionary discounts relating to empty properties £0.5m per annum from 2023/24. The positive outturn above expectations in 2021/22, an addition one off benefit of £0.99m. **Total additional benefit 2023/24 £1.75m above previous assumptions**

- **Business Rates –**The Council has a budget for Business Rates of £62.46m in 2022/23 and a forecast of £79.25m in 2023/24. The changes from previous assumptions include a delay in the Fair Funding Review, a reduction in the annual amount set aside for the provision for appeals, a release of the better than expected outturn in 2022/23 along with increased benefits from the continuation of the renegotiated sharing agreement with GMCA in 2023/24, the indexation in baseline funding and retained business rates reflecting an increase due to inflation. The additional benefit from the renegotiated sharing agreement relating to 2021/22 and 2022/23 totalling £4.8m will be directed via the Budget Support Reserve in two tranches of £2.5m in 2023/24 and £2.3m in 2024/25.**Total additional Benefit 2023/24 £14.11m above previous assumptions**.

4.2.4 **Reserves -** Use of reserves to support the budget in 2022/23 amounted to £11.43m made up from £4.33m Budget Support Reserve and £7.1m COVID-19 General Reserve; because reserves are a one-off resource this means that their removal adds to the gap in 2023/24.

4.3 Meeting the Gap

4.3.1 The table below shows the draft budget position following the latest round of budget proposals and policy choice funding updates. A full detailed listing of savings and income proposals which have been developed for 2023/24 can be found in Annex C. The proposals for year 2 and 3 of the programme will be included in the final budget report as these are developed more fully over the next few months.

Summary of the Budget Proposals	**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**	**Total £'000**
Revised Gross Budget Gap (Oct 22)	**25,819**	**9,576**	**10,495**	**45,890**
Policy Choice Funding Proposals				
General Increase in basic Council Tax to 1.99% (*)	(2,266)	(2,390)	(2,523)	(7,179)
Social Care Precept increase 1.0% (*)	(1,139)	(1,184)	(1,232)	(3,555)
Budget Support Reserve	(2,500)	200	2,300	0
Total Policy Choice Funding	**(5,905)**	**(3,374)**	**(1,455)**	**(10,734)**
Savings and Income proposals	(11,394)	(3,486)	(3,272)	(18,152)
Revised Budget Gap (Oct 22)	**8,520**	**2,716**	**5,768**	**17,004**

(*) Subject to council tax referendum principles for 2023/24 – to be announced in December 2022.

4.3.2 The value of savings proposals in the report are currently valued at £18.15m over the three year period, with £11.39m planned in 2023/24. This still leaves a budget gap of £8.52m for 2023/24 and a continuing challenge beyond that.

4.3.3 Whilst it is not uncommon to have a gap at the draft budget stage in the preparation of the MTFS, there is a level of concern with such a sizeable gap remaining when considering this follows 12 years of service cuts and therefore the ability to absorb further reductions in service provision becomes increasingly difficult.

4.3.4 It is imperative that the Finance and Change Programme continues the momentum gained over previous months and identify further opportunities to make recurrent budget savings to address the remaining gap. Whilst there will be a further national budget announcement on the 30 October 2022 and the provisional local government finance settlement in December, it is not prudent

to rely on these to provide an answer and therefore further work will continue at pace in the following areas:-

- The continuation of scoping and business case development for a number of areas of potential savings that are already identified. Most notably this includes an external review of the Council's learning disability service;

- A system wide review of the provision of discharge to assess bed provision to ensure the most optimum and cost efficient service;

- A review of vacancy management protocols which will involve temporary freezes on vacancies in all back-office service areas. This will be trialled during 2022/23 to determine the operational impacts and the level of savings which could be derived.

- Consideration to other changes to staff terms and conditions;

- A review of contract management and procurement arrangements, initially through STAR procurement, to develop a three-year plan targeting efficiencies through collaborative procurement;

- A review of existing and potential enforcement activity that could support the alleviation of congestion; any income would be used to invest in our existing infrastructure and to support active travel;

- A review of activity across a number of areas including commissioning, business support and remaining discretionary services;

- Review of Combined Authority budget contributions.

4.3.5 Based on current assumptions and proposals the 2023/24 net budget will increase by £16.58m or 8.6%, from £192.57m to £209.15m.

4.3.6 A full Subjective summary providing a breakdown of the 2023/24 net budget can be found in Annex D and an Objective summary below.

Budget	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)
Service:			
Children's Services	46,565	47,361	47,555
Adult Services (incl. Public Health)	76,757	80,391	83,081
Place	37,084	36,833	37,808
Governance and Community Strategy	6,324	6,487	6,650
Finance and Systems	8,463	8,721	9,914
Strategy and Resources	5,186	4,879	4,959
Total Service Budgets	**180,379**	**184,672**	**189,967**
Council-wide Budgets	28,771	28,619	28,483

Net Budget	**209,150**	**213,291**	**218,450**
Funding:			
Council Tax	(118,879)	(122,787)	(127,444)
Business Rates: Local Share	(150,194)	(153,199)	(156,263)
Business Rates: Tariff Payment	94,943	96,443	98,749
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	(24,000)	(20,212)	(16,988)
Fairer Funding Assumptions	0	0	500
Funding	**(198,130)**	**(199,755)**	**(201,446)**
Movement in Reserves			
Budget Resilience, Innovation and Change Reserve	(2,500)	(2,300)	0
Movement to/(from) Reserves	**(2,500)**	**(2,300)**	**0**
Cumulative Budget Gap	**8,520**	**11,236**	**17,004**
Annual Budget Gap	**8,520**	**2,716**	**5,768**

5. ROBUSTNESS, RISKS & RESERVES.

5.1 Robustness and Risks

5.1.1 The law requires that the Council sets a balanced and robust budget, which is sufficient to meet its legal obligations, and then its aspirations. This requires all plans to be costed, forecasts and estimates to be checked for reasonableness, and risks to be assessed across the many varied services the Council provides. This also includes an assessment for emergencies, severe weather and other service and strategic risks.

5.1.2 Robustness does not guarantee that all possible eventualities are identified, or that all budget estimates are exact. Actual income and expenditure is likely to vary from the established budgets, but in the round these will compensate, and the approved budget needs only be sufficient to meet overall expenditure requirements.

5.1.3 Under the Local Government Act 2003, the Director of Finance and Systems is required to prepare a report, for use when the Council is deciding its annual budget and council tax, on the robustness of the budget and the adequacy of the Council's reserves. It is for this reason that it is recommended that reserves are reviewed on an annual basis ensuring the judgements on the adequacy of reserves are informed and remain appropriate particularly in relation to the potential impact of new risks and financial challenges faced by the Council.

5.1.4 The detailed review, which will be reported upon as part of the final budget report will consider :

- The rationale for holding each reserve;
- Whether the approved commitments for the use of each reserve are still needed;
- Whether the level of the Council's reserves remains appropriate to provide resilience against the financial risks and challenges facing the Council;
- Whether the existing reserves need to be reclassified to meet the Council's corporate and strategic objectives over the MTFP period;
- Whether any new reserves need to be created to meet the Council's corporate and strategic objectives going forward; and
- The use of the Council's outturn surplus to replenish existing reserves and/or create new reserves.

5.2 Classification

5.2.1 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 separated out 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.

- **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.

- **COVID-19 Reserves –** This is a new category of reserves established to hold 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.

- **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.

5.3 Balances

5.3.1 The Council's usable reserves at 31st March 2022 stood at £154.12m, of which £69.09m relates to Earmarked revenue reserves as shown below. The projected usage over the next three years has been provisionally estimated, however these will be subject to a detailed review before the final budget is concluded.

Usable Reserves	Opening Balance 1/4/2022 £m	Estimated Balance 1/4/2023 £m	Estimated Balance 1/4/2024 £m	Estimated Balance 1/4/2025 £m
MTFP Budget Resilience and Change	11.65	16.45	12.45	10.15
Smoothing and Business Risk	18.85	15.62	16.88	13.21
Strategic Priority	11.60	8.70	6.97	7.56
Corporate	1.00	1.58	0.21	0.00
General Reserve	9.50	9.50	9.50	9.50
Service Area Priorities	16.49	9.68	6.71	3.81
Earmarked Reserves (exc COVID)	**69.09**	**61.53**	**52.72**	**44.23**
COVID-19 Reserves	48.14	(8.41)	0.00	0.00
Capital Related Reserves	22.65	15.69	15.69	15.69
School Related Reserves	14.24	14.30	14.30	14.30
Total Usable Reserves	**154.12**	**83.11**	**82.71**	**74.22**

The balance and provisional commitments against each reserve are shown in detail in Annex E.

5.4 Using Reserves to Support the Budget

5.4.1 Balancing the annual budget by drawing on Earmarked reserves may be viewed as a legitimate short-term option but it is not prudent for these reserves to be deployed to finance recurrent expenditure. Holding these types of reserves is primarily to assist in cushioning the effects of financial shocks and aids resilience.

5.4.2 The impact of COVID-19 demonstrated the importance of maintaining sufficient reserves and their application has gone someway to help mitigate a substantial part of the previous budget gap and in allowing the Council to meet its obligations in setting a balanced budget in the short term. The ongoing economic uncertainty has also highlighted the importance of maintaining an adequate level of reserves associated with significant income streams such as business rates and the strategic investment programme.

5.4.3 Although the Council has significantly lower levels of reserves than its neighbours, the ability to redirect these resources to support our budget and finance and change programme 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.

5.4.4 The level of Earmarked reserves the Council holds is in part reflective of the past funding levels of the Council in comparison to its need to spend. This means that, as the lowest funded Council in Greater Manchester, it has accumulated one of the lowest levels of Earmarked reserves. Should the

recurrent impact of the pandemic and the cost of living crisis be higher or last longer than anticipated and into future years, the level of remaining reserves will be insufficient to meet such a scenario.

5.5 Main Reserves Initial Observations at Draft Budget Stage

5.5.1 A balance of earmarked reserves of £69.09m was brought forward at 1st April 2022, the following observations relating to the main reserves should be noted:

MTFP Budget Resilience and Transformation Reserve

- **Budget Resilience, Innovation and Change (BRIC) Reserve -** This reserve had a brought forward balance of £11.65m at 1st April 2022 of which £4.33m is committed to support the 2022/23 budget.

  The reserve will be bolstered by £9.14m during 2022/23 in line with our budget plans which include:-

  - a release from the Collection Fund, relating to the better than expected outturn in 2021/22 from Council Tax £1.05m and Business Rates £3.8m,
  - £2.3m additional benefits in 2022/23 from the amended business rates growth pilot sharing agreement with GMCA.
  - a contribution from revenue budget provision of £0.5m, which was established to replenish reserves used to support pressures during the pandemic
  - £1.5m anticipated windfall from GMCA relating to reduced Waste Levy and energy from Waste.

  This will give an estimated balance at the end of 2022/23 of £16.45m.

  Commitments from this reserve will include the following :-

  - A figure of £1.5m has been included to support the Finance and Change Programme in 2023/24.
  - The current in-year budget monitoring position as at period 4 is a projected overspend of £6.91m which includes an estimate for service pressures of £0.91m and inflationary pressures of £6.0m. It is still relatively early in the financial year to predict the outturn with 100% accuracy, and in addition if the Government will provide further support to relieve some of the inflationary pressure. In the event that the outturn cannot be brought back in line, then an element of this reserve balance will need ring-fencing for this.
  - Our draft budget plans include support of £2.5m in 2023/24 and £2.3m in 2024/25 largely associated with the release of the Business Rates items mentioned above.
  - The smoothing of the remaining budget gap over the course of the MTFP, pending the outcomes from the Innovation and Change Programme to deliver a balanced budget.

Smoothing and Business Risk

- **Business Rate Risk Reserve -** This reserve represents the biggest reserve under the category of Resilience and Smoothing at £5.93m at 1st April 2022. The reserve will also be used to smooth the estimated benefits from our review of business rates appeals in 2022/23 which will be used to support our budget plans in 2024/25 and 2025/26 as set out in the draft MTFP. The balance will increase by £4.2m in 2023/24 when the appeals provision is released and reduce by £2.2m and £2m in 2024/25 and 2025/26 to support the budget.

  The Council has a budget from Business Rates income of approximately £79m 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 underlying balance of £5.93m will be used to mitigate against these significant risks.

- **Inflation Risk Reserve –** As part of the 2021/22 year end close down, the opportunity was taken to create a specific Inflation Risk Reserve to help mitigate against some of the 2022/23 pressures and a balance of £3.0m was transferred from the Budget Resilience Reserve. As reported in the Period 4 monitoring report, this reserve is expected to be utilised in full in 2022/23 to meet the inflationary pressures (energy, pay award).

Strategic Priority

- **Asset Investment Strategy Risk Reserve -** this reserve is the largest reserve within the category of Strategic Priority and stood at £6.3m at 1st April 2022. 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 and after the pandemic due to the significant impact of delays in developer loans being drawn down and shortfalls in rental income as reported in the Period 4 monitor. It is likely that 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 building refurbishment programme. Its use was extended during the pandemic to smooth the support required as a result of the impact on trading income. There remains a high degree of uncertainty on the ongoing trading and the impact of the building redevelopment programme and the reserve will continue to play a critical role in managing these risks.

Corporate Reserves

- **General Reserve –** The level of General Reserve incorporates risk assumptions on pay/inflation, emergency and disaster recovery

scenarios, increases in demand led budgets, savings target not being met and business rates/council tax shortfalls. It is highly unlikely that the events would occur simultaneously and the figure is calculated on a prudent basis. The balance is currently £9.5m and was based on the minimum agreed as part of the risk and resilience exercise when preparing the current budget.

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 will be thoroughly challenged as part of the annual review and updated as part of the final budget proposals.

COVID-19 Various

- **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 fully used to compensate the Collection Fund for the accumulated shortfall and cannot be used for any other purposes. A balance of £7.10m will be used in 2022/23 to support the budget in reflection of the COVID-19 pressures, largely associated with the loss of income from our investment in Manchester Airport Holdings.

5.6 Summary of initial review of Reserves

5.6.1 The reserve strategy set out in the previous MTFS was based on providing sufficient resource within an MTFP Budget Resilience Innovation and Change (BRIC) Reserve 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, that there were adequate levels of risk mitigation reserves given the range of uncertainties faced by the Council.

5.6.2 The fundamentals of the current reserve strategy remain in place and where the opportunity has arisen to bolster reserves, to be used to smooth the impact of the budget gap, this has been taken. This can be seen in the benefits realised from the renegotiated Business Rates growth pilot sharing agreement and the review of the Business Rate appeals provision, both of which have been directed to reserves to be drawn down to support the 2023/24 and 2024/25 budget.

5.6.3 The estimated forecast on the MTFP BRIC Reserve at the end of the three year MTFP currently stands at £10.1m. Given the size of the outstanding budget gap in 2023/24 of £8.5m and £17.4m over the three years, the pressure being placed on this reserve and need to deliver a sustainable savings programme at pace is all too apparent.

5.6.4 The core risk reserves remain in place and at previously levels, these include unknown pressures in future years associated with risk from Business Rates

uncertainty and potential shortfalls in the income derived from the Asset Investment Strategy.

5.6.5 There appears to be little headroom for any further substantial release of resources to support the budget gap and at the same time provide sufficient robustness to absorb the major financial risks over the short term. However, as in previous years and in line with good practice a detailed analysis of all reserves and adequacy of balances will be concluded and reported on as part of the final budget report.

6. Schools Funding and Budgets 2023/24

6.1 Background

6.1.1 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 overspends taken forward into future years.

There are 4 blocks within the DSG:

- Schools Block (SB) - which funds schools' budgets.
- 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 and includes 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.

6.2 Summary Position 2022/23

6.2.1 The projected overspend on the DSG is £724k for 2022/23 which is predominantly driven by the pressures on the High Needs Block. The majority of this is due to additional placements costs.

6.2.2 There is concern nationally over the impact of Special Educational Needs and Disabilities (SEND) reform on High Needs expenditure, and the financial difficulties this exposes local authorities to. Whilst the recently released Green Paper is set to result in systemic changes to the national SEND system, such changes may take a number of years to deliver and none appear to address the funding issues.

6.2.3 The Council is currently receiving an element of low-level support from the Department of Education's (DfE) who have been able to provide some advice and guidance on helping to control the growing high needs deficit. At the end of 2022/23 the accumulated high needs deficit is forecast to be at £3.1m. Discussions are at the early stages to identify the support although this is unlikely to be in the form of additional funding at this stage.

6.2.4 Without new interventions the high needs deficit is forecast to continue to increase over the MTFS period and is not financially sustainable. This creates a significant and unresolved financial risk to the Council.

6.2.5 A statutory override currently exists for 2022/23 which means that the DSG deficit is ring-fenced from other Council earmarked reserves. The continuation of this override has recently been consulted on but the outcome of this is still unknown.

7. CAPITAL STRATEGY AND PROGRAMME

7.1 Background

7.1.1 The Capital Strategy and Programme aims to provide a long-term vision of the Council's planned capital expenditure, capital financing and treasury management activity and how these can contribute to the provision of services through the Capital Programme and Asset Investment Strategy.

7.1.2 An update of the Programme was presented to Executive on 12 October 2022 which set out the updated budget for 2022/23 of £58.22m and £222.32m over the next three years.

SERVICE AREA	2022/23 £m	2023/24 £m	2024/25 £m	TOTAL £m
Children's Services	**16.75**	**28.35**	**2.85**	**47.95**
Adult Services	**3.82**	**4.14**	**2.47**	**10.43**
Place	**35.79**	**84.88**	**38.60**	**159.27**
Governance & Community Strategy	**0.05**	**0.00**	**0.00**	**0.05**
Finance & Systems	**1.81**	**2.71**	**0.10**	**4.62**
TOTAL CAPITAL BUDGET	**58.22**	**120.08**	**44.02**	**222.32**

7.1.3 A full review of the capital programme is currently being undertaken by the Capital Programme Board to ensure it aligns closely to the Council's key objectives whilst also remaining affordable within the capital resources which are available.

7.1.4 Capital resources, like revenue resources, are under acute pressure and therefore as part of the exercise it is likely to be necessary to have to review the existing criteria used to prioritise the allocation of resources to capital schemes.

7.1.5 The key priority will need to be how the programme supports the delivery of invest to save schemes which support the Council's revenue budget. Due to the limited internal resources available, in the form of capital receipts and small amounts of prudential borrowing, there is potential that some priority building works are delayed until sufficient resources become available.

7.1.6 The review will be completed over the next couple of months with the aim of developing a final capital budget plan for 2023/24 to 2025/26 which will be

considered by the Executive in November. Given the limited internal resources available it is recommended that no further commitments are made on planned projects that are financed from either capital receipts or borrowing until this review is completed.

Base Budget Assumptions

Annex A

Base Budget Assumptions	2023/24 £m	2024/25 £m	2025/26 £m
Service Expenditure			
Pay: Inflation – 2022/23 (not yet agreed) Pay: Inflation	6.00% 4.00%	n/a 2.00%	n/a 2.00%
Pay award cost	£6.34m	£1.54m	£1.54m
Pay: Pension Inflation	-1.0% -£0.70m	0.0% £0.00m	0.0% £0.00m
Pay: Living Wage/ FPFC/Real Living Wage	£8.35m	£3.43m	£1.64m
General Inflation: Prices(*)	8.0% £0.21m	3.0% £0.16m	2.0% £0.14m
Contractual Obligations: Inflation Specific	£4.54m	£2.64m	£2.35m
Energy Inflation	£3.20m	-£1.60m	-£0.80m
Levies: Waste (GMWDA) Levy Increase/ (Decrease)	£0.49	£0.49	£0.49
Demographics: Children	£1.00m	£1.00m	£1.00m
Demographics: Adults	£1.50m	£1.50m	£1.50m
Treasury Management			
Investment Rates	2.82%	2.42%	2.30%
Debt Rates (new debt)	4.50%	3.50%	3.10%
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	1.00%	1.00%	1.00%

(*) To be reviewed before the final budget report is presented in February 2023.

Breakdown of the Movements in the Budget Gap

Annex B

Budget Movements	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	Total (£'000)
Gross Budget Gap before Feb 22 Savings and Policy Choice Funding Proposals	**22,718**	**8,211**	**11,072**	**42,001**
Changes in Funding Assumptions BAU				
Delay in Fair Funding Review	(500)	(500)	0	(1,000)
Business Rates Sharing Agreement benefit in 23/24	(2,000)	2,000		0
Release of Actual Council Tax Surplus Above Est 21 22	(993)	993	0	0
Review of council tax discretionary discounts	(500)	(20)	(20)	(540)
Release of collection fund bad debt provisions Council Tax	(253)	(13)	269	3
Release of collection fund bad debt provisions Rates	(250)	0	250	0
One-off release of the business rate appeals provision in 2022/23 and use of smoothing reserve	(4,814)	2,629	28	(2,157)
Inflationary Indexation of Business Rates	(1,750)	(700)	0	(2,450)
Movements in Funding Assumptions (BAU)	**(11,060)**	**4,389**	**527**	**(6,144)**
Movements in Budget Assumptions BAU :				
Pay Award 22/23 above assumed budget	3,328	64	64	3,456
Pay Award 23 24 (2% above assumed)	1,600	32	32	1,664
Energy Inflation	3,200	(1,600)	(800)	800
Impact of Inflation on NLW/RLW and Fair	4,900	1,500	0	6,400

Price for Care Calculations				
Estimate of additional ASC grants of £500m in 23/24 and 24/25	(2,000)	(2,000)	0	(4,000)
Removal of assumed growth in Corporate Contingency Budget	0	(750)	(750)	(1,500)
Additional investment in ICT	0	0	750	750
Change in Pension Contributions	(700)	0	0	(700)
Pressures in 22/23 (Children's Services home to school, Savings not met)	1,500	0	0	1,500
Impact of Inflation on contracts and services	2,575	365	0	2,940
Indexation of Better Care Fund	(650)	(650)	(650)	(1,950)
Other Budget Assumptions	408	15	250	673
Movements in Budget Assumptions (BAU)	**14,161**	**(3,024)**	**(1,104)**	**10,033**
TOTAL BUDGET MOVEMENTS	**3,101**	**1,365**	**(577)**	**3,889**
REVISED BUDGET GAP (Oct 22)	**25,819**	**9,576**	**10,495**	
ACCUMULATIVE BUDGET GAP (Oct 22)	**25,819**	**35,395**	**45,890**	

Savings and Income Proposals

Annex C

Note:- In line with the Executive's stated objective at this stage any service savings proposal affecting staff are achieved by voluntary means wherever possible, for example by voluntary severance.

Saving Title	Previously Approved/ New	Service Area	Description of saving	2023/24 £000
Children Placements	PA	Children's	A review of demand and placements for looked after children	(1,000)
Staffing Efficiencies Children's Services	PA	Children's	Review of staffing establishment outside of the main redesign programme	(45)
Troubled Families Funding/Strengthening Families	New	Children's	Continuation of the service redesign	(275)
VCSFE service/children's commissioning	New	Children's	Undertake strategic needs assessment of commissioned services and offer	(72)
Sub-Total Children's				**(1,392)**
Weight Management	PA	Adults	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	(31)
Liberty Protection Safeguards (LPS)/Portal – Reshaping.	PA	Adults	The implementation of the LPS scheme and a whole system portal which will drive through efficiencies and costs savings.	(101)

Bad debt provision - Adults Social Care	New	Adults	Review level of contribution to bad debt provision	(50)
Homecare	New	Adults	Rephase Council contribution once Transformation Funding ceases	(1,000)
Demographic Growth Control	New	Adults	Demographic Growth Control	(100)
Sub-Total Adults				**(1,282)**
Electric vehicle (EV) charging points	PA	Place	Expand number of EV charging points on a revenue share model	(100)
Strategic Investment Income	PA	Place	Investment Programme - Recycling of receipts to maintain net income at achievable levels	(1,800)
Review of operational and strategic estates	New	Place	Efficiency review of operational estate and lease/rent reviews to ensure full cost recovery across the Council's estate	(136)
Planning Fees - greater cost recovery	New	Place	Increase planning fees (subject to Government confirming an uplift in fees, which are set nationally)	(100)
Regulatory Services - cost recovery	New	Place	The cost of safety certificates / recover more from taxi tests to increase.	(25)
Reduce Place Contingency	New	Place	Removal of a contingency budget from an earlier restructure	(30)
Housing Service	New	Place	Removal of temporary posts/vacancies	(50)
GMCA contribution	New	Place	Review level of contribution	(50)
Street Lighting	New	Place	Review option in relation to Trimming, 1hr warm up, cool down at start and end of day	(150)
Illuminated signs / bollards	New	Place	Invest to save to declutter and de-illumination to reduce energy cost impacts	(50)

Street Lighting	New	Place	Look at further options to trim earlier / later and switch off street lighting in low risk areas	(300)
Sale Water Park	New	Place	Review service provision	(100)
Unadopted highways/access roads	New	Place	Reduce budget provision	(50)
Sub-Total Place				**(2,941)**
Traded Services	PA	Finance & Systems	Traded Services income - increase in contributions to offset pay and cost inflation.	(38)
Review of Subscriptions	New	Finance & Systems	A range of subscriptions for external services to be reviewed	(20)
Sub-Total Finance & Systems				**(58)**
Traded Services	PA	Strategy & Resources	Review Traded Services income - increase in charges to offset pay and cost inflation.	(151)
Traded Services	New	Strategy & Resources	Reduce subsidy on some traded activity - 5% reduction in cost	(110)
Change Charging basis for Modernisation Team	New	Strategy & Resources	Utilising the flexibility on capital receipts, it is intended to charge the cost of the team to the capital programme for a further two years.	(600)
Review of Sale Waterside Arts Centre and Flixton House Operations	New	Strategy & Resources	A review of the operational effectiveness of both assets.	(180)
Review Music Service	New	Strategy & Resources	Continue to remove the remaining Corporate overhead subsidy and continue with expansion of offer with a view to broadening reach	(30)
Sub-Total Strategy and Resources				**(1,071)**
Treasury Management Budget	New	Council Wide	Realignment of the Treasury Management Budget to support the latest forecast position and	(3,850)

			activity relating to borrowing and Investments	
Increase Vacancy Factor/Budget utilisation	New	All	Increase vacancy management period across all services	(700)
Digital Strategy	PA	All	Increased use of digital technology to deliver better and more efficient services.	(100)
Sub-Total Council Wide and Cross Directorate				**(4,650)**
TOTAL SAVINGS AND INCOME PROPOSALS				**(11,394)**

Note:- In line with the Executive's stated objective at this stage any service savings proposal affecting staff are achieved by voluntary means wherever possible, for example by voluntary severance.

Subjective Analysis 2023/24

Annex D

2023/24 SUBJECTIVE ANALYSIS	CHILDREN (£000's)	ADULTS (£000's)	PLACE £000's	GOV AND CS (£000's)	FINANCE & SYSTEMS (£000's)	STRATEGY & RESOURCES (£000's)	COUNCIL-WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
NET BUDGET Brought Forward	**44,100**	**69,807**	**31,003**	**6,210**	**7,962**	**5,189**	**28,302**		**192,573**
Budget Pressures :									
Pay	455	310	185	121	202	329	4,244		**5,846**
National Living Wage/ Fair Price for Care	10	8,339	0	0	0	0	0		**8,349**
General Inflation	76	28	55	33	9	7	25		**233**
Contractual Inflation & Obligations	1,916	869	5,060	6	64	26	0		**7,941**
Levies	0	0	487	0	0	0	0		**487**
Demographics/ Care Costs	1,000	1,500	0	0	0	0	0		**2,500**
Grants, Legislative & Service Transfers	400	(4,372)	0	0	0	0	0		**(3,972)**
Loss of Income	0	0	(98)	0	0	0	0		**(98)**
Treasury Management	0	0	0	0	0	0	180		**180**
Strategic Investment Programme	0	0	3,300	0	0	0	0		**3,300**
Short Term COVID-19 Service Pressures	0	0	0	0	0	0	(1,500)		**(1,500)**
Reversal of One off Savings Targets Prior Year	0	0	0	34	0	500	0		**534**
Other	0	1,558	33	0	284	126	2,170		**4,171**
Total Budget Pressures	**3,857**	**8,232**	**9,022**	**194**	**559**	**988**	**5,119**		**27,971**
Budget Savings									
Total Approved Budget Proposals	**(1,392)**	**(1,282)**	**(2,941)**	**(80)**	**(58)**	**(991)**	**(4,650)**		**(11,394)**
PROPOSED NET BUDGET	**46,565**	**76,757**	**37,084**	**6,324**	**8,463**	**5,186**	**28,771**		**209,150**
Council Tax								(114,615)	**(114,615)**
Council Tax - 1.99% General Increase								(2,280)	**(2,280)**
Council Tax - 1% Adult Social Care Increase								(1,146)	**(1,146)**
Council Tax 20/21 Estimated COVID Deficit (1/3) and Government Support								1,095	**1,095**
Council Tax diff est/act deficit use of smoothing reserve								(1,933)	**(1,933)**
Total Council Tax Funding								**(118,879)**	**(118,879)**
Business Rates: Local Share								(150,194)	**(150,194)**
Business Rates: Tariff Payment								94,943	**94,943**
Business Rates: Growth Assumptions, S31 Grants, GM Pilot								(27,656)	**(27,656)**
Business Rates 20/21 COVID Estimated Deficit (1/3) and Gov Support								443	**443**
COVID Rates diff est/act and Gov Grant Support Smoothing Reserve								3,213	**3,213**
Total Business Rates Funding								**(79,251)**	**(79,251)**
PROPOSED FUNDING								**(198,130)**	**(198,130)**
Budget Support Reserve								(2,500)	**(2,500)**
Movement in Reserves Total								**(2,500)**	**(2,500)**
FUNDING FROM RESERVES								**(2,500)**	**(2,500)**
BUDGET GAP									**8,520**

Details of Reserves by Category **Annex E**

CATEGORY	RESERVE NAME	BALANCE AT 31st MARCH 2022	TOTAL COMMITTED 22/23 to 24/25 £000	BALANCE AFTER COMMITMENT (UNDER)/ OVER £000	REVISED BALANCE March 25 £000
MTFP Budget Resilience and Change	MTFP Budget Resilience, Innovation and Change Reserve (BRICR)	(11,651)	1,499	(10,152)	**(10,152)**
Sub-Total Budget Resilience		**(11,651)**	**1,499**	**(10,152)**	**(10,152)**
Smoothing and Business Risk	Business Rate Risk Reserve	(5,929)	(2,000)	(7,929)	**(7,929)**
Smoothing and Business Risk	Insurance Reserve	(1,539)	0	(1,539)	**(1,539)**
Smoothing and Business Risk	Earmark Gen - Employment Rationalisation	(800)	600	(200)	**(200)**
Smoothing and Business Risk	Housing Benefit Overpayment Reserve	(500)	0	(500)	**(500)**
Smoothing and Business Risk	Timperley Sports Club Synthetic Pitch	(108)	78	(30)	**(30)**
Smoothing and Business Risk	Earmark Gen - Local Search Litigation Costs Settlement	(78)	0	(78)	**(78)**
Smoothing and Business Risk	Earmark Gen - Civic vehicle reserve	(24)	24	0	**0**
Smoothing and Business Risk	Smoothing - Waste Levy	(1,351)	1,158	(193)	**(193)**
Smoothing and Business Risk	Smoothing - Winter Maintenance	(120)	0	(120)	**(120)**
Smoothing and Business Risk	Smoothing - Elections	(263)	390	127	**127**
Smoothing and Business Risk	Smoothing - Interest Rate	(2,567)	2,280	(287)	**(287)**
Smoothing and Business Risk	Exchequer Services Reserve	(333)	100	(233)	**(233)**
Smoothing and Business Risk	EU Exit Funding Reserve	(249)	300	51	**51**
Smoothing and Business Risk	Sale PFI Bullet Payment	(1,232)	(240)	(1,472)	**(1,472)**
Smoothing and Business Risk	Admin Building Cyclical Maintenance Reserve	(761)	450	(311)	**(311)**
Smoothing and Business Risk	Council Tax Risk Reserve	0	(500)	(500)	**(500)**
Smoothing and Business Risk	Inflation Risk Reserve	(3,000)	3,000	0	**0**

Sub-Total Smoothing and Business Risk		**(18,854)**	**5,640**	**(13,214)**	**(13,214)**
COVID-19	Covid General Reserve	(7,097)	7,097	0	**0**
COVID-19	Council Tax Compensation Grant Covid (75%)	(510)	510	0	**0**
COVID-19	Business Rates Compensation Grant Covid (75%)	(2,660)	2,660	0	**0**
COVID-19	NDR Rates Exceptional Deficit Reserve (Section 31 Grants)	(37,870)	37,870	0	**0**
Sub-Total COVID-19 Budget Resilience and Smoothing		**(48,137)**	**48,137**	**0**	**0**
Strategic Priority	Transformation Fund Match Funding Reserve	(1,823)	1,068	(755)	**(755)**
Strategic Priority	Strategic Investment Programme Risk Reserve	(6,309)	543	(5,766)	**(5,766)**
Strategic Priority	Leisure Centres Risk Reserve	(1,628)	900	(728)	**(728)**
Strategic Priority	Children's Action Fund Reserve	(69)	36	(33)	**(33)**
Strategic Priority	Bus Reform	(1,500)	1,500	0	**0**
Strategic Priority	Major Projects Reserve Abortive costs and DSG Academy Trans	(275)	0	(275)	**(275)**
Sub-Total Strategic Priority		**(11,604)**	**4,047**	**(7,557)**	**(7,557)**
Corporate	NDR Deficit Reserve	(289)	289	0	**0**
Corporate	Star Procurement Earmarked Reserve	(527)	527	0	**0**
Corporate	Planning Income Reserve	(186)	186	0	**0**
Corporate	General Reserve	(9,500)	0	(9,500)	**(9,500)**
Sub-Total Corporate		**(10,502)**	**1,002**	**(9,500)**	**(9,500)**
Service Area Priority	Earmark Gen - ICT Development	(1,259)	850	(409)	**(409)**
Service Area Priority	Economic Development	(1,438)	1,000	(438)	**(438)**
Service Area Priority	Earmark Gen - Libraries and Customer Services Reserve	(68)	40	(28)	**(28)**
Service Area Priority	Earmark Gen - Vol Sec Grants Reserve	(29)	29	0	**0**

Service Area Priority	Earmark Gen - Community Safety	(351)	308	(43)	**(43)**
Service Area Priority	Earmark Gen - Modernisation	(306)	300	(6)	**(6)**
Service Area Priority	One Trafford Partnership Reserve	(1,973)	1,300	(673)	**(673)**
Service Area Priority	Sports Partnership Reserve	(378)	368	(10)	**(10)**
Service Area Priority	Earmarked Service C/fwd **Place**	(1,014)	719	(295)	**(295)**
Service Area Priority	Earmarked Service C/fwd **G & CS**	(59)	40	(19)	**(19)**
Service Area Priority	Earmarked Service C/fwd **F & S**	(864)	472	(392)	**(392)**
Service Area Priority	Earmarked Service C/fwd Strategy & Resources	(724)	562	(162)	**(162)**
Service Area Priority	Earmarked Service C/fwd **Children**	(27)	27	0	**0**
Service Area Priority	Earmarked Service C/fwd **Adults**	(4,398)	3,061	(1,337)	**(1,337)**
Service Area Priority	Adults Discharge to Assess **Adults**	(3,286)	3,286	0	**0**
Service Area Priority	Traded Services Reserve	(317)	317	0	**0**
Sub-Total Service Area Priority		**(16,491)**	**12,679**	**(3,812)**	**(3,812)**
SUB-TOTAL Earmarked Reserves		**(117,239)**	**73,004**	**(44,235)**	**(44,235)**
	Capital Related Reserves	(22,649)			**(15,694)**
	School Related Reserves	(14,235)			**(14,303)**
	SUB-TOTAL	**(36,884)**			**(29,997)**
	TOTAL USABLE RESERVES	**(154,123)**			**(74,232)**

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TRAFFORD COUNCIL

Report to: **Executive**
Date: **24 October 2022**
Report for: **Noting**
Report of: **The Executive Member for Adult Social Care**

Report Title

Fair Price for Care and the Fair Cost of Care

Summary

This report is to provide the Executive with an update on recent and planned activity around the Fair Price for Care and the Fair Costs of Care

Recommendation(s)

That the Executive:-

- **Note the content of the report**

Contact person for access to background papers and further information:

Name: Karen Ahmed
Extension: 1890

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Reducing health inequalities Supporting people out of poverty Addressing our climate crisis **Trafford Together Plan and the Integrated Care System**:
Relationship to GM Policy or Strategy Framework	**Greater Manchester Population Health Plan 2017-2021: Age Well Priority**: We are continuing to support more people to live at home for as long as possible and we will manage infection rates through the provision of safe care at home and care home services. **Greater Manchester Health and Care Board Urgent and Emergency Care Improvement and Transformation Plan**: Social care is integral to priorities around reducing delayed hospital discharges and urgent/unplanned care and our community response to COVID. **Greater Manchester Live Well at Home Strategy**: This proposal is aligned with GM priorities to improve homecare and supports us to continue to transform homecare, in line with our allocation of GM Transformation monies. Across GM, there are over 560 residential and nursing homes with over 19,000 beds. These homes make a significant contribution to the functioning of the health and care economy but there is significant variation in the level of quality, responsiveness, and adaptability. Last year GM established quality targets, based on CQC ratings, and these will be reviewed in line with the changing regulation framework. We have seen recent improvements in the quality of care provided by care homes despite the challenges of Covid. GM is currently focused on maintaining market stability, and a number of boroughs have already lost some of their care homes. As the intention is to move away from traditional nursing and residential care homes, this will involve some reshaping and diversification of the market. **Housing Strategy and Ageing Well:** We are working very closely with our colleagues in housing strategy and in public health to look at a number of different options to support people living in the community with a wide range of needs so that people only enter residential care when they need that level of care and support, rather than because their living accommodation does not meet their needs or they are lonely. These approaches are articulated in our Ageing Well and new Older Peoples' Housing Strategies. **Commissioning Strategy and Market Position Principles:** Our vision for the market and our commitment to coproduction is articulated in "Trafford Together," our locality plan which has now been refreshed. This is a jointly agreed document which sets out the system wide changes we need to make.
Financial	The proposed uplift based on increases to the RLW/NLW and CPI for other costs would be met from within the overall

	allocation for inflation and demography in the Medium Term Financial Plan (MTFP) that has been allocated to the Adult Social Care budget for 2022/23.
Legal Implications:	Consultation requirements are set out in relevant legislation. Legal advice will be sought where required.
Equality/Diversity Implications	Decision-makers are under a legal duty to have due regard to the need to eliminate discrimination against home care recipients (as well as providers/staff), promote equality of opportunity between such persons and others and foster good relations between such persons and others. Therefore, it is important to take care that all the new rates are adequate to promote a diverse and high quality care market, in particular because of the risk that otherwise there could be an adverse impact on the welfare of vulnerable residents and/or staff and their ability to enjoy a quality of life comparable with those less vulnerable. Vulnerable residents include in particular the elderly, women and disabled persons. Staff are largely female and older persons. Decision-makers need to be satisfied that the proposed rate is adequate for the welfare of residents and staff. Older women are disproportionately represented in social care because they live longer. In addition, poorer residents will be the key recipients of funded adults' social care, as they often acquire long term conditions and illnesses earlier that necessitate social care and they do not have the resources to fund their own care. The increase in rates will ensure that these groups of people are able to access services which meet their needs.
Sustainability Implications	*N/A*
Carbon Reduction	The reorganisation of homecare staff into localities will enable more walking to homes to provide services, impacting positively our carbon footprint.
Resource Implications e.g. Staffing / ICT / Assets	N/A
Risk Management Implications	The key risks for Trafford are around maintaining a sustainable care market within a nationally very fragile social care market. The key challenge currently is around utility costs, cost of living and recruitment to care. The national Fair Cost of Care exercise is unlikely to have capture all these costs and this may pose another challenge to the sustainability of the market as we move towards the cap on charging for adult social care.
Health & Wellbeing Implications	The recommendations outlined in this report will have a positive impact on the health and wellbeing of local residents in the following ways: • Local social care workforce will experience improved pay and conditions which will improve their health and wellbeing and have a positive impact on workforce retention rate in homecare locally. • Improved workforce retention will support market stability and support maximum capacity within the available workforce. • People in receipt of homecare will experience improved quality of care by ensuring adequate time for visits so that carers can do their job properly; providing statutory sick pay for workers so that they don't have

	to work with vulnerable residents when they are ill; better continuity of care
Health and Safety Implications	*N/A*

1.0 Background

Fair Price for Care

1.1 Every year the Council undertakes an exercise called the Fair Price for Care which essentially sets out our pricing approach for the forthcoming year. We are required by law to consult with providers on this process.

1.2 In previous years, we simply applied an inflationary uplift to those prices, but as time went on, we recognised that there was an increasing disparity between those prices arrived at though this methodology and the cost of purchasing care, especially where this applied to older peoples' residential or nursing care in borough. From 2019 to 2021 we incrementally rebased the bed rate for older people, and in 2020 -21 we rebased the homecare rate in recognition of the transformative role that homecare provided. Both these exercises have contributed to our commitment to working towards the Ethical Care Charter, together with our Living Well at Home strategy. We are now reverting to using an inflationary uplift to the rebased prices together with consideration of the outcome of the Fair Cost of Care exercise.

1.3 This year, we will be proposing an inflationary uplift which will maintain the Council's commitment to the Ethical Care Charter by ensuring that we maintain the increase in price resulting from the rebasing exercises.

2.0 Proposals

2.1 We are proposing to consult with providers on the following inflationary uplifts:-

- The CPI in October which is yet to be announced; and
- The national living wage (NLW) increase which is also yet to be announced.
- We will also take the RLW into consideration. This has been set at £10.90.

2.2 Once the consultation exercise has been completed, we propose to present a report to Executive in December detailing the outcome of the consultation exercise and proposals for future rates.

3.0 Fair Cost of Care

3.1 This year we are also undertaking the Fair Cost of Care exercise. This is the nationally required exercise which aims to ascertain the real cost of providing care by working closely with our local providers of residential and nursing care homes for people aged 65+ and homecare for people aged 18+.

3.2 In order to maintain impartiality in this exercise we employed an independent organisation Commercial.Gov to undertake the collection of this data. Commercial.Gov designed templates to simplify and collect the data, liaised directly with providers providing workshops and 1:1 support to ensure that the templates were completed correctly. Care-Cubed also set up a national template which some nursing and residential homes chose to complete instead.

3.3 Following collection of the data, the submissions were then validated with the providers and then an analysis of the data took place. The closing date was extended twice in order to allow for submissions to be completed to ensure that we included as many providers as possible in our return.

3.4 Our returns for the residential and nursing care home market were relatively low at 26% which is consistent with previous exercises that we have undertaken with the sector with regard to price. This represents 31.47% of the total beds in Trafford. A third of boroughs within Greater Manchester had a similar response. The homecare market had a higher response rate at 34% of the homecare framework. Again this was in keeping with a similar proportion of homecare organisations in Greater Manchester.

3.5 Even though we have a relatively small sample, the task of analysing the data has proved to be complex with providers defining costs differently and requests for further information and validation going unheeded. DHSC have offered further guidance in how to treat some of these issues. All validated and analysed data, must be submitted to the DHSC by 14 October using templates already created by the DHSC. The guidance and templates are constantly being updated in light of learning from the trailblazers who are piloting this approach.

3.6 The cost of care report will also outline the process, what worked well, what didn't work well, the response rate, the quality of the data and how much weight the Council will give to the outcome of the Cost of Care exercise.

3.6 The data will then go through a further period of validation and analysis by the DHSC and once deemed robust enough, the DHSC will advise that the data should be published. The DHSC anticipate that this will be approximately 6 weeks from submission.

3.7 The data will also be submitted alongside a provisional market sustainability plan.

3.8 Further information on additional financial support will be confirmed in December following feedback from the DHSC and confirmation of the Council's budget.

4.0 Activity Timetable

Date	Activity
14.10.22	FCOC return to DHSC
24.10.22	Executive Report
26.10.22	Consultation Starts
23.11.22	Consultation Ends
Nov/Dec	Publication of Annex B following DHSC scrutiny and permission to share
December 2022	Executive Report – consultation feedback and agreement of rates
February 2023	Publication of FCOC and Market Sustainability Plan

5.0 Consultation

5.1 The Council is legally required to consult with providers on the Fair Price for Care. Consultation will be carried out in line with legislative requirements.

6.0 Reasons for Recommendation

The Council is required to consult with the public on the proposals detailed in this report before a final model can be proposed for formal approval. The Executive is recommended to note the detail contained in the report by way of an update on the current position in respect of Fair Price For Care consultation.

Recommendations

That the Executive:-

- **Note the content of the report**

Finance Officer Clearance *(type in initials)……HZ……*

Legal Officer Clearance *Steven Boyle – Head of Legal & Governance*

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

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TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**24 October 2022**
Report for:	**Decision**
Report of:	**Chief Executive, Trafford Council** **Place Based Lead for Health and Care Integration, NHS GM Trafford**

Report Title

Establishment of the GM Integrated Care Partnership Committee.

Summary

To establish the Greater Manchester Integrated Care Partnership (GM ICP) as a joint committee and to agree the terms of reference for the GM ICP.

Recommendation(s)

It is recommended that Executive:

- Approve the proposal to establish the GM Integrated Care Partnership as a joint committee of the ICB and ten local authorities;
- Agree to appoint a member and a substitute member of the authority as members of the GM ICP; and
- Delegate to that member and substitute member of the GM ICP, the authority to discharge jointly the functions of the ICP, such functions includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions;
- To note the proposed Terms of Reference of the GM ICP.

Contact person for access to background papers and further information:

Name: Dominique Sykes
Email: Dominique.sykes@trafford.gov.uk
Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Corporate Priority: Health and Wellbeing and Targeted Support.
Relationship to GM Policy or Strategy Framework	GM ICP Strategy (Currently in development – expected December 2022)
Financial	None in relation to this report.
Legal Implications:	The legislative framework for this committee is detailed within the report.
Equality/Diversity Implications	Equality and diversity issues and challenges will be appropriately addressed through the mandated GM ICP's Integrated Care Strategy due for publication in December 2022.
Sustainability Implications	Sustainability will be addressed appropriately through the mandated GM ICP's Integrated Care Strategy due for publication in December 2022.
Carbon Reduction	Carbon reduction and wider environmental issues will be a feature of the mandated GM ICP's Integrated Care Strategy due for publication in December 2022.
Resource Implications e.g. Staffing / ICT / Assets	Trafford will be required to mobilise attendance and engagement in the work of the ICP and its Board, details of which are covered in the body of this report (See 4.4)
Risk Management Implications	None
Health & Wellbeing Implications	The creation of the ICP provides a unique opportunity to improve the health and wellbeing of the citizens of Greater Manchester. Working with a multitude of private, public and voluntary sector partners it aims to reduce health inequalities, promote independent living, and develop person-centred, consistent, and joined-up care systems through community engagement and collaborative work – all collaborating to support those with health issues, and act sooner to keep people well and living a good life.
Health and Safety Implications	None

1.0 Background

1.1 There is a strong history of partnership working in Trafford, and a structured programme approach has enabled Trafford to contribute to the formation of GM ICP governance. Locality shadow governance arrangements have helped maintain an open dialogue with GM ICP and periodic feedback as a locality system via the Trafford Locality Board (TLB) to has helped shape future GM arrangements in terms of structure, governance, ways of working and transformation of functions.

1.2 What is an ICP?

An ICP is one of two statutory components of an Integrated Care System, alongside the Integrated Care Board (ICB). Section 26 Health and Care Act 2022 inserts s.116ZA into the Local Government and Public Involvement in Health Act 2007.

116ZA Integrated care partnerships

(1) An integrated care board and each responsible local authority whose area coincides with or falls wholly or partly within the board's area must establish a joint committee for the board's area (an 'integrated care partnership')

(2) The integrated care partnership for an area is to consist of –
   (a) one member appointed by the integrated care board
   (b) one member appointed by each of the responsible local authorities
   (c) any members appointed by the integrated care partnership

(3) An integrated care partnership may determine its own procedure (including quorum)

1.3 The minimum core membership of the ICP will consist of 10 representatives from the 10 districts and a member of ICB.

2.0 Purpose and function

2.1 ICPs have a statutory duty to create an integrated care strategy to address the assessed needs, such as health and care needs of the population within the ICB's area, including determinants of health and wellbeing such as employment, environment, and housing. In preparing the integrated care strategy each integrated care partnership must have regard to guidance issued by the Secretary of State.

2.3 Statutory guidance has now been issued by Government: https://www.gov.uk/government/publications/guidance-on-the-preparation-of-integrated-care-strategies/guidance-on-the-preparation-of-integrated-care-strategies

2.2 The terms of reference for the ICP are set out in Appendix A

2.3 It is important to acknowledge the importance of the Council's current established locality shadow governance model, in particular the creation of the Trafford Locality Board and its role in delivering the Trafford Locality Plan (2019-24) and the statutory role of the Trafford Health and Wellbeing Board (HWBB) in delivering the Trafford Health and Wellbeing Strategy (2019-29) – both of which will contribute to and compliment the delivery of the GM ICP's Integrated Care Strategy.

2.4 The legal duties of an ICP are also set out in Appendix A, references are to the guidance itself.

3.0 Further relevant guidance

3.1 Scrutiny

3.1.1 Further guidance issued by Government confirms that the ICP will be subject to local government Health Scrutiny arrangements and that the CQC will review Integrated Care systems including the functioning of the system as a whole which will include the role of the ICP. It is proposed that the GM ICS is scrutinised by the GM Joint Health Scrutiny Committee and at place level, as appropriate.

3.1.2 At locality level proactive work with Health Scrutiny on subject matter pertinent to our locality priority programmes of work, contained within the Locality Plan will continue

3.2 Health and Well Being Boards

3.2.1 It is expected that all HWB in an area will be involved in the preparation of the ICP Strategy. ICPs need to ensure that there are mechanisms in place to ensure collective input into their strategic priorities. Guidance also states that ICPs will need to be aware of the work already undertaken at Place and build upon it. They should not override or replace existing place-based plans.

3.2.2 Trafford HWBB is currently undergoing a set of 'deep dive' exercises linked to the priorities of the Trafford Health and Wellbeing Strategy but will remain committed to contributing to the production of the ICP Strategy, and champion planned public, patient and community engagement work to inform the content of the strategy.

3.3 Principles

3.3.1 This is more clearly delineated in the ICP engagement summary. Government has summarised responses to the ICP engagement document published in September 2021 and set out five expectations:

1. ICPs will drive the direction and policies of the ICS
2. ICPs will be rooted in the needs of people, communities and places
3. ICPs create a space to develop and oversee population health strategies to improve health outcomes and experiences
4. ICPs will support integrated approaches and subsidiarity
5. ICPs should take an open and inclusive approach to strategy development and leadership, involving communities and partners to utilise local data and insights and develop plans

3.3.2 More recent guidance has referred to adopting a set of principles for all partners to develop good relationships including:

Building from the bottom up
Following the principles of subsidiarity
Having clear governance
Ensuring leadership is collaborative
Avoiding duplication of existing governance arrangements

3.3.3 Whilst not specified in the guidance it is anticipated in GM that Locality Boards will input into the GM Strategy.

4.0 Form of Integrated Care Partnership

4.1 A paper was circulated to local authorities and NHS Bodies on the role and potential makeup of the ICP earlier this year. There were a number of responses which included a concern to ensure that the ICP fully represented all areas of expertise and in particular mental health; that lessons were learnt from the operation of the Health and Care Partnership Board meetings, in that it should not develop into a large and unwieldy meeting; and that it needed to be inclusive and harness the passion and enthusiasm of a wide range of the public, private and voluntary sector on a regular basis without them necessarily being members of the ICP.

4.2 The paper was refined and the following issues on the form of the ICP have been further considered by the wider local authority and NHS system through a paper

circulated to Place-Based Leads, NHS Provider Forum, NHS Primary Care Board and the ICB through their governance officers.

4.3 Responses to the paper were considered by a meeting of the Shadow ICP who have agreed the membership as set out below:

- ICB Chair
- ICB CEO
- 10x LA representatives (political)
- GMCA Mayor
- At least one Healthwatch rep
- One Director of Public Health (LA) as nominated by DPHs
- One DASS (LA) as nominated by DASSs
- One Director of Children's Services (LA) as nominated by DCSs
- One LA Chief Executive – Chief Executives health lead
- GMCA Chief Executive
- Two Provider Federation representatives: one mental health, one physical as nominated by PFB
- Four Primary Care representatives, one from each discipline
- Health Innovation Manchester representative
- One Trade Union representative
- One VCS representative
- One housing representative as nominated by GM Social Housing providers
- One Work and Skills representative.

  This would result in an ICP of 30 members if it is possible to have one representative from the housing sector and work and skills, with others invited as required e.g. GMP

4.4 It is proposed Cllr Jane Slater be Trafford's member of the GM ICP Board and Cllr Andrew Western will be the recognised substitute member in the event Cllr Slater being unable to attend.

5.0 Sub-committees and working groups

5.1 The engagement summary envisages that the ICP will convene and coordinate the activities of sub-committees, working groups or other forums as its role develops. Work with the Executive and partners appropriately to consider how best to engage in these forums and use our existing locality governance to agree our contributions will continue.

6.0 Frequency of meetings

6.1 This is not specified in the guidance but is has been suggested that it meets three or more times a year. It is suggested that it meets at least quarterly on the same day as the GMCA meeting.

7.0 Secretariat

7.1 The guidance says that no additional money will be available to local authorities. It is proposed that the ICP secretariat is provided by the GMCA governance team.

Other Options

None. The ICP is a components of an Integrated Care System, alongside the Integrated Care Board (ICB). Section 26 Health and Care Act 2022 inserts s.116ZA into the Local Government and Public Involvement in Health Act 2007. s.116ZA requires each Responsible Authority to nominate a member.

Consultation

None required

Reasons for Recommendation

To enable the establishment of the GM Integrated Care Partnership Board and to appoint a member and a substitute member of the authority as members of the GM ICP.

Key Decision *(as defined in the Constitution)*: No
If Key Decision, has 28-day notice been given? N/A

Finance Officer Clearance GB
Legal Officer Clearance *DS*

CORPORATE DIRECTOR'S SIGNATURE
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Appendix A

Legal duties and powers - where to find more information in this guidance

Statutory requirements	Further detail in this guidance
The integrated care strategy must set out how the 'assessed needs' from the joint strategic needs assessments in relation to its area are to be met by the functions of integrated care boards for its area, NHSE, or partner local authorities.	See 'Evidence of need and the integrated care strategy' for detail on evidence of need. See 'Content of the integrated care strategy' for a non-exhaustive selection of topics for the integrated care partnership to consider, including: shared outcomes; quality improvement, joint working and section 75 of the NHS Act 2006; personalised care; disparities in health and social care; population health and prevention; health protection; babies, children, young people, and their families, and health ageing; workforce; research an innovation; 'health-related services'; data and information sharing.
In preparing the integrated care strategy, the integrated care partnership must, in particular, consider whether the needs could be more effectively met with an arrangement under section 75 of the NHS Act 2006.	See 'Joint working and Section 75 of the NHS Act 2006' in this document for further detail on this requirement.
The integrated care partnership may include a statement on better integration of health or social care services with 'health-related' services in the integrated care strategy.	See 'Health-related services' in this document for further detail on this power.
The integrated care partnership must have regard to the NHS mandate in preparing the integrated care	See the section in this document on the 'NHS mandate' for further detail on this requirement.

Statutory requirements	Further detail in this guidance
strategy.	
The integrated care partnership must involve in the preparation of the integrated care strategy: local Healthwatch organisations whose areas coincide with or fall wholly or partly within the integrated care partnership's area; and people who live and work in the area.	See the section on 'Involving people and organisations in the strategy' for further detail on involving people and groups for the integrated care partnership to consider, including: local Healthwatch; people and communities; providers of health and social care services; the VCSE sector; local authority and integrated care board leaders; wider organisations; other partnerships and fora.
The integrated care partnership must publish the integrated care strategy and give a copy to each partner local authority and each integrated care board that is a partner to one of those local authorities.	See the section on 'Publication and review' for further detail on this requirement.
Integrated care partnerships must consider revising the integrated care strategy whenever they receive a joint strategic needs assessment.	See the section on 'Publication and review' for further detail on this requirement.

NHS mandate

The government sets objectives for NHSE through a statutory mandate. The integrated care partnership must have regard to the mandate, alongside the guidance from the Secretary of State, when preparing their integrated care strategy.

For integrated care partnerships, having regard to the mandate means following the mandate unless there are compelling or exceptional reasons not to do so. In practical terms, integrated care partnerships should ensure they act in accordance with the mandate, where its content is applicable to their context. The mandate will also be reflected in NHSE's own strategic documents and planning guidance

ICBs and LAs will be required by law to have regard to the integrated care strategy when exercising any of their functions. NHS England (NHSE) must have regard to the integrated care strategy when 'exercising any functions in arranging for the provision of health services in relation to the area of a responsible LA'.

The guidance goes on to set out the requirements of the Integrated Care Strategy and how it may be developed with partners and states that Healthwatch must be involved in its production.

Terms of Reference for GM ICP

The Greater Manchester Integrated Care Partnership is a joint committee created by the ten Greater Manchester local authorities ("the Constituent Authorities") and the Greater Manchester Integrated Care Board under s.116ZA into the Local Government and Public Involvement in Health Act 2007.

Membership of the Committee

The membership of the committee shall be:

one member appointed by the integrated care board

one member appointed by each of the responsible local authorities

any members appointed by the integrated care partnership

The Constituent Authorities and the GMCA shall also each nominate a substitute executive member/assistant portfolio holder to attend and vote in their stead.

Role of the Committee

To enable the discharge of the ICP's functions under the Local Government and Public Involvement in Health Act 2007 and any related guidance concerning the role of integrated care partnerships.

Powers to be discharged by the Committee

The Committee shall have the power to discharge jointly the functions of the ICP.
The discharge of such functions includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions

Operation of the ICP

- The ICP shall appoint a chair at its first meeting;
- The Quorum of the ICP shall be 15 members;
- Each member shall have one vote;
- The Chair shall not have a casting vote;
- Unless required by law, decisions shall be made by a simple majority.

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TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**24 October 2022**
Report for:	**Decision**
Report of:	**Executive Member for Climate Change and Transport Strategy**

Report Title

Clean Air Scrutiny Committee.

Summary

To establish a Greater Manchester Joint Scrutiny Committee to scrutinise decisions of the Clean Air Charging Authorities Committee and the Clean Air Administration Committee.

Recommendation(s)

It is recommended that Executive:

- Agree to the establishment of a GM Clean Air Joint Scrutiny Committee;
- Agree the Terms of Reference of the GM Clean Air Joint Scrutiny Committee as set out in Appendix A;
- Appoint a member and a substitute to the GM Clean Air Joint Scrutiny Committee;
- Delegate to that member and substitute member of the GM Clean Air Joint Scrutiny Committee, the authority to discharge jointly the functions of the GM Clean Air Scrutiny Committee, such functions as detailed in the report which includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions.

Contact person for access to background papers and further information:

Name: Dominique Sykes
Email: Dominique.sykes@trafford.gov.uk

Background Papers:

- 31 January 2021, report to GMCA: GM Clean Air Plan: Consultation
- 31 July 2020, report to GMCA: Clean Air Plan Update
- 29 May 2020, report to GMCA: Clean Air Plan Update
- 31 January 2020, report to GMCA: Clean Air Plan Update

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

Implications:

Relationship to Policy Framework/Corporate Priorities	The Clean Air Plan aligns closely with our priorities on Health & Well-being and Green & Connected Places.
Relationship to GM Policy or Strategy Framework	The Clean Air Plan is a GM wide initiative, led by Transport for Greater Manchester on behalf of the ten districts
Financial	None as a consequence of this report
Legal Implications:	Overview and Scrutiny is a function of local authorities in England and Wales prescribed within the Local Government Act 2000 and the Localism Act 2011.
Equality/Diversity Implications	None as a consequence of this report
Sustainability Implications	None as a consequence of this report
Carbon Reduction	None as a consequence of this report
Resource Implications e.g. Staffing / ICT / Assets	None as a consequence of this report
Risk Management Implications	None as a consequence of this report
Health & Wellbeing Implications	None as a consequence of this report
Health and Safety Implications	None as a consequence of this report

1.0 Background

1.1. The ten Greater Manchester Districts and GMCA established the Clean Air Administration Committee in March 2021 and delegated to the committee:

- the GMCA's and the Constituent Authorities' functions under sections 82 to 84 of the Environment Act 1995
- the GMCA's functions in relation to the Greater Manchester Clean Air Plan (including the taking of action likely to promote or improve the economic, social or environmental well-being of Greater Manchester in connection with it and the use of grants made by the Secretary of State under section 31 of the Local Government Act 2003 to implement that plan).
- the Constituent Authorities functions under the Greater Manchester Clean Air Plan including those under Part 3 of, and Schedule 12 to, the Transport Act 2000 and regulations made thereunder (excluding any decision thereunder that must be taken jointly by charging authorities) including, but not limited to:
- action required under the Environment Act 1995 (Greater Manchester) Air Quality Direction 2020 (other than the making of the joint local charging scheme);
- the exercise of their powers under sections 176, 177 and 192 of the Transport Act 2000;
- the application of the Constituent Authorities' shares of any net proceeds of a joint local charging scheme made by them.

1.2 The discharge of such functions includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions.

1.3 The Clean Air Charging Committee was established in October 2021 by the ten districts with the following functions:

The Committee shall have power to take all such decisions of the Constituent Authorities (as charging authorities) that must be taken jointly under Part 3 of, and Schedule 12 to, the Transport Act 2000 and any regulations made thereunder.

This includes, but is not limited to:

- Making and varying a joint local charging scheme order;
- Decisions of the charging authority under such a joint local charging scheme and the Road User Charging Schemes (Penalty charges, Adjudication and Enforcement) (England) Regulations 2013.

2.0 Scrutiny

2.1 Scrutiny committees ensure that members of an authority who were not part of the decision making committee could hold that committee to account for the decisions and actions that affect their communities.

2.2 Decisions of both clean air committees are currently subject to scrutiny by each member district. However, as the two Committees are jointly exercising the functions of the member authorities it is proposed that the scrutiny arrangements for clean air are also exercised jointly by establishing a joint GM Clean Air Scrutiny Committee.

2.2 Proposed Terms of Reference for the GM Clean Air Scrutiny Committee are attached at Appendix A.

2.3 The Clean Air Scrutiny Committee will enable decisions to be scrutinised more effectively and efficiently and on a Greater Manchester basis and across both clean air Committees.

Other Options

The authority could not agree the establishment of a joint GM scrutiny committee for clean air and/or it could not appoint a member for that joint scrutiny committee.

If the authority does not agree to the establishment of the GM Clean Air Scrutiny Committee and it does not appoint a member for that GM Clean Air Scrutiny Committee, the authority will need to continue to scrutinise the two clean air committees on an individual basis.

Consultation

None required

Reasons for Recommendation

To enable the establishment of the GM Clean Air Scrutiny Committee and to appoint a member and a substitute member of the authority as members of the GM Clean Air Scrutiny Committee.

Key Decision *(as defined in the Constitution)*: No
If Key Decision, has 28-day notice been given? N/A

Finance Officer Clearance *PC*
Legal Officer Clearance *DS*

CORPORATE DIRECTOR'S SIGNATURE
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Appendix A

Clean Air Scrutiny Committee – Terms of Reference

General
The Clean Air Scrutiny Committee ("the Scrutiny Committee") is a joint committee created by the ten Greater Manchester local authorities ("the Constituent Authorities") under section 101(5) of the Local Government Act 1972.

Membership of the Scrutiny Committee
The membership of the Scrutiny Committee shall be ten, consisting of one member appointed by each of the Constituent Authorities and one member of the Greater Manchester Combined Authority. The Constituent Authorities shall also each nominate a substitute member to attend and vote in their stead. Membership must reflect (as far as reasonably practicable) the political balance of the whole GM area.

Role of the Committee
The Scrutiny Committee's role and function is as follows:

1. To review or scrutinise decisions made, or other actions taken by the Clean Air Charging Authorities Committee, including decisions delegated by it to officers and sub-committees;

2. To review or scrutinise decisions made, or other actions taken, in relation to the Constituent Authorities' functions, exercised by the Air Quality Administration Committee, including decisions delegated by it to officers and sub-committees;

3. To make reports or recommendations to the Clean Air Charging Authorities Committee or the Air Quality Administration Committee concerning the discharge of their functions;

4. To Call-In decisions made by the Clean Air Charging Authorities Committee, including decisions delegated by it to officers and sub-committees;

5. To Call-In decisions made, in relation to the Constituent Authorities' functions, exercised by the Air Quality Administration Committee, including decisions delegated by it to officers and sub-committees;

6. Any three members of the Scrutiny Committee can call in a decision of the Clean Air Charging Authorities Committee or the Air Quality Administration Committee.

7. If the Scrutiny Committee does Call-In a decision it can:
   (a) Direct that a decision is not to be implemented while it is under review or scrutiny by the Scrutiny Committee; and
   (b) Recommend that the decision be reconsidered.

8. To establish formal sub committees or informal task and finish groups if they wish.

9. Attendance
   - Members of the Clean Air Charging Authorities Committee or the Air Quality Administration Committee;
   - Officers exercising delegated functions of the Clean Air Charging Authorities Committee or the Air Quality Administration Committee;

   must attend meetings of the Scrutiny Committee, if invited, to answer questions.

10. Other people may be invited to attend meetings of the Scrutiny Committee, but are not obliged to attend.

Operation of the Scrutiny Committee

11. The Committee shall appoint a Chair at its first meeting.

12. The Quorum of the Committee shall be two thirds of its members (7 members).

13. Each member shall have one vote.

14. The Chair shall not have a casting vote.

15. Unless required by law, decisions shall be made by a simple majority.

16. The Committee will meet as often a required.

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TRAFFORD COUNCIL

Report to:	**Executive**
Date:	**24 October 2022**
Report for:	**Approval**
Report of:	**Executive Member for Culture, Leisure and Strategic Partnerships & Executive Member for Health and Wellbeing and Equalities**

Report Title

Modern Slavery Policy 2022

Summary

Councils are uniquely placed to be at the forefront of the fight against modern slavery. National government is introducing new measures to ensure that public bodies tackle modern slavery risks in supply chains. As part of this local authorities will be obligated to publish a Modern Slavery Statement. This is a briefing of the work Trafford Council is currently doing on Modern Slavery, a draft Modern Slavery Statement to be published and a list of recommended actions that could be taken on modern slavery.

Recommendation(s)

It is recommended that Executive:

(1) Approve the content of the Trafford Council Modern Slavery statement outlined in the body of the report so that Trafford complies with the requirements implemented in 2021; and

(2) Note the intention to implement the 'minimum' recommendations (no 1 to 14 in appendix) and work towards the medium and long-term activity over time with the relevant services.

Contact person for access to background papers and further information:

Name: Emma Moseley/Dianne Geary
Extension: 1821

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	The Modern Slavery statement supports the delivery of the Corporate Plan and Strategic Priorities.
Relationship to GM Policy or Strategy Framework	The statement is aligned to the GMCA statement.
Financial	There are no direct financial implications arising from this report.
Legal Implications:	Legal advice would be provided in relation to Modern Slavery as and when required.
Equality/Diversity Implications	The Modern Slavery statement supports our equality duty.
Sustainability Implications	There is nothing in the report that would undermine our sustainability plans.
Carbon Reduction	There is nothing in the report that would undermine our carbon neutral plans.
Resource Implications e.g., Staffing / ICT / Assets	No direct impact
Risk Management Implications	No direct impact
Health & Wellbeing Implications	No direct impact, it will support residents' wellbeing indirectly
Health and Safety Implications	No direct impact

1.0 Background

1.1 Modern slavery is defined by the UK government as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation.

1.2 Modern slavery is a complex crime that operates on a huge scale across multiple countries. Modern slavery encompasses:

- Slavery
- Human trafficking
- Criminal exploitation
- Forced labour, sexual and domestic servitude
- Traffickers and slave masters using whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment

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2.0 What's required for modern slavery from local authorities?

2.1 As of 2021, it is requirement for organisations with a budget of £36 million or more in all sectors to publish their modern slavery statements on a new digital government reporting service. Local authorities also have a duty to notify the Home Office of any individual encountered in England and Wales who they believe is a suspected victim of slavery or human trafficking. Duty to notify only applies to adults who do not consent to referral to NRM as adults can be referred anonymously. A

range of Government resources explain the meaning of 'duty to notify' and explain what you need to do if you think someone has been a victim of modern slavery.

2.2 The National referral mechanism (NRM) is the process by which victims of modern slavery, including human trafficking, are recorded. The NRM was extended to all victims of modern slavery - both children and adults - in England and Wales following the implementation of the Modern Slavery Act 2015.

2.3 This process differs for adults and children. In addition to completing a NRM referral, there is also a duty on the NRM referrer to refer any child or young person to the First Response team in Children's Services if they are thought to be at risk of, or experiencing modern day slavery, and/or any exploitation through human trafficking. Children's Services will investigate the concerns and follow safeguarding procedures, and check that a NRM referral has been completed alongside the social care processes. If a NRM referral has not been completed, Adult's and Children's social care will complete one. Any young person who is a victim of Modern Slavery or at risk of Modern Slavery will also be referred to the Independent Child Trafficking Guardian Service (run by Barnardo's) who provide advice/guidance and consultation on all young people with Modern Slavery concerns.

2.4 Adults need to consent to a NRM referral and if they don't the authorities still have a 'duty to notify', but the information captured is anonymous. However, if the concerns are about a child or young person there is no need for the authorities to acquire consent from parents, or carers and there is a duty to complete a full NRM referral.

2.5 It was estimated by the ONS that there were between 10,000 and 13,000 potential victims of modern slavery in the UK in 2013 but in 2015, only 3,266 potential victims were identified and referred to the NRM. The Duty to Notify is intended to gather better data about modern slavery.

2.6 The Transparency in Supply Chains Provision (TISC, s.54) of the Modern Slavery Act (MSA) also requires commercial entities with an annual turnover of £36m or more to report annually on their actions to identify, prevent and mitigate modern slavery in their supply chain.

2.7 Poverty makes people more vulnerable to falling victim to modern slavery and victims of modern slavery are vulnerable to falling into poverty after escaping from their traffickers, therefore by preventing people being exploited through modern slavery we are contributing towards the wider approach to preventing people being in poverty.

2.8 Globally, 71% of estimated victims are women and girls, who account for 99% of victims in the commercial sex industry, and 58% of other sectors in other sectors of forced labour.

2.9 Modern slavery can affect anyone in society. In the 2021 NRM statistics:

- 77% (9,790) of referred potential victims were male and 23% (2,923) were female
- 50% (6,411) of referrals were for potential victims who claimed exploitation as adults and 43% (5,468) claimed exploitation as children
- The most common nationalities referred in 2021 were UK, Albanian and Vietnamese

3.0 What does Trafford Council currently do on modern slavery?

Research has been conducted and Trafford Council Teams contacted to understand what work they are currently doing. This document has been shared with Strategic Design Group (SDG), here is a summary of what Trafford Council are currently doing:

3.1 Community safety

- In community safety, the focus is on the Criminal Exploitation (CE) and Sexual Exploitation (CSE) aspects of modern slavery. Trafford Council also attends the GM Challenger meetings which look at data across GM, awareness campaigns, weeks of action and includes a specific modern slavery co-ordination unit. Community Safety run courses on cuckooing and criminal exploitation. Trafford Council have worked with Crimestoppers on campaigns around CE.

3.2 Trafford Strategic Safeguarding Partnership (TSSP)

- Trafford Council have received a number of reports. For Adult's in the last 12 months, they have had four cuckooing cases where two victims have been moved, one case closed after investigation and an order was obtained against a perpetrator in a fourth. In Children's, there are currently 15-20 cases being screened for the NRM meeting (to be held with a social worker and GMP) and seven opened cases. The recorded information is inconsistent across teams so this process would benefit from a clear Modern Slavery Lead and a review of the process.

- NRM leads in Children's have been identified in the first response and Vulnerable Adolescent Service and two across social care.

- Trafford Adults Policies, procedures and practice guidance has a section on Modern Slavery covering indicators of Modern Slavery, guidance, and external resources.

- The TSSP website has information about Modern Slavery, risk factors, how to spot signs, and contact information.

- There is an Exploitation sub-group which is a Trafford multi-agency partnership and chaired by Adults with contribution from GMP, which sits as a sub-group of the Safeguarding Board. The Complex Safeguarding Strategy Task and Finish Group is currently writing a Complex Safeguarding Strategy.

- The Trafford Council Complex Safeguarding strategy has just been refreshed and outlines what is being done.

3.3 Procurement

- STAR Procurement have a Responsible Procurement Strategy where they recognise their responsibility to take a robust approach to ethical and sustainability issues, especially around modern slavery and human trafficking, which they are absolutely committed to preventing, within our partner's supply chains.

- The GM Good Employment charter has commitments related to tackling Modern Slavery.

- STAR Procurement have been awarded the CIPS Corporate Ethics Mark for 4th year; completing training to achieve this. STAR Procurement are currently refreshing their Procurement handbook to include clearer guidance on modern slavery. STAR Procurement have a statement that suppliers must sign up to and they can audit suppliers to ensure they are complying. The statement states that:

  The Council is committed to responsible and ethical procurement practices and aims to achieve this through the STAR Responsible Procurement Strategy and supporting policies. The Council recognises its responsibility to take a robust approach to ethical and sustainability issues, especially around modern slavery and human trafficking, which it is absolutely committed to preventing, within its supply chains.

  - Trafford Council should be aware of modern slavery in supply chains especially as costs rise in the sector. One area where this can be an issue is around building materials suppliers and forced labour. Commercial organisations are required to publish an annual statement if they have an annual turnover of over £36 million.

3.4 Licensing

- All new applicants for a hackney carriage and private hire driver's licence undergo an induction course which includes advice on what is modern slavery and where to report concerns. Private Hire Operator Conditions require that each operator draft a Safeguarding policy in which we would expect to see how the operator intends to prevent/report suspected modern slavery. The Licensing team are currently finalising their Taxi Statement of Policy which could include a statement on modern slavery.

3.5 Trading standards

- Everyone in Trading Standards and Environmental Health has attended awareness training but they do not carry out specific activities in relation to Modern Slavery. Where the Team have suspicions or receive intelligence, they share it with GMP intelligence unit.

4.0 Data/evidence on modern slavery

4.1 Nationally

- There were 5,144 modern slavery offences recorded by the police in England and Wales in the year ending March 2019, an increase of 51% from the previous year.

4.2 Regionally

- According to Official Home Office Coded Modern Slavery Crimes there were 554 such crimes recorded in GM in 2021.The recent Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) 'The Hidden Victim' report highlighted GMP as one of the six forces in the UK from which 75% of submissions for modern slavery prosecutions to the CPS come from and is recognised as a leading force for the response to modern slavery and human trafficking.

- Greater awareness increases in reporting and improvements in police recording are likely to have contributed to the increases seen in potential victim numbers since the introduction of the Modern Slavery Act in 2015.

- GMCA have a published Modern Slavery statement and action plan which covers up to March 2022. Trafford Council are aligned to the GMCA approach on other strategies and policies (employment charter, social value charter, independent inequalities commission, gender based violent strategy) and will provide updates to GMCA when publishing the statement.

5.0 Trafford Council's Modern Slavery Statement 2022: DRAFT

To comply with the Modern Slavery Act, updated June 2021, Trafford Council is required to publish, as a minimum, a statement on the council website. The draft statement is below (1.0) and would also include supplementary information on what modern slavery is and the types that exist, along with an outline of activity various teams would undertake over the short, medium and long term. Once approved by CLT and then Executive the statement would be added to the council website and shared with partners, businesses, communities etc.

1.0 Trafford Council's Commitment

Trafford Council is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. Trafford Council is committed to the highest level of ethical standards and governance. There is a zero-tolerance towards modern slavery and human trafficking, and all forms of bribery and corruption associated with these criminal activities. Trafford Council takes care to ensure that slavery and human trafficking does not exist in any part of the council's work or wider supply chain and will ensure compliance with all legal and regulatory responsibilities including the Modern Slavery Act 2015 and relevant legislation.

2.0 What is modern slavery?

Modern Slavery is a serious and often hidden crime in which people are exploited for criminal gain. The impact can be devastating for the victims. Modern slavery comprises slavery, servitude, forced and compulsory labour and human trafficking.

The common factors are that a victim is, or is intended to be, used or exploited for someone else's (usually financial) gain, without respect for their human rights. The perpetrators seeking to take advantage of them could be private individuals, running small businesses or part of a wider organised crime network.

For adult victims, there will be some element of coercion involved, such as threats, use of force, deception, or abuse of power. Although this often involves an international cross-border element, it is also possible to be a victim of modern slavery within your own country.

In 2019, in the UK, for example, the largest victim group by nationality was UK nationals, who accounted for 27% (2,836) of all potential victims reported through the Home Office National Referral Mechanism (NRM). The second most commonly referred nationality was Albanian (16%) followed by Vietnamese (8%).

3.0 Types of Modern Slavery

Modern slavery takes many different forms in the UK. The prevalence of different types of modern slavery in the UK will vary by region and change over time, however, currently there are four broad ways in which perpetrators may seek to exploit victims. In each case the victim may or may not additionally have been moved (trafficked), either from another country, or within the UK, in order to be exploited.

3.1 Labour Exploitation

Labour exploitation usually involves unacceptably low pay, poor working conditions or excessive wage deductions, but is not solely about this. To constitute modern slavery, there will also be some form of coercion meaning that victims cannot freely leave for other employment or exercise choice over their own situation. Where the perpetrator is taking advantage of a child or vulnerable person, an offence can be committed without the element of coercion.

3.2 Domestic Servitude

Domestic servitude typically involves victims working in a private family home where they are illtreated, humiliated, subjected to unbearable conditions or working hours or made to work for little or no pay. The victim could be used in this way by their own family members or partner. Again, it is very difficult for them to leave, for example because of threats, the perpetrator holding their passport, or using a position of power over the victim.

3.3 Sexual exploitation

Victims are coerced into sex work or sexually abusive situations. This includes child sexual exploitation. Victims may be brought to the UK on the promise of legitimate employment and they may be moved around the UK to be sexually exploited. In some cases, they may know they will be involved in sex work but are forced into a type or frequency they did not agree to. Victims are usually female but can also be male.

3.4 Criminal exploitation

Criminal exploitation is the exploitation of a person to commit a crime for someone else's gain. For example, victims could be coerced into shoplifting, pickpocketing, a sham marriage, benefit fraud, begging or drug cultivation such as cannabis farming. Forced removal and trafficking of human organs is an additional category of modern slavery that occurs globally, however, there have been no confirmed cases in the UK.

4.0 Modern Slavery Act 2015

Under UK legislation, all modern slavery offences are punishable by a maximum sentence of life imprisonment. Section 52 of the Act imposes a duty on several public authorities, including councils, to notify the Home Office of any individuals they encounter that they believe may be victims of slavery or human trafficking. Notification methods, including the National Referral Mechanism (NRM), are explained on the Government website. Existing safeguarding processes however should still be followed alongside such a notification, as a "duty to notify" referral should not be relied upon to safeguard victims. Notification to the Home Office, as well as other agencies such as the police, will follow receipt of appropriate reports via local mechanisms.

The element of the legislation relating to Modern Slavery Statements is Section 54 of the Act. This requires commercial organisations with an annual turnover of £36m or more to produce and review annual Modern Slavery Statements that set out the steps they are taking, or plan to take, to ensure that their business and supply chains do not have links to modern slavery. As of 2021 however, the Government updated the legislation to include local authorities. The Partnership for Conflict, Crime and Security Research have developed a series of recommendations for local authorities and others to help meet such requirements.

5.0 Proposed Activity

The table in Appendix 1 outlines the suggested activity within Trafford Council to support the modern slavery statement**,** with suggested owners and timeframe.

6.0 Recommendations

It is recommended that Executive:

1) Approve the content of the Trafford Council Modern Slavery statement outlined in the body of the report so that Trafford complies with the requirements implemented in 2021; and

2) Note the intention to implement the 'minimum' recommendations (no 1 to 14 in appendix) and work towards the medium and long-term activity over time with the relevant services.

Key Decision: No

Finance Officer Clearance GB

Legal Officer Clearance SB

DEPUTY CHIEF EXECUTIVE & CORPORATE DIRECTOR'S SIGNATURE: **Sara Saleh**
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

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Appendix 1 – Modern Slavery – Activity to Support the Statement

Ref.	Activity	Level	Owner /Timeframe
1	Obtain Executive approval for Trafford Council's Modern Slavery Statement and publish on the Council Website.	Minimum	Exec/Policy Oct Exec
2	Ensure those responsible for sourcing and contract management in STAR Procurement develop an understanding of modern slavery through undertaking the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.	Minimum	Procurement March 2023
3	Ensure that all processes that STAR Procurement currently apply regarding modern slavery are applied to Trafford Council's suppliers.	Minimum	Procurement Immediate
4	STAR Procurement to continue to challenge abnormally low-cost tenders to ensure they do not rely on the potential contractor practising modern slavery. Also review, and if necessary, update the Procurement Handbook to ensure the process for doing this is sufficiently clear.	Minimum	Procurement Ongoing Dec 2022
5	Continue to refer any of contractors identified as a cause for concern regarding modern slavery for investigation via the NRM.	Minimum	Procurement Ongoing
6	Ensure that suppliers are aware of and comply with expectations outlined in the Modern Slavery Statement.	Minimum	Procurement/ All Ongoing
7	Action the Complex Safeguarding Strategy.	Minimum	Trafford Strategic Safeguarding Partnership Ongoing
8	To accompany the launch and publication of Trafford Council's Modern Slavery Statement, Communications Team to raise awareness of Modern Slavery issues amongst council staff (through the newsletter/six boxes etc).	Minimum	Communications and Marketing Oct/Nov 2022
9	STAR procurement to deliver training for staff (similar to what they deliver for Stockport).	Minimum	Procurement
10	Action the Complex Safeguarding strategy	Minimum	Children's and Adult's Social care
11	Increase awareness of the social care protocol through the leadership forum	Minimum	Children's and Adults Social Care/SLT

12	Ensure Children's social care workforce has completed training around identification and response to modern day slavery / human trafficking and the NRM process	Minimum	Children's Social care
13	Establish a process of capturing the right 'live' NRM data and sharing with relevant services.	Minimum	Social care/Community Safety/Adults/Children's
14	Ensure that council staff know how to report concerns relating to modern slavery to the relevant parties within the council and that a clear process for doing so exists. This includes reporting concerns about modern slavery in our supply chains, as well as where concerns about individuals are identified. This should be incorporated in communications, training, the council's Confidential Reporting Code and in the council's Employee Handbook in relation to procurement and contract management.	Minimum	Learning and development/ Communications and Marketing
15	Develop a Training Strategy and programme on modern slavery for the relevant services which may encounter situations that might involve modern slavery via 'round about' routes – such as planning, enforcement or housing standards. This will enable them to spot the warning signs in these contexts.	Medium	Learning and development
16	Review and update the current e-learning modules to include issues relating to modern slavery.	Medium	Learning and development
17	Develop and implement a procedure for each council service area to undertake a risk assessment relating to modern slavery and human trafficking whenever they procure goods or services. Once this risk assessment procedure has been developed and introduced, compliance will be reviewed as part of the annual Internal audit plan	Medium	Each service/audit
18	Enhance processes for regular review of contractual spending to identify potential issues with modern slavery. For example, by including risk analysis regarding modern slavery, with appropriate vetting and auditing of suppliers, and due diligence being undertaken in a planned	Medium	Procurement

	and proportionate manner pre-contract award and mid-contract as necessary.		
19	Include a statement on modern slavery in our Taxi Statement of Policy.	Medium	Licensing
20	Work with a specialist charity to advise Trafford Council on how they could improve their modern slavery resources and training.	Maximum	TBC
21	Identify a dedicated Modern Slavery Champion to enhance the process of highlighting identified risks concerning modern slavery and, where necessary, referring them to the relevant agencies to address such risks.	Maximum	TBC

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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