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TRAFFORD
COUNCIL

AGENDA PAPERS FOR EXECUTIVE MEETING

Date: Wednesday, 21 February 2024

Time: 6.00 pm

**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.	DECLARATIONS OF INTEREST	
	Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.	
3.	STRATEGIC LAND REVIEW LAND PROGRAMME UPDATE - PART 1	1 - 8
	To consider the report of the Executive Member for Economy and Regeneration and the Corporate Director of Place.	
4.	EXECUTIVE'S REVENUE BUDGET PROPOSALS 2024/25 AND MTFS 2025/26 - 2026/27	9 - 116
	To consider the report of the Executive Member for Finance, Change and Governance and the Director of Finance and Systems.	
5.	CAPITAL STRATEGY, ASSET INVESTMENT STRATEGY, CAPITAL PROGRAMME AND PRUDENTIAL & LOCAL INDICATORS 2024/27	117 - 168
	To consider the report of the Executive Member for Finance, Change and Governance and the Director of Finance and Systems.	

6. **TREASURY MANAGEMENT STRATEGY 2024/25 - 2026/27** 169 - 200

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

7. **FEES CHARGES AND ALLOWANCES 2024/25** 201 - 246

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

8. **EXECUTIVE'S RESPONSE TO SCRUTINY COMMITTEE'S RECOMMENDATIONS TO THE BUDGET PROPOSALS FOR 2024/25** 247 - 250

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

9. **URGENT BUSINESS (IF ANY)**

Any other item or items which by reason of:-

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

SARA TODD
Chief Executive

COUNCILLOR TOM ROSS
Leader of the Council

Membership of the Committee

Councillors T. Ross (Chair), C. Hynes (Deputy Leader), S. Adshead, K.G. Carter, J. Harding, E. Patel, J. Slater, R. Thompson, A.J. Williams and J.A. Wright

Further Information

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

Paul Rogers, Governance Officer
Email: paul.rogers@trafford.gov.uk

This agenda was issued on 9 February 2024 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

Executive - Wednesday, 21 February 2024

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TRAFFORD COUNCIL

Report to: Executive
Date: 21st February 2024
Report for: Decision
Report of: The Executive Member for Economy and Regeneration and the Corporate Director of Place

Report Title

Strategic Land Review Programme Update – Part 1

Summary

To advise Members of the outcome of the 2023/24 Land Sales Programme.

To propose assets to be brought forward for disposal in future financial years.

Recommendation(s)

The Executive are recommended to:

1. Note the outcome of the 2023/24 Land Sales Programme.
2. Approve the Disposal Programme for 2024/25 as set out in the report and note the sites that have been earmarked for disposal / development.
3. Delegate authority to the Corporate Director of Place to:
 - a. Negotiate and accept bids in consultation with the Director of Finance and Systems and the Director of Legal and Governance for all sites listed on the Disposal Programme.
 - b. Engage external resources where this will assist in implementing the programme, including a professional team where reasonably required to support a development project.
 - c. Commission, submit and/or authorise as appropriate:
 - i) any applications for planning permission on any properties included in the programme where this will assist in marketing and/or add value, or in any case where the Council is proposing to redevelop the site whether directly or in partnership with another party.
 - ii) any surveys/investigations where such surveys will reduce the risks associated with redevelopment, add value to the capital receipt /revenue return and/or assist with the preparation, submission and resolution of any planning permission application, or any other usual pre-development survey or investigation.
 - iii) any feasibility study or design for the site and or premises in association with either obtaining a planning consent or as part of options appraisal.
 - iv) any demolitions or physical alterations that will either reduce the risks associated with holding the premises or accelerate the sale/redevelopment and/or add value to the capital receipt/revenue return.
 - d. Offset eligible disposal costs against capital receipts in accordance with capital regulations.

- e. Advertise the intention to dispose of a site in the event that it comprises open space as defined by the Town and Country Planning Act 1990, in accordance with the relevant statutory procedure, and if any objections are received, to refer to the relevant portfolio holder for consideration in consultation with the Executive Member for Environment and Regulatory Services.
 - f. Acquire adjacent land or property where the acquisition will either add value to the overall development or de-risk the disposal/development of the Council asset.
 - g. Delegate authority to the Corporate Director of Place, in consultation with the Executive Member for Housing and Regeneration and the Director of Finance and Systems, to add or substitute sites into the programme during the year including sites with a value of over £499,999.
 - h. Transfer sites from Category 1 to Category 2, and vice versa
 - i. Commission security services.
 - j. Authorise alternative methods of disposal where appropriate.
 - k. Authorise community engagement and consultations where the Corporate Director of Place deems it necessary or advantageous.
 - l. In relation to any site currently in development or any site which commences development during this programme, agree any licence or approve the grant of any easement or lease or any other disposal, including where that disposal taken in isolation would constitute a disposal at undervalue, which is designed or intended to implement or facilitate the development.
 - m. Authorise marketing, pricing and disposal strategies and authorise the sale of plots, either individually or in blocks, including where the anticipated or actual capital receipt exceeds £499,999.
4. Delegate authority to the Director of Legal and Governance in consultation with the Corporate Director of Place and, where appropriate, the Director for Finance and Systems, to finalise and enter into all legal agreements required to implement the Disposal Programme for 2024/2025.

Contact person for access to background papers and further information:

Name: Richard Roe
 Background papers: None

Implications

Relationship to Policy Framework/Corporate Changes	Supports policy for Economic Growth and Development.
Financial:	Receipts generated from the disposal of sites as detailed in Category 1 and returns from development of sites detailed in Category 2 are currently earmarked to directly support the Capital Programme, although these could also be used to support the wider strategic management of Council borrowing.
Legal Implications:	Each disposal/development will be reviewed for legal implications on an individual basis.

Equality/Diversity Implications:	None as a consequence of this report.
Sustainability Implications:	The generation of capital receipts supports a number of capital schemes that will aid the Council in its carbon neutrality objectives.
Resources Implications: eg Staffing/ICT/Assets	Properties which are no longer required for operational purposes are identified and recommendations as to retention /disposal are made by the Corporate Landlord group, prior to discussion at the relevant Place Shaping Board and being added to the Land Sales Programme.
Risk Management Implications:	The risks are associated with holding property which is vacant and development risk of self development and joint venture development sites. A risk register/ risk management process will be in place for each development.
Health and Wellbeing Implications:	None as a consequence of this report.
Health and Safety Implications:	A reduction in health and safety issues by disposing of vacant buildings.
Carbon Reduction	The generation of capital receipts supports the capital programme which has various capital budgets supporting the carbon neutral action plan. New homes built through the development programme will be built to a fabric first approach and have carbon reduction measures built into the design process.

1.0 Background

- 1.1 The intention of the Strategic Land Review Programme is to set out a list of land and buildings that the Council intends to either sell, develop in partnership or self-develop in the forthcoming year(s) together with a summary of the previous year's outturn.
- 1.2 The Strategic Land Review Programme is an integral part of the Council's Estates Strategy and is the conclusion of a corporate process of identification of surplus assets linked to service planning and an options appraisal process.

2.0 Land Sales Progress 2023/24

The below table shows progress against the approved land sales in 2023/24.

Site	Progress Update
The Riddings	Sold - £1.40m
Land between 29-31 Brook Road, Urmston	Sold - £0.30m
Brook Close, Timperley	Sold - £0.43m

3.0 Disposal programme for 2024/25 and beyond.

3.1 This report has split the property assets already identified for 2024/25 and beyond into two categories:

Category 1 (Table 1 below) are those sites where the Council is already committed to a disposal or where the disposal is on a statutory basis. There are also sites on this list where the Council has assessed that there is no development potential or no benefit in undertaking direct development.

The year of the receipt is indicative, and a number of these sites will realise the receipts on a phased payment basis and some on deferred payment basis meaning the capital receipts will be in subsequent financial years.

It is possible that some other sites may roll forward to next or future years should issues arise that delay the disposals (obtaining vacant possession, current market conditions, title issues, planning issues, consent issues etc.).

It is important to note that the most straightforward disposals have now been delivered and the list below represents the next tranche. A number of these have risks associated with them and may have existing tenants and/ or planning issues that need to be overcome prior to disposal.

	Category 1 (Table 1)	Est. year of Receipt	Progress
1	Hamon Road, informal parking land in Altrincham.	2024/25	N/A
2	Friars Court, Sale	2024/25	Agents instructed
3	Hale Library	2024/25	Awaiting completion
4	The Jubilee Centre, St Marys Road, Bowdon	2025/26	N/A
5	Re gear of Leases on Town Centre Assets (Stamford Quarter and Stretford Mall)	2024/25	In negotiations
6	Former Altrincham library, Stamford New Road, Altrincham (1 st Floor) <i>(premium payable for leasehold interest)</i>	2024/25	In negotiations
7	Wharf Road Garages	2025/26	N/A
8	Altrincham Town Hall	2024/25	In negotiations
9	Land at Denmark St, Altrincham	2024/25	Agents instructed
10	Former RBS Bank - Central Road, Partington	2024/25	Agents instructed
11	Oakland Drive Car Park, Sale	2024/25	N/A
12	Manor Avenue Car Park, Urmston	2024/25	N/A
14	Metrolink Car Park, Sale Water Park (to Metrolink)	2024/25	In negotiations
15	Land at Tipping St, Altrincham	2024/25	In negotiations
16	Land at Balmoral Rd, Altrincham	2024/25	In negotiations
17	Land at Seymour Grove, Old Trafford	2026/27	In negotiations
18	Land at Central Way, Altrincham	2025/26	N/A
19	Former primary school Moss View, Partington	2026/27	N/A
20	Former Trafford High School	2025/26	N/A
21	Merry House, Sale*	2024/25	N/A
22	Brown Street Car Park, Hale	2025/26	N/A
23	Land at Hale Cemetery	2025/26	N/A
24	Land at Irlam Lane	2025/26	N/A
25	Land at Lime Road, Stretford	2025/26	N/A
26	Land at Marsland Rd, Sale	2025/26	N/A
27	Land at Vale Road, Timperley	2025/26	N/A
28	Land at Pennybridge Lane/Shawe Road, Flixton	2024/25	N/A
29	Land in Timperley wedge PfE allocation	2025/26	N/A

*The Council acquired Merry House in August 2021 during COVID when there were significant pressures on care services and to ensure continuity of care for the residents. The Council has investigated a range of refurbishment and redevelopment options, however, the costs of redeveloping the building and the level of works required to the building to deliver a fit for purpose care facility are

not affordable. To justify significant levels of capital expenditure, the Merry House redevelopment would have to offer value for money, sufficient return on investment and asset appreciation and the financial business case does not demonstrate this. The property is currently vacant and former residents have moved to alternative accommodation.

The purpose of the sale will be to recover the costs spent to date, noting that there may be some risk that the grant to refurbish some elements of the property may need to be repaid also.

Category 2 (Table 2 below) are those property assets where following initial assessment it is considered there is significant advantage in these sites being delivered through either partnership (including Joint Ventures) or self-development. Where this is a self-development site, these will require enabling works to unlock timing of receipts and the programme will be updated and reviewed constantly as part of a risk management process of wider property estate and the land sales programme.

	Category 2 (Table 2)	Est. Year of Receipt
1	Partington Town Centre Site (land to the rear of Partington Shopping Centre)	2026/27
2	Former Sale Magistrates Site	2025/26
3	Stokoe Avenue, Altrincham	2025/26
4	Former Tamworth Court Site, Old Trafford	2025/26
5	Chapel Road	2024/25
6	K Site, Stretford	2024/25
7	Lacy Street Land Assembly Former Sorting Office Probation Service Building Lacy Street Car Park	2025/26
8	Land at Oakfield Rd/Moss Lane, Altrincham	2025/26

3.2 The investment opportunities related to each of these sites is reviewed on a regular basis to continue to determine the most appropriate and financially beneficial option for disposal, development or alternative use.

4.0 Additional Sites

4.1 Should sites become surplus during the year or if the Council be approached by purchasers and developers for sites not currently identified for disposal, then this will be subject to initial discussion and approval at Place Shaping Board and if appropriate (and meeting the Council's corporate, strategic and financial criteria) added to the programme (in accordance with the approved delegations). Similarly, there are likely to be opportunities that arise during the year to make strategic acquisitions that support our development and regeneration objectives. In all instances, an options appraisal will be produced, and a formal decision will be requested of the Executive Member (where total acquisition costs are less than £500k and for which budgetary provision can be identified) and a period of public consultation will be undertaken in the usual way. Potential opportunities which exceed £500k will be subject to approval by the Executive.

5.0 Finance commentary

5.1 Receipts generated from the disposal of sites as detailed in Category 1 and returns from development of sites detailed in Category 2 are currently earmarked to directly support the Capital Programme, although these could also be used to

support the wider strategic management of Council borrowing. The current level of receipts assumed in the proposed three-year Capital Programme is circa £13.66m. This level of receipts will be monitored throughout the year as part of the capital monitoring process with any changes that impact on the levels available to support the capital programme being reported. There is an element of risk when selling or developing sites and as such a proportionate approach is taken in these assumptions.

6.0 Other Options

- 6.1 Retention of surplus property would have consequences for the resourcing of the Capital Programme, impact on revenue savings and the delivery of a range of Council objectives.
- 6.2 Alternative options are considered for each site before they are added to the Strategic Land Review Programme.

7.0 Consultation

- 7.1 Appropriate consultation is undertaken across all service areas to ensure that there are no other appropriate uses for an asset, for the Council or its partners, prior to it being declared surplus. In some cases, this will identify a specific future use following disposal, which will indicate the source of potential purchasers, such as providers for affordable housing. Major disposals affecting a wider area are, as appropriate, subject to consultation with local stakeholders.

8.0 Reasons for Recommendation

- 8.1 The sale of surplus assets reduces the Council's overall expenditure and backlog maintenance, generates capital receipts to support the capital programme, assists regeneration and place making in strategic locations and facilitates residential development and in turn housing growth. There is a need to undertake a range of procedures to ensure that the best consideration for the sale is achieved including full exposure to the market and a transparent audit trail.
- 8.2 The development of Council owned land provides an opportunity to achieve a greater receipt as develop profit will be retained by the Council. It gives the Council control over how the land is developed so that it can be better aligned with the Council's strategic objectives and that the development meets Council priorities relating to affordable housing, energy efficiency and carbon reduction.

Key Decision

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

Finance Officer Clearance MB
Legal Officer Clearance: EM

CORPORATE DIRECTOR'S SIGNATURE



TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 21 February 2024
Report for: Decision
Report of: Executive Member for Finance, Change and Governance and the Director of Finance and Systems

Report Title

Executive's Revenue Budget Proposals 2024/25 & MTFS 2025/26 - 2026/27

Summary

It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level.

This report sets out the Executive's updated 3 year budget strategy, detailed revenue budget proposals for 2024/25 and Medium Term Financial Strategy (MTFS) for the period 2025/26 - 2026/27.

Recommendation(s)

That the Executive recommend to Council that it :-

- a) Approves the 2024/25 net Revenue Budget of £217.83m.
- b) Approves the 2025/26 to 2026/27 Medium Term Financial Strategy (MTFS) including the income and savings proposals.
- c) Notes the continued arrangements in relation to an enhanced Finance and Change Programme and the role of the Finance and Change Board who will continue to work with the Executive on the development of sustainable budget plans to support the Council in meeting the financial challenges from 2025/26 onwards
- d) Approves the calculation of the Council Tax Requirement as summarised in Section 8.1 and set out in the Formal Council Tax Resolution in Annex J (any update for changes in Mayoral Police and Crime Commissioner or Mayoral General (incl. Fire Services) Precepts, if any, will be tabled at the Council Meeting);
- e) Approves the proposal to increase Council Tax by 4.99% in 2024/25:
 - o 2.99% general increase in the 'relevant basic amount' in 2024/25, and
 - o 2.00% for the 'Adult Social Care' precept in 2024/25.

- f) Notes the assumptions in the MTFs to increase Council Tax by
 - o An increase in the 'relevant basic amount' of 1.99% in 2025/26 and 2026/27, and
 - o for the 'Adult Social Care' precept in 1% in 2025/26 and 2026/27.
- g) Approves the planned application of earmarked reserves as detailed in Section 6.
- h) Approves the Fees and Charges for 2024/25 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2025/26, as set out in the Fees & Charges booklet.
- i) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2024/25 in the event of any change in VAT rate, as appropriate.
- j) Delegates authority jointly to each Corporate Director in consultation with the Council's Director of Finance and Systems to amend fees and charges during 2024/25 which are within their respective delegated powers where the economics of the charge levels have changed (e.g. costs have risen unexpectedly), or for commercial reasons.
- k) Approves the proposal to set the minimum level of General Reserve for 2024/25 at £10.5m (Section 6).
- l) Approves the Capital Strategy, Prudential and Local Indicators and overall level of the Capital Programme and Asset Investment Fund of £413.15m (as detailed in the Capital Strategy, Capital Programme & Prudential Indicators 2024/27) of which £152.20m relates to 2024/25.
- m) Approves the Treasury Management Strategy 2024/25 to 2026/27, including the Debt Strategy (Section 4), the policy on Minimum Revenue Provision (Section 5) the Treasury Investment Strategy (Section 6) and the Prudential Indicators, including the Authorised Limit (as required by Section 3(1) of the Local Government Act 2003, Operational Boundary, Minimum Revenue Provision and investment criteria as set out in Appendix 2 of the report.
- n) Approves the flexible use of capital receipts of up to £0.85m in 2024/2025 to support the cost of the Modernisation Team in developing the Council's Finance and Change Programme.
- o) Approves the proposed distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 7 and detailed in Annex I.
- p) In the event the outcome of the secondary consultation relating to the Fair Price of Care changes the proposed budget assumptions, delegates authority to the Director of Finance and Systems, in consultation with the Executive Member for

Finance, Change and Governance, to vary the net Revenue Budget for 2024/25, with any shortfall being met from the Budget Support Reserve.

- q) Delegates authority to the Director of Finance and Systems, in consultation with the Executive Member for Finance, Change and Governance, to vary the net Revenue Budget for 2024/25, once the Baseline Funding has been updated to reflect the changes in Public Health Grant.

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

- r) The objective assessment by the Director of Finance and Systems of the robustness of budget estimates and adequacy of the financial reserves (Section 1 and 6).
- s) The Executive's response to the Scrutiny Committee's recommendations to the budget proposals as included in a separate report on the agenda.
- t) The Council's Public Sector Equality duty.
- u) The results of the consultation on the budget proposals where required.

In addition, the Executive recommends that Council notes the following:

- v) The approval on 4 January 2024 under delegated powers by the Director of Finance and Systems of the Council Tax Base for 2024/25 at 79,362 Band D equivalents.
- w) The estimated Council Tax surplus for 2023/24 has been calculated at £0.953m, sufficient to release £0.775m to support the Council's budget plans and a distribution of £0.124m and £0.055m representing the respective shares of the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services).
- x) The base budget assumptions as set out in the Medium-Term Financial Strategy (MTFS) as detailed in Annex A.
- y) The budget gap for the two years 2025/26, £15.39m and 2026/27, £14.22m.
- z) That the Capital Programme for 2024/25, 2025/26 and 2026/27 is to be set at an indicative £152.20m, £231.48m and £29.48m respectively (indicative at this stage as a number of capital grants are not yet known).
- aa) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the recommended provisional amounts pending their formal approval.

Contact person for access to background papers and further information:

Name: Councillor Joanne Harding, Executive Member for Finance, Change and Governance
 Graeme Bentley, Director of Finance and Systems
 Extension: 4884

Background Papers – None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2024/25 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed budget for 2024/25, allocating available resource across service objective heads as detailed in Annex G of the report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. If the budget for a directorate is to be exceeded, which will result in a call on reserves, the Executive will need to identify the impact on reserves and when they will be replenished.
Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision. Measures have been subject to equality impact assessments where necessary.
Sustainability Implications	There are a number of measures throughout these budget papers which support the Council's ambition of becoming carbon neutral by 2038.
Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications where they apply.
Risk Management Implications	The risks associated with the budget proposal have been considered.
Health and Wellbeing Implications	Equality Impact Assessments have been carried out where appropriate. The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.
Health and Safety Implications	The health and safety implications of the budget proposal have been considered.

1. Introduction

- 1.1 It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level.
- 1.2 This report sets out the Executive's updated 3 year budget strategy, detailed revenue budget proposals for 2024/25 and Medium Term Financial Strategy (MTFS) for the period 2025/26 - 2026/27.

2. Budget Requirements

- 2.1 The Council is under an obligation to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2024/25 by 9 March 2024 at the latest. The Council's Director of Finance and Systems (S151) Officer must confirm the robustness of the estimates applied and the adequacy of the Council's reserves as part of the budget setting report to Council. A statement from the S151 officer is included within this report.
- 2.2 The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires the Scrutiny Committee to review the budget proposals to allow for their comments to be considered before the final budget proposals are made to Full Council.
- 2.3 The announcements and consultations made about Government funding for the Council in the Chancellor's Autumn Statement, the Local Government Finance Settlement and the ongoing challenges presented due to high inflation require a robust and timely response to enable a balanced budget to be set.
- 2.4 A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.
- 2.5 As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS. Significant funding reforms have been signalled by Government and the Council has a reliance on funding sources that are potentially subject to change significantly in the Medium Term, and therefore it is important to continue to monitor the Medium Term position.
- 2.6 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. The budget reports to the Executive on 21 February 2024 will include the three year Capital Programme 2024-27 and associated capital estimates to be approved.

3. Budget Summary

The key summary of figures for the revenue budget are:

- 3.1 The gross budget gap for the three years before applying policy choice savings and funding proposals is now estimated to be £53.10m of which £17.80m is related to 2024/25.
- 3.2 The gross budget gap will be reduced over the three years of the MTFS 2024/25 to 2026/27 through permanent measures of £23.49m including:
 - o Additional funding from Council Tax of £13.97m (increase of 4.99% 2024/25 and 2.99% in 2025/26 and 2026/27)
 - o Income generation and service delivery savings of £9.52m
- 3.3 Included in these budget proposals is a one off use of Budget Support Reserve of £5.58m in 2024/25, consisting of:
 - o £2.08m agreed in February 2023, relating to the benefits and a one-off distribution from Greater Manchester Combined Authority.
 - o Use of general reserves £3.50m for the remaining gap in 2024/25.
- 3.4 If all the proposals in this report are implemented there currently still remains a residual budget gap of £29.60m, of which :
 - o £15.38m is in 2025/26, and
 - o £14.22m is in 2026/27
- 3.5 In order to ensure that we can manage the continued pressures on the Council's budgetary position throughout the period of the MTFS and to achieve a balanced budget in those years, the Finance and Change Programme will continue to provide a structured response to these issues and to provide strategic direction and proactive governance around the management of our Finance and Change programme.
- 3.6 The Budget Support Reserve was bolstered significantly as part of our previous MTFS to provide a cushion to support the MTFP as the Council continues its recovery from the financial impacts of the pandemic and more recent implications of the downturn in the economy. The balance on this reserve is estimated to stand at £8.26m at the end of 2024/25. This includes £2.08m previously agreed in February 2023. The balance of £8.26m represents approximately 54% of the outstanding budget gap for 2025/26.
- 3.7 The overall budget movement for 2024/25 is an increase in the net budget of £8.03m or 3.83%, from £209.81m to £217.83m
- 3.8 The detailed proposals contained in the report close the 2024/25 budget gap of £17.80m via the following measures:
 - o Additional funding from Council Tax of £6.01m
 - o Income generation and Service delivery savings £6.21m
 - o Use of reserves from a one-off distribution from Greater Manchester Combined Authority totalling £2.10m as previous agreed in February 2023.
 - o Use of Budget Support Reserve of £3.50m for the remaining gap

- 3.9 Included in the firm budget proposals for 2024/25 and Capital Programme for 2024/27 there are a number of notable investments including:
- o Additional investment in social care activities of £5.45m
 - o Growth to progress towards being a carbon neutral borough by 2038 by providing additional investment of £15.45m within the Capital Programme to support progress against the carbon neutral action plan. This includes £12.16m active travel under the Mayors Cycling and Walking Challenge Fund and £1.13m in improving the efficiency in our street lights.
- 3.10 In addition to the above, the capital programme also includes investment of £12.30m in our highways, a continuation of plans to modernise our leisure centres and improve outdoor sports facilities of £54.26m (subject to business cases), addressing condition needs in school based improvements through Basic Need, Maintenance works and additional SEND provision of £43.08m, a further £9.48m on Adults Social Care including Disabled Facilities Grants to facilitate residents to remain in a home environment for longer and a further £2.86m in a Local Authority Housing Fund with the objective to provide long term sustainable accommodation for Ukraine and Afghan families.

4. Other Options

- 4.1 The Executive is recommending an overall increase to the level of council tax of 4.99% in 2024/25 comprising the increase of 2% for the 'adult social care precept' to be earmarked for adult social care expenditure and 2.99% general increase in the 'relevant basic amount'.
- 4.2 An alternative option is not to increase council tax but there would be insufficient funding to pay for the Council's services in 2024/25. If this option were pursued then further savings of £6.01m would need to be identified over and above the significant level of savings already included in this budget report. Alternatively, a decision could be made to increase its 'relevant basic amount of council tax' above the levels proposed in this report, however this would exceed the current permitted limits, which would mean a local referendum would be required before any higher increase could be implemented.
- 4.3 The use of reserves has been reviewed (See Section 6) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a prudent level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.
- 4.4 The Finance and Change Programme provides a framework for delivering organisational change that supports the delivery of the MTFP. The scale of the financial challenges over the life of the MTFP requires a structured and controlled programme management approach. All change projects will be supported by clear business cases setting out the net business benefits of the changes being proposed.

- 4.5 Doing nothing is not considered a valid option as this would result in an unacceptably high risk of not achieving a balanced and sustainable MTFP. The impact of this would be the greater likelihood of the Council having HM Government intervention as a result of being unable to set a legal budget.
- 4.6 The Finance and Change programme provides a coordinated approach to business change activity. An un-coordinated approach to delivering cross cutting business change risks key projects competing in relation to the time and resources needed to secure their completion increasing the risk of non-delivery.

5. Consultation

- 5.1 Any proposals that may require consultation with the public, businesses and staff, will be developed and feedback considered before any implementation. Details on budget proposals will be made available on the Council's website.
- 5.2 The final budget assumptions include a change in proposals, which will require further consultation with care providers. Assumptions have been made relating to the outcome of this exercise in preparing the final budget for 2024/25. In the event the outcome of the consultation changes these assumptions, a recommendation is made that the Director of Finance and Systems, in consultation with the Executive Member for Finance, Change and Governance, is given delegated authority to amend the Net Revenue Budget accordingly with any shortfall being met from the Budget Support Reserve for 2024/25.

6. The Public Sector Equality Duty

- 6.1 The Equality Act 2010 requires public authorities to have regard to the Public Sector Equality Duty in making any decision. The public sector equality duty requires public authorities to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies.
- 6.2 People who have certain protected characteristics are protected under the Equality Act 2010. The nine protected characteristics are: disability, race, age, religion or belief, sex, sexual orientation, gender reassignment, pregnancy and maternity marriage and civil partnership.
- 6.3 The legislation requires that, when carrying out its functions, a public authority must have due regard to:
- The elimination of unlawful discrimination;
 - The advancement of equality of opportunity between people who have protected characteristics and those that do not; and
 - The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.

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

7. Reasons for Recommendation

7.1 It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. This report sets out the Executive’s updated 3 year budget strategy, detailed revenue budget proposals for 2024/25 and Medium Term Financial Strategy (MTFS) for the period 2025/26 - 2026/27. The setting of the budget is a decision reserved for Full Council.

Key Decision

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

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

Legal Officer Clearance ...DS.....



DIRECTOR’S SIGNATURE

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



TRAFFORD
COUNCIL

**Executive's
Revenue Budget Proposals
2024/25 & 2025/26 - 2026/27
Medium Term Financial
Strategy**

21 February 2024

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Foreword by the Executive Member for Finance, Change and Governance Councillor Jo Harding

This is my first year as Executive Member for Finance, Change and Governance and I am pleased to introduce Trafford Council's updated Medium Term Financial Strategy (MTFS), which covers the period from 2024/25 to 2026/27. The MTFS underpins the Council's Corporate Plan, which is our key strategic document for identifying our vision, ambitions and priorities, and sets out the approach the Council is taking to deliver these priorities and manage our finances over the next three years.

As a Council we provide a large number of services to support and improve the lives of residents, businesses, and visitors in Trafford. That is why it is important that we have a robust and sustainable financial strategy which supports the delivery on our key objectives and provide the services our communities need.

Over the last few years significant budgetary pressure has been felt by councils across the country, with the Local Government Association identifying a funding gap in the sector of £4bn over the next two years and evidenced by the increasing number of council Section 114 (effectively, bankruptcy) notices issued during the year.

It is a statutory requirement to set a balanced budget each year but the prolonged higher levels of inflation and escalating need for services continue to make balancing local authority budgets ever more challenging.

The Council has effectively managed its finances over the last few years but despite this it is not immune to the pressures councils across the country are facing and despite having bridged budget gaps of £288m since 2010.

Nearly 60% of the Council's budget is used to provide essential services to Trafford's most vulnerable children and adults, services where we are seeing significant increases in costs and a growing need for support.

Each and every year the costs of the services we deliver are growing at a significantly faster rate than our funding, meaning we have a budget gap over the next three years of £53m, equivalent to nearly 25% of our budget. This problem is compounded by the low level of funding the Council receives which is one of the lowest in the country and with a band D council tax level some £209 lower than the average of our neighbouring districts, making managing the council's budget in the years ahead extremely challenging.

As a Council we are acutely aware that certain groups continue to be disproportionately affected including our older people and those from ethnically diverse backgrounds and people on low incomes who have experienced an adverse impact from the pandemic and the rising cost of living. We also need to focus on how we can give our young people the best start in life and make up for the challenges they have faced in recent years. Therefore, it is crucial that we address these current inequalities whilst ensuring equitable access to all our services. The Council is focused on working with partners to reduce

inequalities in order to build sustainable and healthier futures for the people who live, work and learn in the borough.

Despite the budget challenge there are some key areas of investment within these budget proposals. These include net investment in our social care services, safeguarding vulnerable children, services for young people and adults and supporting a sustainable care market. The budget includes for additional investment in these areas of £5.5m. We will also continue to develop our approach to collaborative working with our health partners to help address the challenges faced in the health service and help reduce health inequalities.

It is extremely disappointing that the Government have failed to indicate any further financial support for the continuation of the Household Support Fund in 2024/25. Despite this, significant investment will also be made in areas to support our most vulnerable residents; we have a council tax support schemes which assists approximately 13,000 people on low income with their council tax bills and costs approximately £14m each year. We will also continue to support our community hubs with the valuable work they do, with the Council also continuing to provide welfare and advice support to households.

We are also investing in services which affect the look and feel of the borough, as we know how important the environment is for our residents. The Capital Strategy sets out to maximise the capital funding which is available to the authority from a range of different sources and targets those resources at key investment projects which support the delivery of our priorities across these services. These include additional investment of £75m in 2024/25, including £6.0m in our highways, a continuation of plans to modernise our leisure centres with the ongoing refurbishment of Altrincham and progression of the redevelopment at Partington, addressing condition needs in schools and provision of additional school places £16m, £12m on active travel projects across the borough, continuation of the town centre regeneration schemes at Stretford and Altrincham and investment in our parks and green spaces £2.8m.

The recent and unprecedented announcement from Government of additional funding to be announced at the final settlement has only alleviated a small amount of the financial pressure and at a local level there remains significant financial pressure with a budget gap of nearly £30m over the following two years. Also, uncertainty over the distribution and certainty of funding beyond 2024/25 is something which we will continue keep a keen eye on over the short and medium term.

I am proud to be the Executive Member of Finance, Change and Governance and help lead this Council through what will be about the most challenging times financially in what will be the Council's 50th anniversary in 2024. Our many strengths, such as our ambitious approach to our economy, our bold environmental programme, vibrant communities, passionate and committed staff and elected members and good partnerships will stand us in good stead during this challenging period. Our MTFs provides the financial basis for the roadmap set out in the Corporate Plan. As ever, I would like to thank all those involved in the preparation of the MTFs, which concludes many months of work from all our political groups and officers across all directorates.

Councillor Jo Harding

Executive Member for Finance, Change and Governance

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

REPORT of the DIRECTOR OF FINANCE AND SYSTEMS to the COUNCIL 21 FEBRUARY 2024 (S25-26 LGA 2003)

1.1 Background

- 1.1.1 The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council his own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26).
- 1.1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.

1.2 The Requirement to Deliver a Balanced Budget

- 1.2.1 Members will be aware that the Council has a legal requirement to deliver a balanced budget. If spending is likely to exceed the available resources for a council the Officer charged with responsibility for the effective financial management of the council, the Section 151 Officer, must issue a Section 114 (S114) notice under the relevant section of the Local Government Act, section 114.
- 1.2.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued modified guidance to council Chief Finance Officers (CFOs) in 2020/21 to allow councils under budgetary pressure due to COVID-19 the time and space to explore alternatives to freezing spending via a S114 notice. This is called the Exceptional Financial Support Framework and more detail is included in the report.
- 1.2.3 My conclusions on the robustness of the overall budget are provided in Section 1.6 and it is recommended to Council that it has regard to this report when making decisions about the calculation of council tax requirement.

1.3 Process and Introduction

- 1.3.1 The Section 151 Officer has to consider the resilience of the Council and its ability to withstand and mitigate the impact of unknown costs as a result of local and national changes across the medium-term period.
- 1.3.2 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2023/24 budget monitoring process and planning process review have been addressed in the 2024/25 budget wherever appropriate.
- 1.3.3 The setting of the budget has included the involvement and support from the Executive Portfolio Holders, members of the Corporate Leadership Team and other service management supported by the Financial Management Service.

- 1.3.4 All budget managers have been requested to agree their budget working papers and are therefore aware of their proposed budget for 2024/25 and the assumptions the budget is based on.
- 1.3.5 At a detailed level budgets are based on forecasted activity and have been subject to appropriate challenge, sensitivity analysis and to ensure that they reasonably allow for a degree of error. Risks can be mitigated through a variety of management actions and the Corporate Leadership Team (CLT) has ensured that in higher risk areas additional capacity and rigour has been put in place to ensure forecast savings are robust and are capable of being delivered during the year with monthly updates on financial performance in demand-led budget areas reviewed by CLT. Savings will continue to be monitored by the Finance and Change Board and through CLT as part of the budget monitoring process which is a well-established bi-monthly financial monitoring of all Council activity on an outturn basis from May each year.
- 1.3.6 The Council has a controlling interest in a number of companies which are monitored through a number of structured boards. The viability of these companies is regularly assessed, and any support is provided based on sound evidence. Members and officers sit on these boards and members are provided with all the relevant information to allow them to make informed decisions. External advice on complex structures is taken as required to minimise the risk to the Council and its reserves.
- 1.3.7 In assuring the robustness of the Council's budget it is also important to have regard to the financial management capabilities across the organisation. This includes regular updates to the training given to budget holders and to Council Members and the range of available training, supported by the Financial Management Service, is assessed on an annual basis.
- 1.3.8 The impacts of the high levels of inflation throughout 2023/24 and which, whilst now on a downward trend, are forecast to continue into 2024/25, coupled with the uncertainty regarding future funding for local authorities beyond 2025/26 makes a robust and evidenced assessment of financial governance and future resilience critical. Therefore, in drafting the budget reports, and this opinion, close consideration has been attached to professional guidance and views from the Council's external auditor.
- 1.3.9 Guidance and information has been considered from the Chartered Institute of Public Finance and Accountancy (CIPFA) as part of the Council's financial management arrangements and in setting this budget, including:-
- **Financial Management Code** which provides a useful framework to assist local authorities in demonstrating their financial sustainability and sets expected standards of financial management for local authorities;
 - **Prudential Property Investment** which provides a useful update on the Prudential Code and how they relate to the expansion of commercial activity by local authorities; and

- **Financial Resilience Index (FRI)** which usefully compares the Council against similar local authorities across a range of key financial measures to give an indication of financial stability.

1.3.10 Also CIPFA has also have provided advice to local authorities on the financial stress warning signs which have been considered as part of this statement:-

- Running down reserves – a rapid decline of reserves;
- A failure to plan and deliver savings in service provision to ensure a council lives within its resources;
- Shortening medium-term financial planning horizons – perhaps from four to three years to two years or even one year – this would indicate lack of strategic thinking and unwillingness to confront tough decisions;
- Greater ‘still to be found’ gaps in saving plans – identifying savings for the next financial year only and not beyond;
- Growing tendency for departments to have unplanned overspends and/or carrying forward undelivered savings in the following year.

1.3.11 Finally, the opinion of the Council’s external auditor needs to be considered. In their latest annual report they concluded in their assessment of the Council’s value for money arrangements:

“...that although they were satisfied there is no immediate threat to the Council’s financial sustainability, the use of reserves at current levels is not considered sustainable into the future. Action should be taken to align funding to the reduced cost base to ensure the Council achieve its planned saving targets and identify efficiency savings in its future budget as these reserves are critical to the Council ability to manage future financial risks.”

1.4 Financial Landscape and Trafford’s Financial Position

1.4.1 The financial sustainability of local government has never been more challenging with 2023/24 seeing several high-profile local authorities declaring S114 notices and the financial landscape suggests there will be significantly more over the next twelve months. The forthcoming year, 2024/25, will be the fifth year where local authorities will only receive a single year finance settlement. The Council’s funding beyond 2024/25 will be determined by the outcome of the Review of Relative Needs and Resources (previously the Fair Funding Review) and the reforms to the Business Rates Retention System under the Levelling Up agenda. Currently there is no indication of future funding levels, and the Council is only able to financially plan with difficulty beyond 2024/25.

1.4.2 In November 2023 the Office for Budget Responsibility published its Economic and Fiscal Outlook which stated:

“Since 2010-11, local authority spending has fallen from 7.4 to 5.0 per cent of GDP, and it falls further in our forecast to 4.6 per cent of GDP in 2028-29. Given local authorities’ statutory duty to provide a range of services where demand

is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue.”

- 1.4.3 The recent Autumn Statement did not announce any new funding beyond the increases announced in the Financial Settlement in December 2022 and looking further ahead, prospects for local government finance settlements in the next spending review period look very tight indeed. There is no change in the overall planned increase in Resource Departmental Expenditure (RDEL) of 1% in real-terms but this is likely to mean real-terms cuts for unprotected services, including most of local government.
- 1.4.4 Over the same period referenced in the economic and fiscal outlook the Council's main funding has reduced 60% in real terms and over the period £288m of budget gaps have been addressed with a further £53m of gross gap over the next three years. To put this into context the net revenue budget in 2023/24 is £209m. The pressures on the budget are clearly articulated in this Budget Report and the next three years present acute financial pressure on the sustainability of the Council's finances. In recent years nearly £30m of reserves have been used to achieve a balance budget position, with a large part of this relating to the impact of the pandemic and the loss of the airport dividend. Clearly this is not a sustainable approach given only £8.3m of Budget Support Reserve remains at the end of 2024/25 and therefore the budget strategy will need careful planning for 2025/26 and later years.
- 1.4.5 During the year an external review of the Council's finances was undertaken which concluded that the Council has been well run; this is evidenced by the position on the in-year budget position which is showing an overall projected underspend of £0.6m at month 8.
- 1.4.6 Section 3 of this report details the difficult funding position this Authority faces which makes finding further savings from what is a very low expenditure base extremely difficult. In August 2023 the Institute of Fiscal Studies published a report on the variations across the country between an authority's assessed need to spend compared to the level of funding available. This identified Trafford to have a shortfall in funding of £148 per head, equivalent to a funding disparity of £35m when compared to national averages and other similar authorities and £25m compared to other Greater Manchester districts.
- 1.4.7 The major reason for this gap largely relates to two factors. The first is that Government funding uses deprivation as a key factor when it distributes resources. Whilst this is reasonable there is a strong argument that too much weighting is applied to deprivation and this in part has led to a wide range in the funding levels to councils across the country. The second factor relates to council tax levels and historically decisions have been made to freeze tax increases. This is significant to Trafford because nearly 60% of the budget is funded from council tax and had the Council not agreed to freeze the rate between 2011/12 and 2015/16 then it would have had over £15m of additional funding each year to support the budget position. These factors have therefore impacted adversely on our current funding position which has been further exacerbated by the pandemic, inflation and economic turbulence in the last few years.

1.4.8 If this funding position is not rebalanced, then it is unlikely that the Council will be able to present balanced budget proposals, through transformational changes alone, beyond 2024/25. (See Section 1.6).

1.5 The Adequacy of Reserves

1.5.1 The Council's financial environment is subject to volatility, as are the demands on services and the needs of the borough's population and environment. The Council updates its priorities in response to these issues. Reserves balances and the use of reserves are therefore an important part of the Council's financial strategy. Further detail of the Reserves Strategy and Balances is included in Section 6 and Annex E and F.

1.5.2 Reserves are held to help manage the long-term budgetary stability and allow the Council to be able to change without undue impact on Council Tax income forecasts. The adequacy of the Council's General Fund Balance is also a key indicator for the robustness of the budget as a whole, as it provides assurance that potential financial impact of variations to budgets can be managed.

1.5.3 Reserves are set at a level that recognises the financial risks facing the Council. The greater the level of uncertainty, the more likely reserves will be needed. The Council prepares its budget using the best information available at the time but inevitably includes some uncertainty. In setting the budget, it is important that Executive take account of the uncertainties involved, both in establishing a suitable level of balances and contingencies, and in setting an overall strategy for the budget and medium-term financial plan.

1.5.4 A prudent approach needs to be maintained between holding too much and too little money in reserves. If reserves are too low, this increases the Council's exposure to risk and endangers its capacity to deliver priorities in a planned and prudent fashion. Demand led services, major projects, an environment of everchanging legislative requirements, combined with delays in Government Funding reviews all threaten financial stability. However, money held unnecessarily in reserves is not being spent on front line services and the public may not receive full value for money. The Council therefore regularly reviews the reserves position to ensure reserves remain adequate.

1.5.5 The latest information included within Cipfa's Financial Resilience Index shows the Council to have lower than average level of reserves compared to other similar authorities. In addition, the rate of use of the available reserves has been relatively high and is an indicator of financial stress if this continued. Since 2020/21 approximately £30m of Budget Support Reserve (BSR) has been used to help balance budgets, largely due to the impact of the Covid Pandemic and the loss in the airport dividend. This rate of use of reserves is simply not sustainable and is why I made the reference in the Draft 2024/25 Budget Report to no more than a 30% use of the remaining BSR of £10m, ie £3m be used in setting the 2024/25 Budget such that at least £7m remained to support future years budget planning.

1.5.6 The proposals in this Report include for a further application of reserves equivalent to 35% of the remaining balance on the BSR and whilst this is above the level I recommended in November because further additional contributions are expected

to be received, as a result of a planned redistribution of surpluses from the GM Waste Budget, that will mean the uncommitted balance can still be maintained at £8.3m at the end of 2024/25.

- 1.5.7 To mitigate the impact of the risks posed by the low level of reserves it will be necessary to continue the policy of replenishing reserves wherever possible. Therefore, any windfall income or budgetary underspend is transferred to the BSR at year end. Also, these budget plans include for a “repayment of reserves” over the medium to long term of £500k per annum.
- 1.5.8 A full risk assessment of the Executive’s budget proposals has been undertaken and this has been used to inform the appropriate level of specific earmarked reserves for the major financial risks.
- 1.5.9 The calculation of the recommended minimum level of General Fund Reserve takes account of the key risks and uncertainties surrounding the budget estimates and proposals, including continued demand and inflationary pressures as well as other strategic and operational risks. New risks continue to be identified and in 2024/25 will also include the risks associated with the high external interest rate environment and the additional cost pressure this would pose on the cost of borrowing as the Council looks to reduce its under-borrowing position, the impending CQC inspection of adult social care and also the risk of increased children’s placement costs, in part caused by the potential increase in numbers of unaccompanied asylum-seeking children. The Section 151 Officer’s view is that the financial risks linked to the uncertainty, volatility and complexity of the financial landscape, and the continued absence of a multi-year finance settlement could be significant. Thus, it is considered prudent to increase the level of the General Fund Balances in 2024/25 from £9.5m to £10.5m.
- 1.5.10 School delegated balances amounted to £13.1m at the start of the financial year and cannot be used for general purposes. A deficit brought forward of £1.47m also exists on the central Dedicated School Grants and this is forecast to reach a combined deficit of £9.98m by year end. The figure includes a deficit associated with schools High Needs budgets which is forecast to overspend by £7.21m during the year resulting on a deficit at year end of £11.35m by 31 March 2024. The High Needs deficit is forecast at between £44.6m and £55.5m by the end of 2026/27. This deficit is being held as a negative reserve on the balance sheet as currently required by statutory regulations; this is starting to have a significant impact on council cashflow and liquidity.
- 1.5.11 Although additional resource was added at a national level to support High Needs, it is apparent that this is not enough to maintain a sustainable level. It is imperative that the council continues to work with the DfE to agree a recovery plan to mitigate the impact of this position.
- 1.5.12 However, the statutory override is only in place to 31 March 2026. At this point, if there is no further extension, Trafford’s accumulated DSG deficit has potential to be greater than the Council’s total reserves in which case it would be technically insolvent and mean a S114 would be required.

1.6 Conclusions and Recommendations

1.6.1 On the basis of the above-mentioned financial planning and monitoring processes and risk assessment of the budget, the Section 151 Officer is able to report (in accordance with Section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget for 2024/25 are robust and the recommended level of earmarked reserves and balances are adequate and that the budget should be submitted to Council for approval on the basis that:

- a) the proposed level of Council reserves and contingencies are adequate to support the budget for 2024/25 having regard to an assessment of current financial and other risks set out extensively in this report and assuming these risks do not increase beyond those that can be contained by the Council. It should also be noted that matters will continue to be identified and will change throughout the coming financial year and beyond.
- b) These budget plans for 2024/25 include for a further additional use of Budget Support Reserve (BSR) of £3.5m above that agreed in February 2023 and whilst this still leaves the majority of the BSR available, it means that the need to make recurrent savings increases in later years. In addition, it is recommended that further in-year savings be identified and implemented during 2024/25 where possible to further reduce the call on the BSR and to reduce the budget gap in 2025/26.
- c) The estimates are robust for the calculation of the budget within the confines of the many risks noted throughout this report. Particular attention is drawn to the following specific conditions and risks:
 - i. The recommended level of General Reserve for 2024/25 is £10.5m, although this is the bare minimum as a percentage of Net Revenue Expenditure.
 - ii. The budget which has levels of contingency and provisions built in to reflect the considerable risks the Council is facing.
 - iii. The level of Council general and earmarked reserves relating to specific risks and specific initiatives, was £73.98m as at 1st April 2023 and is projected to decrease to circa £40m at the end of the three year period of the MTFP, which compared to other similar local authorities is low.
 - iv. The rate of use of reserves is not sustainable evidenced over the last three financial years where £30m has been applied to support the budget position. The reason for this being to largely offset the impacts of the Covid Pandemic and the impact of the loss of the airport dividend. This loss was originally expected to be a short-term but indications are the dividend is unlikely to be forthcoming until 2028/29 at the earliest, therefore this shortfall now needs to continue to be financed from recurrent savings.
 - v. The use of reserves is not a sustainable approach to balancing the budget. Remaining reserve levels are an indicator of financial stress and the latest benchmarking data from Cipfa shows the Council to have a high level of risk.

Therefore, extreme caution needs to be placed on the use of reserves in future years.

- vi. The Council has a major dependency on asset sales to support the capital programme. The timing of generating capital receipts can sometimes be protracted and therefore has potential to impact the robustness of the budget.
 - vii. The Council has three joint venture companies established to support significant regeneration schemes in the Borough. Until redevelopments are completed there will be a need to service debt financing from reserves over the next two to three years and mitigation strategies need to be considered to reduce this need.
 - viii. That the delivery of the savings programme is crucial to maintain budgeted stability and therefore the Finance and Change Board and Executive need to have tight control of this during 2024.25.
 - ix. Risk of abortive costs on capital project development schemes needs close monitoring – capitalisation of interest will put pressure on capital receipts and ability to finance new capital projects.
 - x. Priority needs to be given to generate additional receipts through the asset disposal programme. Any capital receipts generated over and above those needed to finance the approved capital programme need to be retained corporately and used to repay debt therefore reducing overall borrowing costs.
- d) The estimated budget gap for the next two financial years stands at £29.6m, with £15.4m in 2025/26. This is clearly a budget gap that cannot be addressed through transformational savings alone and will also need a rebalancing of the Council's overall funding position. During 2023, further work was commissioned to seek external advice of the Council's funding position which concluded that Trafford is one of the lowest funded authorities in the country and that this funding gap is widening each year. Further, that this rebalancing will only be achieved through Government intervention which could come from either a restructure of Local Government finance or additional flexibility to increase Council Tax above the referendum level.
- e) I would strongly recommend that the budget strategy for 2025/26 and future years is focussed on what needs to be done to avoid a s114 Notice and therefore takes a multi-faceted approach. It is essential that the Finance and Change Programme resume the financial planning process early in the financial year to:-
- i. Maintain close control of the 2024/25 monitoring position;
 - ii. Ensure effective monitoring of the in-year savings programme;
 - iii. Review and mitigate where possible any developing pressures that arise to ensure an unplanned use of reserves is not required;
 - iv. Generate the maximum level of capital receipts as it can from land disposals;

- v. Identify opportunities for further savings that will be an essential requirement for 2025/26 and where possible accelerate delivery in 2024/25.

1.6.2 Given the size of the remaining gap for 2025/26 and 2026/27 it will be important to ensure sufficient and timely progress is made during the year to achieve material inroads to reduce the budget deficit. To support the Finance and Change Programme, it is recommended that Executive give consideration to engage with CIPFA to conduct an external assurance review as a prudent next step to look at the Council's financial management and governance arrangements. This, along with the progress made in identifying other measures to help balance the budget, will also support me in taking a rounded view on the ability to achieve a balanced budget position for 2025/26.

2 BUDGET APPROACH AND PROCESS

2.1 Budget Approach 2024/27

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

2.1.2 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.

2.1.3 The MTFS is refreshed each year to give a rolling five-year assessment of the fiscal environment and 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.

2.1.4 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.

2.1.5 The strategic direction of the authority is set out in the Corporate Plan, called ***Our Trafford, Our Future***. It is based on an analysis of the borough's strengths, challenges and opportunities and was influenced by local priorities. It outlines the vision, outcomes and priorities for the borough that the Council are seeking to achieve by 2024.

2.1.6 This plan reflects the ambition of Trafford's leadership and the values and aims of the Council to provide a blueprint for improving Trafford. It shapes the activity within the council, helps to prioritise resources and monitors progress made, as well as aligning with strategic financial planning.

2.1.7 The vision for Trafford is:

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

2.1.8 The key outcomes are:

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

2.1.9 A performance framework continues to be developed which is more data led and outcome focussed by looking at key performance indicators and increasingly using

visualisation methods such as dashboards and case studies to ‘tell the story’ and the impact to the borough. The priorities and performance indicators which measure success against the Plan include: -



2.1.10 It is essential that the Council does not lose sight of our key ambition and objectives for 2024/25 and beyond and the budget proposals remain closely aligned to these. These include:-

Adults Services

- Refreshing the Trafford Locality Plan to create one plan for health and care for Trafford by integrating the aims and aspirations of the current health and wellbeing strategy.
- Developing Integrated Neighbourhood Teams to support individuals who have multiple health and care agencies working with them in order to provide a more coordinated approach to care.
- Continuing the ongoing programme of work to support the Improving Lives Everyday Strategy 2022-25 to strengthen co-production and lived experience helping to shape services for the future.
- Strengthening our front door arrangements with Adult Social Care staff, to ensure that the first conversation is strength based while linking to local communities and maximising Technology Enabled Care (TEC) thereby retaining independence.

One Trafford Partnership

- Expanding the electrical fleet and plant through One Trafford Partnership to reduce our carbon usage.
- Continuing to develop active travel schemes, including the A56 corridor and Urmston Active Neighbourhood.

Childrens & Schools

- Ensuring that our schools in Trafford remain good or outstanding, and continuing to work with school leaders, trusts and teaching school hubs, to continue our enhanced quality assurance programme.
- Continuing to strengthen the quality of social work practice for children in need, cared for children and child protection plans.
- Reviewing and refreshing the children's placement sufficiency strategy to ensure we have local placements for all our children.
- Embedding a Family Help Strategy, through the Trafford Team Together (team around the school), working with families to support with a range of issues including attendance and continuing to develop Family Hubs and the Early Years Trafford Team Together approach.
- Implementing the Inclusion Strategy incorporating the Inclusion Charter with identified pathways of support and interventions in schools.

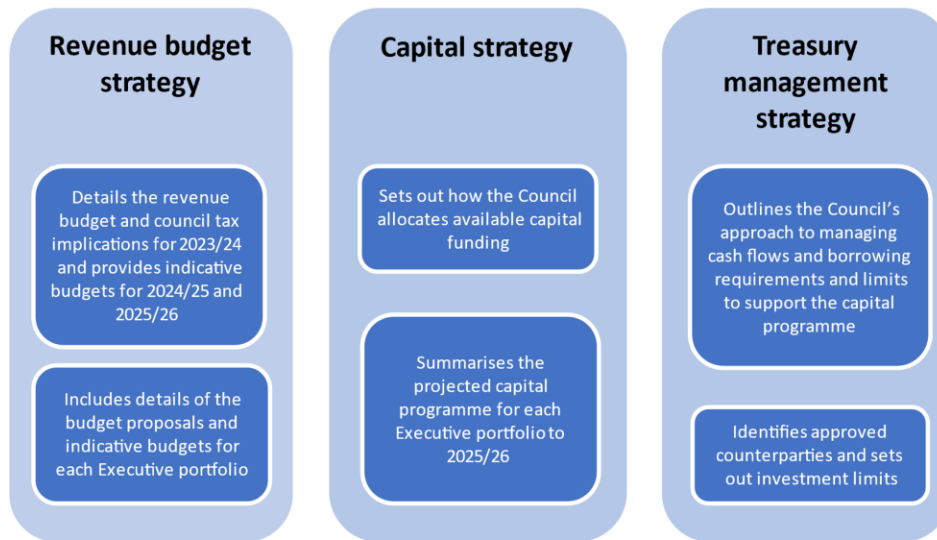
Other Areas

- Continuing to implement 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.
- Providing ongoing support to 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 including utilising the £3m from the National Lottery Heritage Fund towards the development of Longford Park.
- Increasing levels of physical activity, including the development of schemes which support active travel, alongside investing on our ageing leisure facilities including utilising £20m to help revitalise Partington Sports Village and progressing with the UK's first £25m wellbeing resort – Therme Manchester.
- Progressing the development of new housing on Council land including Sale Magistrates Court site, Lumina Village, the former Kellogg's headquarter site, owned jointly with Bruntwood as well as continuing to implement our Supporting House Strategy to help people with supported needs live as independently as possible.
- Working with Trafford residents 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, co-owned and designed with residents to support their health and wellbeing needs now and in the future as well as supporting residents digitally.

- Delivering the Culture Strategy by reviewing our 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 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 to ensure our residents, businesses and communities achieve their potential.
- Developing the Digital Strategy and investing in new technology – ensuring that digital innovation is at the heart of service changes; delivering more services online, enhancing the customer experience and supporting an 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.
- Launching and delivering a new Corporate Plan and Strategic Priorities and preparing for a Local Government Corporate Per Review.

2.1.11 As Trafford is in the final year of the Corporate Plan and given the changing landscape and other emerging themes, including Devolution Trailblazer and the growth agenda, the time is right for a review of the plan as we seek to ensure the plan responds to the changing conditions and needs of the residents in our borough. The Corporate Plan will take several months to review and is expected late summer 2024.

2.1.12 The Medium-Term Financial Strategy (MTFS) complements the Corporate Plan and provides the financial framework within which the priorities will be delivered.



2.1.13 The core principles underlying the MTFS are as follows:-

- To maintain a sustainable financial position that enables the Council to deliver on its key priorities;
- To make appropriate provision in the budget so that it keeps pace with demand;
- To strive to keep council tax at affordable levels whilst delivering value for money services;
- To ensure that its limited capital and revenue resources are allocated to those activities which contribute most to improved outcomes for local people.

2.1.14 It is essential that the Council does not lose sight of our key ambition and objectives for 2024/25 and beyond and the budget proposals remain closely aligned to these. These include: -

➤ **Reducing health inequalities**

Throughout the pandemic, rapid changes have been made to the ways we support residents in their community, their own home, in acute care and across our health and social care services. There is a 16-year difference in healthy life expectancy and an 8.5-year difference for males and 7.4-year difference for females in life expectancy between our most affluent and most deprived areas and the pandemic has laid bare these inequalities. Nationally, new inequalities have emerged, and existing inequalities have intensified. We are responding to these changes to reduce these inequalities so all our residents can live long and healthy lives. For example, work has been carried out to understand the health needs of different groups of residents in Trafford via a range of health needs assessments including

smoking, healthy Lives, serious violence, oral health and alcohol and substance misuse.

The Council will continue to work closely with our health partners to achieve tangible improvements in this area.

This year the Trafford Moving strategy for sport and physical activity was launched which aims to improve physical activity levels and mental health and wellbeing as well as addressing health and social inequalities in our communities. A bid for nearly £20m to help revitalise Partington Sports Village was successful, and the Council have partnered with Sport England and Kier for a multi-million-pound redevelopment of Altrincham Leisure Centre. These plans will support improving the long-term health and wellbeing of Trafford residents.

➤ **Supporting people out of poverty**

By providing the necessary skills, opportunities, information and advice Trafford Council works with partners to give people the choices and power to make best use of their income to prevent and reduce poverty. The Trafford Poverty Action Group continues to work with partners to help coordinate activity and make the borough a place where no-one is marginalised or discriminated against due to their financial or material circumstances. The Poverty Truth Commission was launched in May 2022, funded by Trafford Council and L&Q, and completed in 2023. The membership of the Commission was comprised of Trafford residents with lived experience of poverty and leaders from the public, private and voluntary sectors in the borough. The members worked closely together to identify issues in Trafford exploring the causes of poverty and its effects while developing ideas for how we can come together as a community to tackle it.

This work culminated in the publication of the end of commission report which included 4 key recommendations for how we focus our work to alleviate and end poverty in Trafford:

- Improve how Trafford residents access services
- Continue to use the voice of people with lived experience in the development of policy and services in Trafford
- Make public transport truly accessible for everyone
- Tackle mental health and isolation

Trafford Council voted to adopt the four recommendations of the Poverty Truth Commission's report and to support the all the updated actions in the refreshed 2023-2025 Trafford Poverty Strategy. This work is ongoing across the Council, partners and voluntary sector.

Trafford Council is now a fully accredited Living Wage employer and is a full member of the Employment Charter as of June 2023. Work continues with partners to support and encourage them to become accredited and help the local economy.

Trafford Strategic Partnership was relaunched in July 2023. From this relaunch four key themes have emerged including Cost of Living and Poverty, health inequalities, Climate and Sustainability (employment, growth, skills, education). Strategic Partners worked together to understand how they can best support our collective effort to support residents most in need inc. fundraising ideas and understanding how we can best support our 6 community hubs.

Trafford has used the Household Support Fund to support the most vulnerable households in the most need with food, energy, and utility bills as well as for other wider essential costs. With most of the fund disbursed to families with children eligible for free school meals to support with food during the school holiday periods.

The Holiday Activities and Food programme provides activity and enrichment sessions and enables Trafford's young people who are eligible for free school meals to take part activities during the Easter, summer and Christmas school holidays. Over the last 12 months over 4000 young people have taken part in sessions which include sports, arts and crafts as well as enjoying healthy nutritious foods.

Dedicated Inclusive Economy Delivery Plan developed to help both residents and businesses recover from the Covid Pandemic and address the Cost-of-Living Crisis.

The Council continue to support our most vulnerable residents. Trafford Community Hubs have received funding for a further year to continue to support residents. The Household Support Fund will be used to support free school meals and provide help towards food, energy, and utility bills for low-income households privately renting or owner occupiers. The Council also continues to provide welfare and advice support to households.

➤ **Addressing our climate crisis**

In October 2019, the Council pledged to be “net zero carbon” by 2038 and in December 2020 the Council launched its Carbon Neutral Action Plan. The Plan sets out over 100 actions that the Council can take to decarbonise its own operations over the next decade whilst working with our partners to support borough wide Carbon reductions, taking advantage of the huge opportunities for green growth in the local economy.

While many of the actions set out in the Action Plan need to be taken by national government, Trafford remain committed to progressing action locally on a number of priorities, often supported by match-funding from other sources, and leveraging in further funding from the private sector.

It should be acknowledged that Trafford Council alone cannot deliver on the Net Zero target and wide community & cross sector action is required.

The Council continues to work with partners, GMCA and central government to assess the scale of investment required, seek collaborative opportunities and identify sources of funding and finance. It is concerning though that bidding processes still remains resource intensive and lobbying to the government for more general funding to be available continues so that the Council, residents, local stakeholders and businesses can work together to spend any money in a more strategic and coordinated way.

Borough Carbon Dioxide emissions data for the years 2020 and 2021 have now been published by Central Government and the impact of the pandemic lock down caused a sharp reduction in emissions in 2020. However, this was a temporary effect and 2021 emissions show a return to the pre pandemic levels. Carbon Dioxide emission rates are falling but not at the rate required to meet our Carbon budget set for this century, and will be exhausted within 4 years at the current rate.

A Trafford site has been identified for Greater Manchester's first ever low carbon hydrogen hub with Trafford Council working in partnership with the Greater Manchester Combined Authority, Manchester Metropolitan University, Cadent and Electricity North West. Trafford Green Hydrogen is a major green initiative which will help address our climate crisis and will use renewable energy to produce green hydrogen fuel for use in industry, as well as transport. The first phase is aiming to be up and running during 2025 after being granted planning permission by the Council in October 2022.

Trafford Be.EV Electric Vehicle charging infrastructure has seen agreement for 87 chargers supplying 174 bays, which includes Trafford Council's first hub facility at Sale Waterpark featuring 8 units and facilities for 16 spaces in one area. Currently there is coverage in 14 out of the 21 wards in Trafford and due to the constraints of land and power availability looking at on street charging and potentially other measure to increase coverage.

The redevelopment of Altrincham Leisure Centre has commenced which includes a focus on fully decarbonising the existing building through the removal of all gas services alongside the installation of solar panels and air source heat pumps as well as heat recovery on air systems. Trafford Council has applied for Public Sector Decarbonisation Scheme funding to retrofit Partington and Stretford Leisure Centres.

- 2.1.15 **Corporate Plan and relationship with budget plan** - With this framework as the context, the budget proposals have been developed. The draft budget for 2024/25 was agreed by the Executive on 15th November 2023 and set out the overall approach to the budget to address a budget gap of £54.9m in the revenue budget over the next three years, of which £20.0m related to 2024/25.
- 2.1.16 The report summarised the work throughout the year of the Finance and Change Programme which 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.
- 2.1.17 The Finance and Change Programme was established in February 2022 to drive forward a three-year change programme which supports the delivery of a balanced

and sustainable budget in both the short and medium term. This programme is 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** – reviewing the assets that are required to deliver the strategy and services; ensuring that they are fit for purpose.
- **Service Reviews** – reviewing all services to include a financial target while considering existing strategy, the local context and previous decisions

2.1.18 The draft budget included a number of income generation and savings proposals totalling £5.59m were identified and assumptions were made on increases to the rate of council tax and use of reserves. At that stage a net budget gap of £6.41m remained in 2024/25.

<i>Summary of the Budget Proposals</i>	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000
Revised Gross Budget Gap (Oct 23)	20,083	19,153	15,699	54,935
Policy Choice Funding Proposals				
General Increase in basic Council Tax to 2.99% ,1.99%, 1.99% (*)	(3,602)	(2,602)	(2,745)	(8,949)
Social Care Precept increase 2.0%, 1.0%, 1.0% (*)	(2,409)	(1,278)	(1,329)	(5,016)
Budget Support Reserve (agreed in Feb 23)	(2,076)	0	0	(2,076)
Total Policy Choice Funding	(8,087)	(3,880)	(4,074)	(16,041)
Savings and Income proposals	(5,588)	(2,522)	(983)	(9,093)
Revised Budget Gap (Oct 23)	6,408	12,751	10,642	29,801

(*) Subject to council tax referendum principles – at the time to be announced in December 2023

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

- **Section 3** – Review of the Financial Background for Local Government, including the Revenue Budget position for 2023/24, Spending Round and Provisional Local Government Finance Settlement
- **Section 4** – Budget Update including the changes to the budget pressures and funding assumptions since draft budget and how the budget gap is met for 2024/25
- **Section 5** – Proposed Budget 2024/25 – 2026/27
- **Section 6** – Budget robustness and review of risks and update on the planned application of reserves
- **Sections 7** – Schools Funding and Budgets
- **Section 8** – Council Tax Requirement and Statutory Calculations

2.2 Consultation

2.2.1 In order to assist the evaluation of the budget proposals and to ensure that the Council is sufficiently informed to enable it to meet its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) have been carried out to ensure that due consideration was given to those with the protected characteristics and to identify the likely impact of the proposals on each of these groups for the savings measures included in the report.

2.2.2 Any proposals that may require consultation with the public, businesses and staff, will be developed and feedback considered before any implementation. Details on budget proposals will be made available on the Council's website.

2.2.3 Each year the council undertakes an annual Fair Price of Care consultation exercise with adult's social care providers, relating to the proposed uplifts in hourly rates for the following year. This exercise was completed during the autumn of 2023 and reflected assumptions at the time relating to increases in the National and Real Living Wage for 2024. Since the consultation exercise was undertaken the final rates for both National and Real Living Wages (RLW) have been confirmed along with the level of overall Government support available as part of the Provisional Local Government Settlement. The increases in the rates of the RLW for 2024/25 are significantly higher than the funding the Council has available. The final budget assumptions include a change in proposals, which will require further consultation with care providers. Assumptions have been made relating to the outcome of this exercise in preparing the final budget for 2024/25. In the event the outcome of the consultation changes these assumptions, a recommendation is made that the Director of Finance and Systems, in consultation with the Executive Member for Finance Change and Governance, is given delegated authority to amend the Net Revenue Budget accordingly with any shortfall being met from the Budget Support Reserve for 2024/25.

2.3 Scrutiny Review

2.3.1 The Scrutiny process for the budget was undertaken across two different sessions at the end of November to look at the budget assumptions, key assumptions, risks and challenges and covered:-

- Session 1 - Review of the Place Directorate, Investment Strategy budget, impact of Covid-19 and a review of Council reserves
- Session 2 – Review of the budgets for Adult Services and Children’s Social Care.

2.3.2 All sessions were attended by relevant Executive Members and senior officers to give background to the budget proposals and answer questions.

2.3.3 Scrutiny Committee comments were submitted to the Executive on 29 January 2024 in the Overview and Scrutiny Review of the Executive’s Draft Budget Proposals for 2024/25 report.

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

3 FINANCIAL BACKGROUND AND UPDATE ON BUDGET ASSUMPTIONS

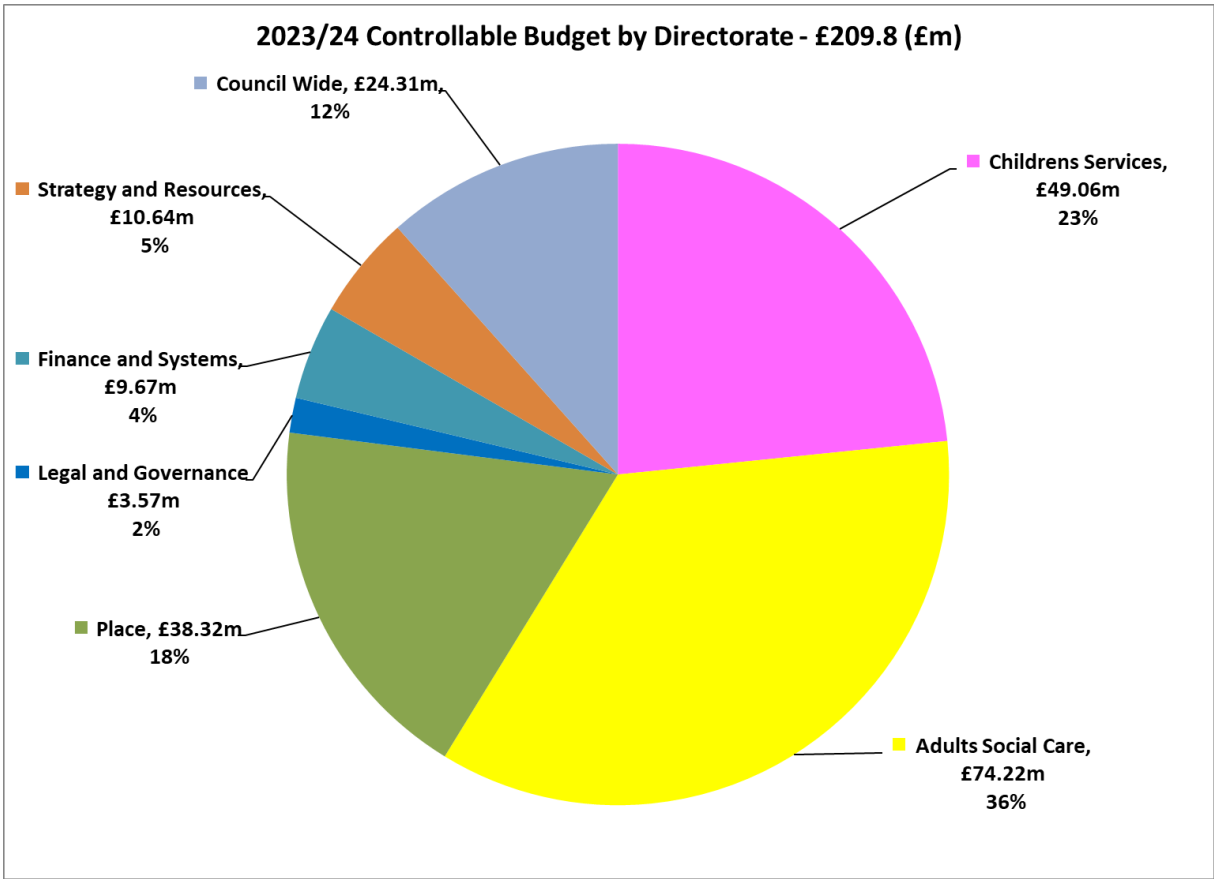
3.1 Background to the Budget

3.1.1 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.

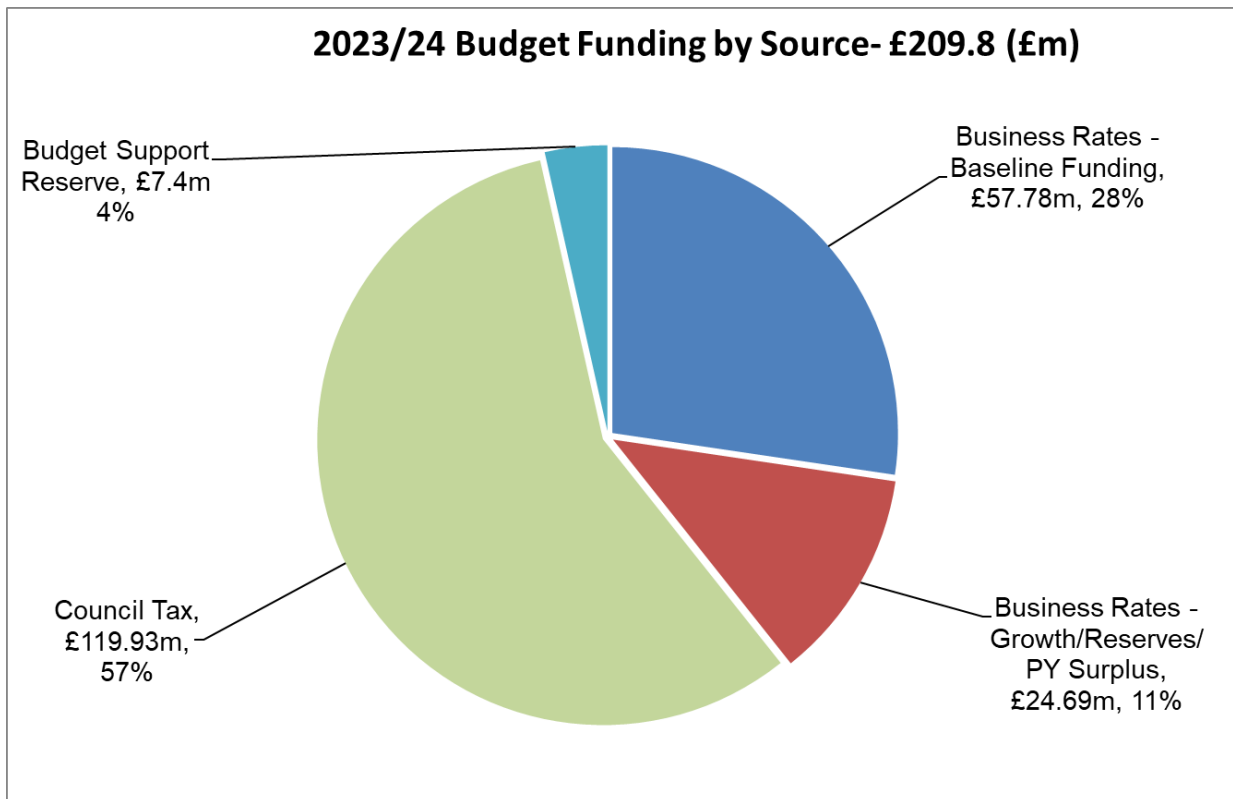
3.1.2 The Council's current gross budget is £562.19m, however this includes specific funding of Dedicated Schools Grant and Housing Benefit. The Council's gross income budget is £352.38m leaving a total net budget of £209.81m.

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

Gross to Net Budget	2023/24 £m		£m
Gross Expenditure	562.19		
Schools DSG	(178.86)	Children's Services	49.06
Housing Benefit	(47.49)	Adults and Wellbeing	74.24
Other Government Grants	(39.51)	Place	38.32
Sales, Fees & Charges and Rents	(47.57)	Legal and Governance	3.57
Contributions & Re-imbursments	(19.09)	Finance and Systems	9.67
Other Income	(14.25)	Strategy & Resources and Traded Services	10.64
Earmarked Reserves	(5.11)	Council Wide	24.31
Gross Income	(352.38)		209.81
Net Budget	209.81		



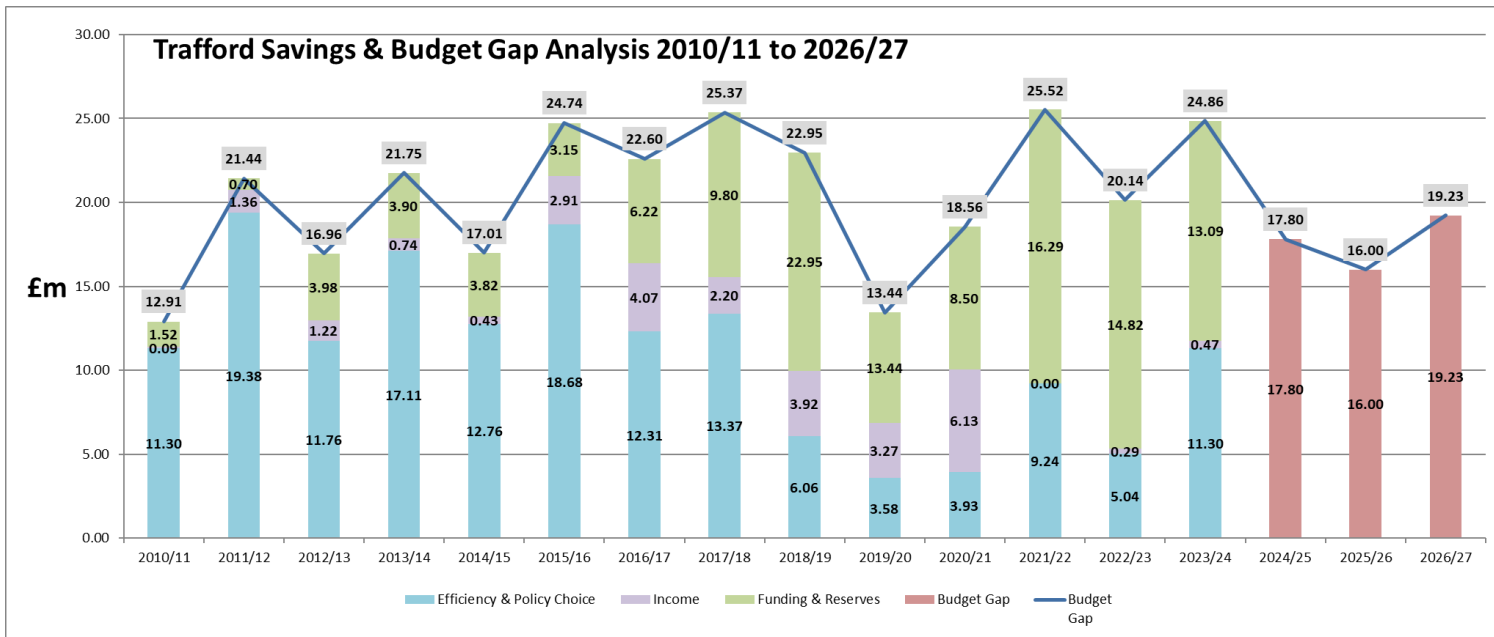
3.1.4 The Council's £209.8m net budget is funded mainly from Council Tax and Business Rates.



3.2 Delivery of Savings

- 3.2.1 In reflection of the Office for Budget Responsibility's Economic and Fiscal Outlook publication in November 2023, Local Government has faced substantial reductions to overall funding as part of Government plans to reduce fiscal deficits resulting in a £15bn real terms reduction to core government funding between 2010 and 2020.
- 3.2.2 Alongside reductions in funding, the Council has 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 inflationary pressures on goods and services and the National Living Wage. In addition to the business-as-usual pressures, the Council has also faced additional loss of income resulting from the pandemic, most notably from its strategic investments in Manchester Airport Holdings which saw the loss of nearly £6.0m of dividend income. Although the airport is making a strong recovery, it is not expected to resume a dividend payment for some time as it prioritises the repayment of emergency support loans made during the pandemic.
- 3.2.3 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.
- 3.2.4 By 2023/24 the total value of budget gaps caused by the expenditure pressures and funding reductions since 2010/11 has been £288.25m. There is a further forecast gap for the next three years of £53.09m, of which £17.80m relates to 2024/25, including a recurrent gap of £7.4m from 2023/24 which was met from reserves. The

level of savings made so far poses a significant risk for Trafford making future savings and efficiencies difficult.



3.3 Update on 2023/24 Budget Monitoring Period 8

3.3.1 In updating the MTFs is important to have consideration to what is happening in the current financial year to make sure any pressures on the budget are recognised in future planning.

3.3.2 Despite continuing efforts to control expenditure, there were a number of areas where evidence of pressures was sufficiently robust at the draft stage to increase the budget requirement for 2024/25. These pressures were largely related to Children’s services placement costs, home to school transport and inflationary pressures caused by a higher than expected local government pay award. Many of these recurrent pressures remain at period 8 and the additional resource added at draft is largely unchanged.

3.3.3 Updated forecasts at Period 8 budget monitoring has resulted in the following changes to the final budget plans :-

- **Housing Benefit Subsidy £400k** – an additional pressure largely caused by an increase in the number of tenants requiring to be housed in emergency/temporary accommodation which attracts a lower subsidy from the Government.
- **Planning Fee Income £230k** – a net additional pressure caused by an ongoing shortfall in planning fee income. An in-year increase in planning fees applied from January 2023 has helped reduce this pressure to the figure shown.

- **Council Tax** - A recurrent shortfall of circa £600k was built into the draft budget plans, largely as a result of the increase in discounts and exemptions. The situation has improved and the number of claims for discounts has reduced along with and lower awards of Council Tax Support. The recurrent shortfall has been reduced to £200k in the final budget plans.

3.3.4 The Period 8 monitor is forecasting a £590k underspend and is positive news which reflects the effectiveness of our financial management practices and those additional controls put in place to contain the forecast adverse outturn anticipated earlier in the year. It reduces the likelihood of the unplanned use of the limited earmarked reserves and has also provided an opportunity to bolster the Budget Support Reserve to help address the significant budget gap in future years.

3.3.5 It is fair to say that projecting the financial outturn in recent years has been challenging given the level of uncertainty in the economy from the conflict within Ukraine and the high levels of inflation. The escalating conflict in the Middle East has added an additional layer of uncertainty which could trigger further volatility in the inflation forecast if the recent fluctuations in oil prices continues over the medium term.

3.3.6 On a positive note, the level of Inflation (CPI) has dropped significantly from 6.7% in September 2023 to 4.0% in December 2023 which provides some reassurance of the robustness of the 2024/25 budget assumptions such as, the Local Government pay award and contractual inflation.

3.3.7 The reducing levels of inflation has given the opportunity to review the level of the Inflation Risk Reserve which was established in 2021/22. It is now proposed to reduce this to £1.5m. This will leave a balance of circa £2.0.0m on the Inflation Risk Reserve at year-end which has been deemed sufficient to absorb any potential risk of further volatility.

3.4 Funding Comparison

3.4.1 This Council's situation is compounded by the comparably low levels of funding as follows:-

- **Core Spending Power** - Trafford receives the lowest funding per head of population across all Greater Manchester authorities based on Core Spending Power at a rate of £842.09 for 2023/24 compared to a GM average of £991.02 and our Statistical Neighbours of £888.85.
- If Trafford received the average funding per head as its GM neighbours, it would benefit from an additional **£35.01m** per annum and an additional **£10.99m** if compared with Statistical Neighbours.
- **Low level of Council Tax** – Despite the proposal to increase council tax by 4.99% in 2024/25, 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 4.99% in 2024/25 whilst all other authorities remained static.

- If Trafford raised its Council Tax to the average of GM neighbours (£1,735) this would raise an additional **£16.44m** per annum.

Greater Manchester Mets	Average Band D Council Tax 2023/24 £	2024/25 Trafford Increase at 4.99%
Wigan	1,480	
Trafford	1,526	1,602
Manchester	1,618	
Bolton	1,688	
Tameside	1,735	
Bury	1,828	
Salford	1,862	
Oldham	1,863	
Rochdale	1,868	
Stockport	1,883	
Average GM	1,735	

- An increase of 4.99% would equate to £1.46 per week for a Band D property.
- **Government Lobbying** - 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.
- **Institute of Fiscal Studies Report (IFS)** - In August 2023, the IFS published a report exploring the relationship between the amount of funding local authorities received in 2022/23 and their estimated relative needs.
- Local authorities funding needs vary due to differing geographical and socio-economic characteristics which affect both the demand and cost of providing services.
- To assess an authority's funding needs the report used a needs model, an updated (by IFS) version of the relevant council level needs used in the last needs formula. See table below for comparisons.

	Funding £ per head	Needs £ per head	Gain/(Loss) £ per head
Trafford	631	779	(148)
Greater Manchester average	878	918	(40)
Statistical Neighbour average	800	797	3

- Trafford receives funding of £631 per person but has funding needs of £779 resulting in a funding loss of £148 per head. If funding needs were met across the population of Trafford c235k this would generate **£34.84m** additional funding.
- Across all Greater Manchester authorities, the average loss per person is £40 meaning Trafford's loss is £108 greater or 2.7 times the GM average. If Trafford's funding matched the GM average loss this would generate **£25.54m** additional funding.
- Across Trafford's statistical neighbours, the average gain per person is £3 thus Trafford's loss is £151 greater than the average. If Trafford's funding matched its statistical neighbours average gain this would generate **£35.81m** additional funding.

3.4.2 As can be seen across the various funding comparisons, there is no doubt that Trafford is a low resourced authority by some margin. To date, Trafford has successfully managed within such a low allocation through a prudent use of resource and effective and robust financial governance, however it is doubtful whether this position can be sustained for much longer when compared with the increase in demand and cost pressures.

3.4.3 The External Audit report into Value for Money presented to the September 2023 meeting of the Accounts and Audit Committee also raised concerns about the financial sustainability of the Council and the situation is recognised as one of the highest risks faced by the Council within the Strategic Risk Register.

3.4.4 The importance of lobbying the Government to highlight the significant shortfall in Trafford's resource allocation has been emphasised within the financial strategy for a number of years. To provide a level of external scrutiny, in November 2023, the council appointed an independent company, LGImprove, to provide a comparative data analysis to benchmark the Council across the range of funding streams and against its similar local authorities.

3.4.5 The findings reinforced the facts above and formed a bespoke lobbying document which was used by our local Member of Parliament, during a debate on the issues surrounding local government finance. The publication has also been shared with senior representatives of the Department of Levelling Up Housing and Communities.

3.4.6 Using national accounts information and Government Spending Power information over the last ten years, LG Improve were able to compare our relative financial and funding position against similar authorities. Their summary findings concluded that Trafford :-

- has managed its finances in a mature and responsible manner, but despite this, under the current funding methodology, it will continue to lose ground and along with the pressures of an increasing cost base this will inevitably increase the risk of a Section 114 notice being issued.

- is not a typical metropolitan district; it is perceived as being an affluent borough with low needs but has not enjoyed the level of Government spending power increases experienced by most other low needs authorities.
- Trafford's taxbase has not grown like other comparable LA's and the level of council tax is one of the lowest of the metropolitan authorities. Given this low level of funding and larger reliance on council tax within the Government model, Trafford's relative funding position will fall further behind each year.
- receives a low level of funding from Government, as evidenced by the lowest government spending power of all 36 metropolitan districts, it has fallen behind others as it has had low taxbase growth since 2011 and a low council tax rate and yet its budget has a higher reliance on council tax than others.
- has lower than average levels of useable reserves and by effective financial management has avoided trends, consistent at authorities who have issued a Section 114 notice, such as year on year depletion of reserves and significantly increasing need to borrow.
- The modelling shows that Trafford will continue to fall behind other authorities over the next five years if there is no change to the Government's approach to funding local authorities and the low starting budget means the council is exposed more starkly to increases in cost pressures.
- The emphasis in the national funding formula on deprivation and ability to raise council tax has increasingly penalised an Authority like Trafford in recent years.

3.4.7 The lobbying made a specific number of asks, these being

- Specific targeted additional funding for low funded LA's to bring those areas closer to average levels of core spending power
- Greater flexibility for Trafford, with a low council tax rate, to increase Council Tax above existing referendum levels as already provided to some other authorities
- To reinstate the compensation factor within the funding formula for those authorities experiencing low tax base growth which has been frozen since 2012
- Support to address our accumulated High Needs DSG deficit which is estimated to be £10m by the end of 2023/24, potentially rising to £44m by 2026/27
- An appropriate level of new burdens funding to reflect the financial impacts of Real Living Wage increases, costs of supported accommodation and continued high levels of inflation.

3.4.8 In summary, based on the current funding position and budget deficit, which is projected at £53.09m over the next three years, the Council will not be able to

sustain the delivery of any meaningful services and achieve a balance budget beyond the short term if this position is not addressed.

3.5 Autumn Statement, Policy Statement and Local Government Provisional Finance Settlement

3.5.1 On 22nd November 2023, the Chancellor's announced the Autumn Statement, followed by a more detailed pre-settlement Policy Statement on 5th December 2023 and lastly on the 18th December 2023, the Provisional Local Government Finance Settlement. These announcements set out the level of funding for the next settlement period and can be summarised as set out below.

3.5.2 **Autumn Statement** - No new funding was announced in the 2023 Autumn Statement for local authorities beyond the increases that were already announced in 2022, despite inflation eating into local government's funding allocations. A reminder of these grant allocations is shown later in this section, however the relevant new announcements made were :-

➤ **Business Rates**

- New powers to de-couple the Small Business Rate and Standard Business Rate Multipliers will be used from 2024-25. This will allow the Government to apply different increases in multiplier dependent on the size of the business.
- 75% Retail, Hospitality and Leisure (RHL) discounts will continue for a further year. Local authorities will be "fully compensated for the loss of income from these business rates measures".
- Trailblazer Deals - Publication of Memoranda of Understanding for Single Settlements (and confirmation of 10-year Trailblazer business rates pilots) in Greater Manchester and West Midlands (* see below)
- New investment zones in West Midlands, East Midlands and Greater Manchester.
- **Resource Departmental Expenditure Limit (DEL)** budgets (eg Education, Health and Defence) will increase by 1.0% in real terms over the medium term, which imply real-terms cuts for unprotected local government services.
- **Planning Fees** - Local authorities will be able to increase planning fees for applications from larger businesses (to recover the full costs) but will have to return fees if timelines not achieved.
- **National Living Wage** - will increase to £11.44 for workers 21 years and over (an increase of 9.8%).

(*) **Business Rates Trailblazer Devolution Deal (TDD) and Investment Zones** in the Autumn Statement issued in November 2022, the Government announced outline details of a Trailblazer and Devolution Deal offered to the Greater Manchester and Midlands Combined Authorities. The deal provides a framework for these authorities to retain 100% business rates growth in

designated Investment and Growth Zones for a period of twenty-five years. In addition, all of GM will benefit from the 10-year Trailblazer Deal from 2024/25 allowing elements of growth from a baseline of 2013/14 to be retained. Subsequently, the national reset, which is expected in 2026/27 at the earliest, will only result in a partial reset for GM.

Details of the scheme and the subsequent relationship with the existing business rate growth and potential reset have yet to be confirmed. No benefit from the Devolution deal has been assumed in the MTFs.

No further funding increases for local government beyond those that have been previously announced. Additional funding for the NHS and adult social care announced in the Autumn Statement 2022 has been “reaffirmed”.

3.5.3 Provisional Local Government Finance Settlement 2024 - The 2024-25 settlement is effectively the second year of a two-year settlement, the headlines of which was an increase in Core Spending Power of 6.5%. Assuming authorities increase their Band D by the maximum allowed, CSP will increase nationally in 2024-25 from £60.2bn to £64.1bn. The key changes to CSP being:-

- **Council Tax** - “Core” Band D council tax thresholds will be 2.99% in 2024-25 (Fire authorities will no longer be able to increase Band D by £5, if that is higher than 2.99%). Police and crime commissioners can increase by £13 in 2024-25. The Adults Social Care Precept will be 2% in 2024-25
- **Social Care Grant** – The Social Care Grant has increased in line with previous announcements by £3.85bn to £4.54bn of which Trafford’s share is £17.2m.
- **Improved Better Care Fund** – no change, the funding remains at £2.14bn.
- **Baseline Funding Level (BFL) and Revenue Support Grant (RSG).** Local authorities’ BFL allocations will be uplifted by the Consumer Price Index (6.62%). RSG allocations will be uplifted in line with the Consumer Price Index (6.62%).
- **Business Rates Cap compensation** will be paid to compensate authorities for lost income arising from the decision to cap/freeze the small business rating multiplier.
- **Market Sustainability and Fair Cost of Care Fund (MSFCCF)** - The Autumn Statement 2022 announced, the boost to adult social care funding through this package, with an additional ringfenced fund of £400 million in 2023-24, rising to £680 million in 2024-25, to support local authorities to continue to move towards paying a more sustainable rate for care, while balancing this with wider objectives to support capacity and discharge. Trafford’s share of the £680m is £2.70m and is in line with previous assumptions. This grant has been rolled into the Market Sustainability and Improvement Fund (below).

- **New - Market Sustainability and Improvement Fund – Workforce Fund (MSIF -WF)** – After the 2023/24 budget was set, in July 2023, the government announced additional an additional £570 million of ringfenced funding across financial years 2023 to 2024 and 2024 to 2025 to local authorities to improve and increase adult social care provision, with a particular focus on workforce pay and capacity within the adult social care sector. Trafford’s share was £1.44m in 2023/24 reducing to £808k in 2024/25. The Provisional Settlement confirmed the grant at £808k for 2024/25. Both the MSFCCF and MSIF-WF have been merged together to form the ASC MSIF.
- **Adults Social Care Discharge Fund** – As previously announced in 2024/25, this is worth £500m, and is intended to form part of Better Care Fund plans, aimed at reducing delayed transfers of care. The NHS is receiving the same amount to also put into Better Care Fund plans, for a total of £1bn across both sectors. The £500m grant is being allocated on the basis of the improved Better Care Fund shares 2022/2023, with no change to distribution methodology or previous assumptions.
- **Reduced: Services Grant** – will continue to operate in the same way in 2023-24 but with a reduced overall amount (down from £483m to £77m). This has resulted in a significant impact, with Trafford’s new grant of £232k being a reduction of £997k over previous assumptions.
- **New Homes Bonus** - The 2024/25 allocations have been announced at £291.4m; a slight increase from £291.3m on 2023/24. There have been no changes to the design of the scheme for 2024/25, with a single year’s new allocation with no future legacy payments from previous years. However, as a result of a slowdown in the number of new properties being built in 2023, the Council has seen a significant reduction in the grant of £391k above previous assumptions.
- **100% business rates pilots** will continue for another year, but ministers will review their contribution policy objectives. Business rates pooling will be available in 2024- 25.

3.5.4 For Trafford, CSP has increased by 6.0% from £200.14m to £212.12m which assumes:-

- council tax will be increased by the maximum permitted level of 4.99% for council services (2.99% Core, 2.0% ASC) and increases to the tax-base £6.58m,
- compensation funding due to the government capping the business rate multiplier and additional funding for adult social care and other grants £3.07m and
- changes in settlement funding £2.32m.

	2023-24	2024-25	Change
	£ millions	£ millions	£ millions
Settlement Funding Assessment	44.182	46.499	2.318
Compensation for under-indexing the business rates multiplier	6.436	7.370	0.935
Council Tax Requirement excluding parish precepts	119.698	126.276	6.578
Improved Better Care Fund	8.224	8.224	0.000
New Homes Bonus	0.753	0.242	-0.511
Social Care Grant	14.573	17.215	2.642
ASC Market Sustainability and Improvement Fund	3.653	4.137	0.485
ASC Discharge Fund	1.153	1.922	0.769
Services Grant	1.473	0.232	-1.241
Core Spending Power	200.143	212.118	11.974
Change since 2022/23 (% change) (*)			6.0%

(*) The overall increase in CSP following the Final Settlement (See Section 3.8) is 7.1% (National increase 7.5%)

3.5.5 As can be seen in the table above, the fact that Council Tax now represents the single biggest element of CSP at £126.28m or 60%, shows the growing expectation that it will be used to finance the increases in local authority budgets. This continues to have a detrimental effect on the Council's funding due to the lower taxbase growth and the low Band D charge. This situation was highlighted in the recent work undertaken by LGImprove (see section 3.3) showing Trafford's low Council Tax growth and low Band D were causing Trafford to slip further down the funding tables when compared with similar metropolitan councils.

3.6 The Exceptional Financial Support (EFS) Framework

3.6.1 The EFS is available to provide support where a council has a specific and evidenced concern about its ability to set or maintain a balanced budget, including where there has been local financial failure.

3.6.2 The Provisional Financial Settlement 2024 specifically added the consideration of requests for additional Council Tax Provision. A Council may request additional council tax flexibility which would allow increases above those imposed by referendum limits. The request would include the amount of additional flexibility required, key numbers (e.g. local tax base, amount raised etc.) and any measures to be taken to protect tax payers on low incomes through hardship schemes. To date two councils have been offered this ability with increases of 10% above current thresholds.

3.6.3 The EFS Framework is a measure of last resort, and there is an expectation that local authorities should take every possible step locally to minimise the need for support via the process. The process, which is a precursor to issuing a formal Section 114 notice, follows a defined framework and is being used by an increasing number of councils facing financial difficulties.

3.7 Local government finance settlement – Pre-Final settlement additional funding

It is very unusual for there to be any material changes in funding between the provisional and final settlements, however an open letter from the County Council Network (CCN) and County All-Party Parliamentary Group (APPG) was published signed by over 40 MPs, where they made it clear that they would not vote for the final settlement unless additional money was found for local government, and particularly for children’s services and home-to-school transport:

It follows November’s Autumn Statement, which provided no new funding for local authorities despite the County Councils Network (CCN) highlighting its members were under extreme financial pressure, with these councils facing a total £4bn funding deficit over three years.

On 24 January 2024, the Secretary of State for Levelling Up, Housing and Communities published a written statement, announcing an increase in funding that will be reflected in the final 2024/25 local government finance settlement.

This package includes :-

- £500 million for social care authorities, aimed at children’s social care and distributed through the social care grant;
- A £15 million increase to the rural services delivery grant;
- An increase in the minimum funding increase guarantee threshold from 3% to 4%;
- £3 million in support for local authorities experiencing significant difficulties due to internal drainage board levies, to be delivered outside the of the settlement; and
- A specific funding uplift for the Isles of Scilly and the Isle of Wight (amount not specified).

Overall, the Government estimates that this package will amount to about £600 million in additional funding, with additional services grant funding making up the balance.

Although the final allocations of the £500m, plus any additional service grant, will not be announced until the Final Settlement is released, it is anticipated that the Council will receive approximately £2.0m.

Productivity Plans

In addition to the funding increases, the written statement also announced that all local authorities will have to produce productivity plans, setting out how they will 'improve service performance and reduce wasteful expenditure to ensure every area is making best use of taxpayers' money'.

The Government is aiming to require local authorities to produce these plans by the Parliamentary summer recess (late July) and will design a process for local authorities to follow. The Government will provide more information on these requirements for local authorities at the final Settlement.

3.8 Final Settlement

3.8.1 Details of the Final Settlement were released on 5th February 2024 in advance of the formal Parliamentary debate scheduled for 7th February 2024.

3.8.2 The final allocations for Social Care Grant, New Homes Bonus and Services Grant are broadly in line with levels assumed in the pre-announcement.

- **Social Care Grant** – Of the £500 million for social care authorities, this will be aimed at Children's and Adults social care and distributed through the Social Care Grant of which Trafford's share has been confirmed at £1.97m.
- The additional grant will be directed towards meeting pressures within the Children's services already assumed in our draft budget (increased cost of care and Home to School transport) and the increase fair price for care to cover some of the costs associated with uplifts in the real living wage.
- **New Homes Bonus** – A revised submission has been made to the Government, following a reassessment of the number of properties due for demolition. Trafford's share has been confirmed at £377k.
- **Services Grant** – The Services Grant has been used to distribute any unallocated resource held within the Local Government finance envelope. The final allocation has been confirmed at £254k.
- **National Levy Rebate** – As in previous years, every authority in England will receive a share of the accumulated surplus currently held in the business rates levy account for 2023/24. A total of £100m is forecast and will be returned to the sector on a one-off basis, of which the Council's share has been estimated at £0.305m. This will be received in 2023/24 and transferred to reserves to be used as funding as part of the 2024/25 plans. No details of individual authority allocations were released on 5th February and final allocations may vary from those assumed.
- **Public Health Grant** – Details of the uplift in Public Health Grant were announced on 5th February which show the grant will be £157k higher than anticipated. The expenditure budget will be adjusted to reflect the additional grant, resulting in a neutral impact on the budget. Further details of how this grant will be allocated within Business Rates Baseline Funding are awaited and once clarification is received the Net Revenue Budget will be adjusted

accordingly. Delegated authority has been requested to allow the Director of Finance and Systems, in consultation with the Executive Member for Finance, Change and Governance, to vary the net Revenue Budget for 2024/25, once the Baseline Funding has been updated to reflect the changes in Public Health Grant.

- **Green plant and machinery exemption** - A grant of £21.7m will be paid to local authorities to reimburse them for lost business rate income as a result of the introduction of the green plant and machinery exemption in 2022-23. Allocations have been published for both 2022-23 and 2023-24 and will be accounted for as part of the 2023/24 outturn. There may be further allocations in respect of 2024/25 onwards, however these are unknown at this stage and will be factored into future budget plans in due course.

3.9 Summary

- 3.9.1 There was a level of anticipation in the run up to the Autumn Statement and Provisional Settlement that significant additional resource would be provided by the Government to meet the growing demand and service pressures being faced by local government.
- 3.9.2 It is clear that the authority receives a low level of funding when compared with similar authorities and the gap is widening as the funding model places an increased reliance on raising funds from Council Tax. Despite a focused attempt at a local level to lobby the Government to address the anomalies within the current funding methodology which have been demonstrated to penalise a low Council Tax growth and low tax authority like Trafford, the funding announcements resulted in increasing the Council's budget gap.
- 3.9.3 Although the Local Government Financial Settlement headline was a 6.5% increase in spending power, with Trafford at 6%, the additional resource did not reflect the sustained higher levels of inflation and cost pressures. This was clearly evidenced in the additional resource for Market Sustainability and Fair Cost of Care Fund, not fully reflecting the significant cost pressure caused by the announcement that the National Living Wage and Real Living Wage will be increased by 9.8% and 10.1% respectively for 2024.
- 3.9.4 Furthermore, additional resource, which was previously announced for the ASC Discharge Fund, will largely be cost neutral as it will be used to meet additional pressures associated with the delivery of the intended schemes.
- 3.9.5 The net loss in New Homes Bonus is another example of where a suburban conurbation like Trafford is losing out due to the method of allocating resources. Due to its geography, Trafford, does not necessarily have the ability for taxbase growth, when compared with say an inner city metropolitan borough with brownfield housing developments or a rural borough with larger green field opportunities.
- 3.9.6 Although the additional allocation of funding, announced in the Pre-Final Settlement statement was welcome news, and is a positive sign that the Government is willing to acknowledge the growing financial pressures within local government, it does not

address the totality of the budget deficit locally or nationally over the next three years.

- 3.9.7 The delay in the Fair Funding Review and uncertainty surrounding the timescales regarding the Business Rates Reset and Growth Pilots poses a significant level of uncertainty for future planning. In addition, the date of when the General Election will take place in 2024 and the potential for a new Government, will likely result in yet another single year settlement being announced for 2025/26.

4. BUDGET UPDATES & PROPOSALS

4.1. This section identifies:-

- The revised budget gap for 2024/25 and later years and explains the changes since the draft budget was published in October 2023;
- The final budget proposals to address the budget gap.

4.2. Updated Budget Gap

4.2.1. The budget position reported to Council in the October 2023 Draft Budget Report showed an overall gross budget gap of £54.94m over the three year period 2024/2025 to 2026/2027 with £20.1m relating to 2024/25.

4.2.2. The budget position has been updated to reflect changes in budget assumptions since the draft was presented such as the latest period monitoring, updated inflation forecasts, service related growth and demographic pressures and changes in non-policy choice funding assumptions announced in the Spending Review and the Provisional 2024/25 Local Government Finance Settlement.

4.2.3. The gross budget gap for the three years has now reduced by £1.85m to £53.09m.

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

	2024/25	2025/26	2026/27	Total
<i>Budget Gap</i>	(£'000)	(£'000)	(£'000)	(£'000)
Gross Gap at Draft Budget (Oct 23)	20,083	19,153	15,699	54,935
Movements in Budget Assumptions	59	(679)	3,317	2,697
Movements in Funding	(2,342)	(401)	277	(2,466)
Adjustment re Reinstatement of Prior Year Budget Gap funded from Budget Support Reserve	0	(2,076)	0	(2,076)
TOTAL BUDGET MOVEMENTS	(2,283)	(3,156)	3,594	(1,845)
REVISED BUDGET GAP (Feb 24)	17,800	15,997	19,293	53,090
CUMULATIVE BUDGET GAP (Feb 24)	17,800	33,797	53,090	

4.2.5. In respect of 2024/25 the overall gap has moved from £20.08m to £17.8m a reduction of £2.28m. This consists of an increase in Budget Assumptions of £57k, an improvement in Funding of £2.34m.

4.2.6. A description of the significant features of the 2024/25 gross gap and changes since draft are summarised 4.2.8 with Base Budget Assumptions shown in Annex A and a Subjective Budget Analysis in Annex E.

4.2.7. In summary, the improved position for 2024/2025 of £2.28m since draft relate to:

- £1.08m additional budget pressure related to assumptions on inflation (pay award contingency and contract inflation)
- £1.34m reduction in assumptions relating in costs assumptions related to Transport and Waste Levies
- £200k increase in Legal and Governance related to an increase in case load.
- An increase in social care grants announced in the provisional and anticipated final settlement of £2.3m , a reduction in Services Grant of £1.24m and other grants (e.g. New Homes Bonus, Public Health Grant) £570k
- Budget realignments removing £43k relating to care contracts and National Living Wage adjustments.
- Additional pressures identified at Period 8 relating to housing benefit subsidy (pressures from Temporary Accommodation) and a continued reduction in planning fees, totalling £630k
- Additional pressure of £250k within Treasury Management to reflect the ongoing negative impact on investments due to the escalating DSG deficit.
- Funding changes in assumptions on Council Tax base following Period 8 update £408k positive movement, release of Council Tax Surplus 2022/23 £118k, Benefit from Business Rates £1.20m and a further £305k release of national levy surplus following the provisional settlement. Plus a positive £314k relating to the introduction of a 100% premium on long term empty homes from 1 year instead of the current 2 years

4.2.8. In summary, the components of the gross budget gap, as they stand at the Final budget stage are shown in the table below

	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000
The Budget Gap February 2024				
Base Budget Pressures				
Pay	4,287	1,869	1,919	8,075
National Living Wage/ Fair Price for Care/ Real Living Wage	4,859	1,640	1,878	8,377
Inflation - General, Contractual	2,850	1,802	2,685	7,337
Demographics/ Care Costs	6,654	2,500	2,500	11,654
Grants, Legislative & Service Transfers	(8,311)	21	400	(7,890)
Reduction in Income	60	0	0	60
Treasury Management	(136)	(131)	170	(97)
Strategic Investment Programme	870	500	1,500	2,870

Levies	397	1,057	1,238	2,692
Reversal of One of Savings from previous years	0	850	0	850
Other	2,706	2,102	2,526	7,334
Base Budget Pressures	14,236	12,210	15,516	41,962
Base Budget Funding Changes				
Change in Income from Council Tax (Growth in Tax Base, CTSS, PY Surplus, COVID Deficit dropping out)	(1,296)	(808)	(1,271)	(3,375)
Change in benefit from Business Rates (Baseline Funding, Distribution of PY Surplus, COVID deficit dropping out, Sharing Agreement)	(2,544)	4,592	5,048	7,096
Change in Base Budget Funding	(3,840)	3,784	3,777	3,721
Reinstatement of Prior Year Budget Gap funded from Budget Support Reserve	7,404	0	0	7,404
Gross Budget Gap	17,800	15,997	19,293	53,090
Cumulative Gross Budget Gap February 2024	17,800	33,797	53,090	

In summary of the key issues within the gross budget gap worthy of note are :

Base Budget Pressures

- **Pay** - 2024/2025 includes £0.7m additional costs associated with the 2023/24 pay award and an assumed 4% relating to 2024/25. 2% inflation assumed for remaining years.
- **National Living Wage/ Fair Price for Care** - This covers projected increases in the NLW and a Fair Price for Care to aid market sustainability. Adjustments have been made since draft budget to reflect the changes in assumptions in sustaining the commitment to support external social care providers to attain the RLW for their staff providing commissioned services.
- **Inflation General and Contractual** - includes inflationary increases for specific contracts ranging from 3% to 7%. 2024/25 and 2025/26 includes a total of £2.4m reduction relating to tapering of energy inflation as costs revert to pre-crisis levels.
- **Demography**- an annual budget increase to reflect the increasing pressures and number of adults and children requiring social care, 2024/25 includes £2.2m for recurrent pressures in children's placements a net increase of £2.0m in 2024/2025 related to Hospital Discharge Programme (HDP) including £1.75m routed via the NHS and a reduction of £0.5m in Trafford's own HDP budget.
- **General and Service Grants** - 2024/2025 includes the second year of the additional resource for Adults Social Care Market Sustainability and Fair Cost of Care Reform £2.7m and Adults Discharge Fund £2.5m. Plus £4.64m of general Social Care Grant to fund ongoing base pressures, plus £0.864m indexation of

Better Care Fund monies. Grant reductions of £1.24m and £0.39m have been seen in 2024/25 relating to the Services Grant and New Homes Bonus.

- **Treasury Management** – includes £0.36m additional benefits of interest accrued on support loans to Manchester Airport Group during the pandemic and benefits from investments in car parks. Increases in future years includes the escalating impact on the annuity basis on loan repayments (MRP).
- **Strategic Investment Programme** - £0.37m in 2024/25 relates to pressure as investments are repaid to the Council. A further £0.5m in 2024/25 (£1.5m over three years) relates to a reduced reliance on the programme.
- **Levies:** includes inflationary allowances for waste disposal, transport and Environment Agency (flood defence) of £0.4m in 2024/25 or £2.7m over three years. 2024/25 has been updated with assumptions regarding the use of waste smoothing reserves and a reduction in the Transport Levy related to Trafford's share based on population.
- **Other Changes £2.71m in 2024/25, £7.33m over three years.** 2024/25 includes £2.0m recurrent pressures from 2023/24, related to home to school transport and Section 17 payments and additional investment in Supporting People of £0.5m. A rescheduling of the additional investment in home care sustainability project at £0.6m in 2025/26. An additional £1.4m in 2026/27 to cover the additional costs of the investment in our leisure centres and a figure of £1.5m over three years relating to potential long term ICT funding.

Base Budget Funding Changes – these represent the **changes** in funding from the previous year:-

- **Council Tax** – a net increase in 2024/2025 of £1.3m due to an increase in the number of properties and the distribution of prior year surpluses.
- **Business Rates** – an increase in benefits from Business Rates in 2024/2025 of £2.54m, as a result of the baseline funding being increased in line with inflation, distribution of the one off revaluation adjustment announced in the provisional settlement. Reductions in 2025/26 and 2026/27, are largely as a result of the smoothing benefit from the review of appeals dropping out and the impact of the proposed business rate reset.

4.3. Meeting the Gap

4.3.1. The table below shows the final budget position following the update of the Governments Spending Review and Provisional Financial Settlement, the final budget savings proposals and policy choice funding updates.

Summary of the Budget Proposals	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000
Revised Gross Budget Gap	17,800	15,997	19,293	53,090
Policy Choice Funding Proposals				
General Increase in basic Council Tax to 2.99%, 1.99%, 1.99%	(3,602)	(2,602)	(2,745)	(8,949)

Social Care Precept increase 2%, 1%, 1%	(2,409)	(1,278)	(1,329)	(5,016)
Cont from Budget Support Reserve (GMCA distribution via Reserves (Transport and Waste) agreed February 2023	(2,076)	0	0	(2,076)
Additional use of Budget Support Reserve	(3,504)	0	0	(3,504)
Reinstatement of Prior Year Budget Gap funded from Budget Support Reserve	0	5,580	0	5,580
Total Policy Choice Funding	(11,591)	1,700	(4,074)	(13,965)
Savings and Income proposals (*)	(6,209)	(2,311)	(1,001)	(9,521)
Revised Budget Gap (Feb 24)	0	15,386	14,218	29,604

(*) Full details of 2024/2025 proposals are included in Annex D

- 4.3.2. A significant proportion (24.9%) of the gross budget gap has been closed by the recurrent increase in Council Tax (Basic and Social Care Precept) of £13.97m (£8.95m + £5.02m) over three years.
- 4.3.3. The use of one off reserves totals £5.58m in 2024/25, with £2.07m previously agreed in February 2023 to cover increases in GM Waste and Transport Levies met from a GMCA distribution of reserves in 2023/24. A further use of Budget Support Reserve of £3.50m has been used to close the remaining budget gap in 2024/25. It must be noted that the use of these reserves is one off in nature and will need to be replaced with long term sustainable savings in later years.
- 4.3.4. The Finance and Change Programme which was instigated in 2022/23 to provide a structured approach to the management of the medium term budget challenges, has helped to identify savings and income proposals of £9.52m over the three years of the MTFs with £6.21m of firm savings in 2024/2025.
- 4.3.5. Whilst it is not uncommon to have a gap over the timespan of the MTFs, there is a level of concern with such a sizeable gap remaining when considering this follows 13 years of service cuts and therefore the ability to absorb further reductions in service provision becomes increasingly difficult.
- 4.3.6. It must also be noted that most significant savings made over recent years have been delivered from corporate budget areas, namely from a review of Treasury Management activities and Strategic Investment Income. This leaves little capacity for further corporate savings to be made in the future and it is likely that going forward emphasis will need to be placed on service based savings and income generation.

5. PROPOSED 2024/25 BUDGET and 2025/27 MTFS

5.1. The proposed net budget for 2024/25 is £217.83m an increase in the net budget of £8.03m or 3.8%, from £209.81m. Full subjective and objective summaries providing a breakdown of the 2024/25 net budget can be found in Annexes E & G.

5.2. An objective breakdown is shown below:-

Objective Summary <i>The 2024-27 Budget</i>	Final Budget February 2024		
	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
Budget			
Service:			
Children's Services	55,836	57,052	58,979
Adults and Wellbeing (incl. Public Health)	72,898	77,180	81,875
Place	37,899	38,898	45,085
Legal and Governance	4,047	4,100	4,200
Finance and Systems	10,336	11,717	12,329
Strategy and Resources	10,897	11,584	11,835
Total Service Budgets	191,913	200,531	214,303
Council-wide Budgets	25,920	27,201	27,943
Net Budget	217,833	227,732	242,246
Funding:			
Council Tax	(128,227)	(132,912)	(138,256)
Business Rates: Local Share	(159,358)	(168,290)	(171,656)
Business Rates: Tariff Payment	99,080	106,404	108,947
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	(23,748)	(17,548)	(12,177)
Fairer Funding Assumptions	0	0	500
Funding	(212,253)	(212,346)	(212,642)
Movement in Reserves			
Budget Support Reserve agreed in Feb 2023 (use of reallocated GM Waste Reserves)	(2,076)	0	0
Budget Support Reserve	(3,504)	0	0
Movement to/(from) Reserves	(5,580)	0	0
Cumulative Budget Gap	0	15,386	29,604
Annual Budget Gap	0	15,386	14,218

5.3. Whilst the budget gap has now been closed for 2024/2025 the size of the challenge over the following two years remains significant and is unlikely to be addressed through transformational savings alone. The need for additional resource

to meet the growing demand and growing cost pressures will be fundamental in addressing the gap over the medium term. The lack of clarity regarding the outcome of the next General Election and the likelihood of a further one year roll over financial settlement, this will add yet further uncertainty in planning.

5.4. It is essential that the Finance and Change Programme resume the financial planning process early in the financial year to:-

- Maintain close control of the 2024/25 monitoring position;
- Ensure effective monitoring of the in-year savings programme;
- Review and mitigate where possible any developing pressures that arise to ensure an unplanned use of reserves is not required;
- Generate the maximum level of capital receipts as it can from land disposals;
- Identify opportunities for further savings that will be an essential requirement for 2025/26 and where possible accelerate delivery in 2024/25.

5.5. Given the size of the remaining gap for 2025/26 and 2026/27 it will be important to ensure sufficient and timely progress is made during the year to achieve material in-roads to reduce the budget deficit. To support the Finance and Change Programme, it is recommended that Executive give consideration to engage with CIPFA to conduct an external assurance review as a prudent next step to look at the Council's financial management and governance arrangements.

6. ROBUSTNESS, RESILIENCE, RISKS & RESERVES

6.1. Robustness

6.1.1 The Local Government Act 2003 requires the Director of Finance and Systems, the Council's section 151 officer, to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). This report is presented in Section 1.

6.1.2 As reported in Section 1 there are a number of ways the Council demonstrates its financial resilience to Council Members and residents and these include, MTFP Regular Review and Updates, Reserves Policy reviews, Budget Risk Assessment, regular Member scrutiny via Scrutiny Committee and Audit Committee and independent Internal and External Audit of the Council's financial management throughout the year.

6.1.3 This section of the report provides further detail on the activities relating to

- The Financial Management Code
- CIPFA Financial Resilience Index
- Risk Assessment of MTFP and Budget Proposals
- Reserves Policy Review

6.2. Financial Management Code

6.2.1. As part of the wider focus on Local Authority financial resilience, the Chartered Institute of Public Finance and Accountancy (CIPFA) introduced a Financial Management Code of Practice. The Code, which comprises a number of standards, clarifies how the Director of Finance and Systems should satisfy his statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972. The code itself is not statutory but compliance with the code is obligatory as it brings together elements that are already part of existing statutory.

6.2.2. The Financial Management Code is based on six principles, supporting financial resilience such as Organisational leadership and adherence to professional standard, which the Council needs to demonstrate it complies with.

6.2.3. It is for the individual authority to determine whether it meets the standards and to make any changes that may be required to ensure compliance. Many aspects of the Financial Management Code reinforce procedures which are already baked into Trafford's existing practices, such as the Governance arrangements evidenced in the Council's Constitution and Standing Orders.

6.2.4. A self-assessment review against the Code is undertaken annually and the last update was presented to the Corporate Leadership Team and Accounts and Audit Committee in November 2023 along with an action plan of progress against improvements.

- 6.2.5. In the majority of areas a good level of compliance has been identified and these have been assessed as Green meaning that compliance can be evidenced. A number of areas have been identified with further actions for improvements in 2024/25.
- 6.2.6. Highlights of significant improvements made during the year and areas to focus on are as follows :

Effective Oversight of Alternative Delivery Models: Updates on the performance of the Council's joint venture companies is reported to the Executive on an annual basis. This supplements the bi-monthly monitoring of the Investment Strategy commitments and performance which is also reported to Executive, Accounts and Audit Committee and the Investment Management Board.

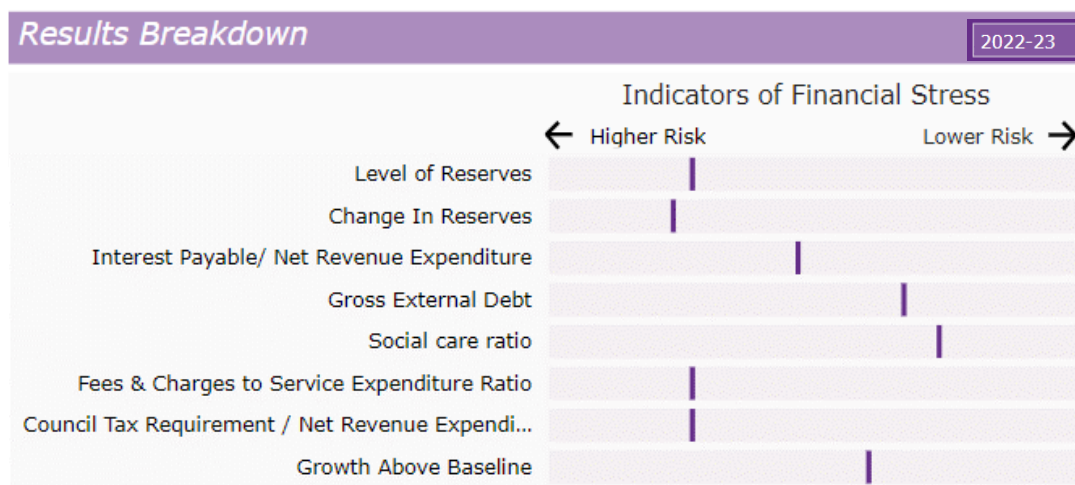
To enable financially informed decision making: Financial Management budget holder training has been rolled out and comprises mandatory training for all budget holders including bespoke training for budget holders responsible for managing demand led budgets (Childrens and Adults Services). Specific training around the Prudential Code and Treasury Management has been provided to the Accounts and Audit Committee. This will be supplemented with further sessions to support understanding of the Council's overall budget position. All training is now on a dedicated intranet page and made available for all Members.

Need to report explicitly on the affordability and risk associated with the capital strategy: to further develop work in this area officers have established a capital programme board to monitor the risk and delivery associated with the capital programme. This is a clear risk, given the constraints and difficulty in generating capital receipts. Affordability review of the Capital Programme remains a key theme in developing the programme. Need to develop the links between the capital programme and the Council's asset management planning.

6.3. CIPFA Financial Resilience Index

- 6.3.1. The annual CIPFA Resilience Index is a comparative analytical tool that is intended to be used by Chief Financial Officers to support good financial management. The index shows a council's position on a range of measures associated with financial risk highlighting where additional scrutiny may be required. Comparisons can be made against nearest statistical neighbours or other authority types.

6.3.2. The core indicators comparing Trafford with its statistical neighbours are shown in the table below and although they provide a broad indication of possible areas of scrutiny, further interpretation is necessary before any conclusions can be reached. The indicators suggest Trafford has a high level of risk associated with Reserves, Fees and Charges to Service Expenditure and Council Tax requirement as a proportion of Net Revenue Expenditure.



6.3.3. Trafford has historically had lower than average reserve balances but has managed to maintain a stable level of reserves despite real terms spending power reductions. Low levels of reserves has been a key factor in authorities issuing Section 114 notices, however Trafford has managed its reserves well and has not depleted its reserves at the same rate as S114 authorities. Compared to previous years the CIPFA Resilience Index has identified an increase in Trafford’s risk in its change in reserves. The growing need to draw on reserves to balance the Council’s budget is increasing the risk of the Council issuing a S114 notice. The Council cannot continue to use its reserves at the current rate due to the one off nature of reserves.

6.3.4. The higher risk relating to Fees & Charges shows the proportion of income from fees and charges against the Council’s total service expenditure. This shows the council has a score of 8.44% which compares to 3.91% for the lowest comparable council and 22.08% for the highest. Despite carrying out rigorous annual reviews of Fees & Charges to adjust for inflationary increases and market conditions, this indicator suggests there may be an opportunity to further increases Fees & Charges.

6.3.5. CIPFA’s indicator - Council Tax requirement as a proportion of Net Revenue Expenditure - shows the Council as high risk compared to its statistical neighbours as it continues to become more reliant on Council Tax at 59% of Net Revenue Expenditure. This is of particular concern as Trafford has a lower than average band D and tax base growth. Despite being a low spending authority which has managed its resources well, without a fair funding review or change in funding, this position will inevitably increase S114 risk.

6.4. Risk Assessment of MTFP and Budget Proposals

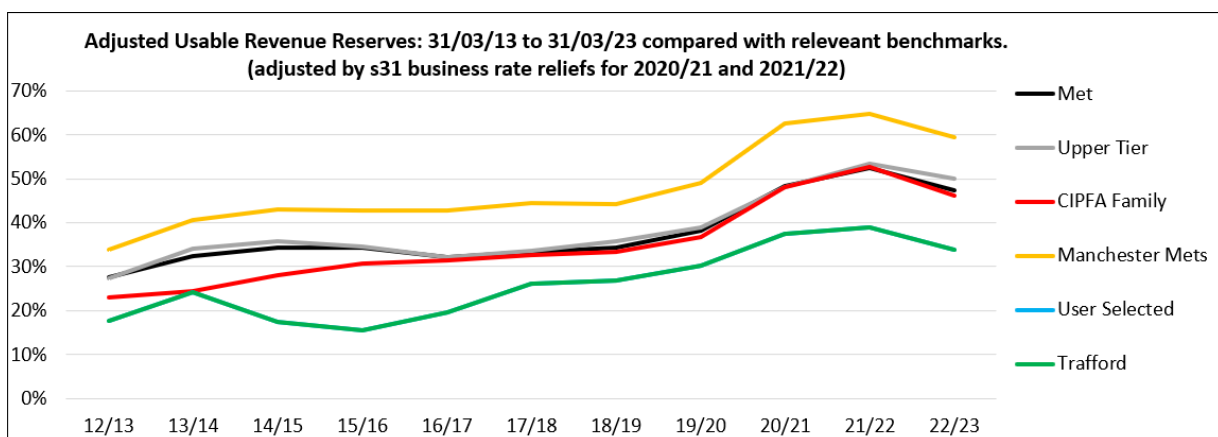
6.4.1. It is clear that the financial environment facing local authorities is subject to significant uncertainty, volatility and risk as a result of changes to funding

arrangements and the spending pressures that they will face over the medium term period.

- 6.4.2. The MTFP tries to forecast the main changes anticipated over this period, however it is clear that the medium term will bring much more uncertainty, volatility and risk than previously experienced. The financial impact of the pandemic and the uncertainty caused on the economy has exacerbated this.
- 6.4.3. Careful management and identification of these risks has been essential over the last few years and updates to the MTFP forecasts and assumptions have been undertaken on a regular basis during the year.
- 6.4.4. The revised MTFP ensures that Members and Senior Officers have an informed financial basis on which to make decisions by forecasting the main changes anticipated over the medium term period based on the best available information. However, as long term-financial impact of economic downturn and middle east conflict has demonstrated the financial landscape can change quickly. The Council’s Finance Team will continue to monitor the assumptions and forecasts that underpin the MTFP to ensure they are based on the latest information available. Full details of the MTFP risks are included at Annex H for information.

6.5. Reserves Policy Review

- 6.5.1. The future of local government funding is still uncertain; changes as a result of the fairer funding review and business rates reset have been delayed until at least 2026/27 and the financial impact of the changes relating to sustainable funding of social care remain unclear. In this context the reserve policy is crucial in helping the Council deal with the risk, uncertainty and complexity of this policy context.
- 6.5.2. Balancing the annual budget by drawing on Earmarked reserves may be viewed as a legitimate short-term option, but it is not prudent for reserves to be deployed to finance recurrent expenditure. Holding reserves is primarily to assist in cushioning the effects of financial shocks and aids resilience.
- 6.5.3. Trafford has historically seen reserves below average for metropolitan councils and its statistical neighbours; as illustrated by the graph below. Trafford’s Usable Reserves as a percentage of Net Revenue Expenditure are the lowest out of the Greater Manchester Metropolitan authorities and 9th out of 11 statistical neighbours.



- 6.5.4. Reserves increased considerably as a result of the pandemic due to the carry forward of Section 31 business rate grant and other related monies. COVID reserves will be drawn down in full by March 2024.
- 6.5.5. Reserves, excluding COVID, had a combined balance of £73.98m in April 2023 (see table in next section) and were bolstered over recent financial years as part of a deliberate policy supporting the Council's medium term financial strategy to provide a cushion as the Council continued its recovery from the financial impacts of the pandemic and wider economic downturn. Planned contributions from the Budget Support Reserve of £7.40m in 2023/2024 and a further £5.58m in 2024/25 represents a significant proportion of this reserve and cannot be sustained at these levels.
- 6.5.6. Furthermore, the reserves policy requires that there are adequate levels of risk mitigation reserves given the range of uncertainties faced by the Council. At a balance at 31st March 2023 of £21.94m the Smoothing and Business Risk group holds core balances to cover significant risks such as Inflation Risk Reserve £4.5m, Business Rates Risk £5.44m and Interest Rate Smoothing £3.11m, the Strategic Priority group at an opening balance of £10.77m includes £5.0m Strategic Investment Fund Reserve. All of these reserves have been essential during the year in managing the underlying risks they have been established for.
- 6.5.7. In addition, the Council is required to hold a Minimum General Reserve which incorporates general risk assumptions on pay/inflation, emergency and disaster recovery scenarios, increases in demand led budgets. The balance at 31st March 2023 was £9.5m which is based on a level of broadly 5% of net revenue expenditure. Given the increase in net revenue expenditure and developing risks, this report proposes to increase the General Reserve by £1.0m to £10.5m. These are considered by The Director of Finance and Systems to be the minimum level to provided a sufficient level of robustness in the MTFS.
- 6.5.8. The Council's reserves policy sets out the methodology for the creation, classification, review and approval process for the use of reserves to enable a more corporate approach to be taken, ensuring reserves are aligned to the Council's priorities over the medium term.
- 6.5.9. In line with the requirement to provide the statement on the adequacy of the Council's reserves, the Reserves Policy is reviewed as part of the draft and final budget process and supplemented with regular reviews as part of the monitoring and financial closedown process. This ensures the judgements on the adequacy of reserves are informed and remains appropriate, particularly in relation to the potential impact of new risks and financial challenges faced by the Council. The key features of the revisions at final budget stage are set out below.

6.6. Classification

- 6.5.1 For ease of management, reserves have been grouped into eight categories as follows:-
- **MTFP Budget Support 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** – 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.
- **Schools DSG Reserves** – represents the balance of central related DSG balances and includes the accumulated deficit on High Needs Block. These reserves do not form part of the councils usable earmarked reserves as under statute they are required to be kept separate until March 2026 when the statutory override is scheduled to stop. Details are provided elsewhere within this report on plans to manage the deficit.

6.6 Balances and Review of Reserves

6.6.1 The Council's usable reserves at 31st March 2023 stood at £101.12m, of which £73.98 relates to Earmarked revenue reserves as shown below. The projected usage over the next three years has been reviewed as part of the final budget report. The table below shows their projected usage over 3 years including the current financial year.

<i>Usable Reserves</i>	Opening Balance 1/4/2023 £m	Estimated Balance 1/4/2024 £m	Estimated Balance 1/4/2025 £m	Estimated Balance 1/4/2026 £m
MTFP Budget Resilience and Change	13.51	10.48	8.26	8.76
Smoothing and Business Risk	21.94	25.36	16.94	13.51
Strategic Priority	10.77	10.09	6.59	5.06
Corporate	1.88	0.46	0.00	0.00
General Reserve	9.50	10.50	10.50	10.50
Service Area Priorities	16.38	9.22	5.00	2.09
Earmarked Reserves (excl. COVID)	73.98	66.11	47.29	39.92
COVID-19 Reserves	(8.41)	0.00	0.00	0.00
Capital Related Reserves	22.46	7.01	0.50	0.00
School Related Reserves	13.09	13.11	13.11	13.11
Total Usable Reserves	101.12	86.23	60.90	53.03
School DSG (Mitigated Position)	(1.47)	(9.98)	(19.40)	(30.02)

6.6.2 The rationale for holding some of the key reserves, was made in the draft budget report and many of these still stand when preparing the final budget. Details of main reserve movements and changes in assumptions when preparing the Final Budget report can be found in Annex E, with details of all reserves, an analysis of their balance, proposed commitments and transferred values against each reserve is shown in detail in Annex F.

6.7 GENERAL RESERVE

6.7.1 The Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure. The Council's broad policy has been to maintain a minimum general balance of 5% of the Net Revenue Budget in line with best practice, however this can be adjusted to reflect where risk is mitigated by other prominent risk reserves, such as the Business Rates, Investment Strategy and Inflation Risk Reserves.

6.7.2 The proposed Net Budget for 2024/25 is £217.8m. It is recommended to increase the General Reserve by £1.0m to £10.5m to be in line with the Council's broad policy of the minimum balance of the General Reserve.

Some of the significant reasoning behind this decision is set out below:-

- In 2023/24 a separate Inflation Risk Reserve was established outside of the General Reserve, to reflect the high level of uncertainty in forecast inflation rates. The Inflation Risk Reserve has been reduced to reflect the fact that some stability is now expected with levels of inflation reducing. The residual

risk of inflation volatility associated with pay and contractual arrangements for National Living Wage has now been transferred back within the General Reserve.

- There has been a significant increase in children’s placements during the year and additional resource has been added to reflect these pressures in the plans for 2024/25. There is an increased risk that children’s placement costs will continue on an upward trajectory, in part caused by the potential increase in numbers of unaccompanied asylum-seeking children.
- There is an impending CQC inspection of adult social care which may identify additional needs which could cause in year pressures.

Advised minimum level of General Reserve	2024/25 £m
Tax & Treasury Management	0.58
Pay & inflation	2.29
Fees and Charges	0.20
Emergency & Disaster Recovery	1.52
Efficiencies	3.60
Demand led budgets	3.00
Other Pressures	1.48
Funding Risk	3.76
TOTAL	16.43
Risk reduction of 36%	-5.93
Advisory level of minimum reserve	10.50

6.8 Conclusion and Summary of Reserve Strategy

- 6.8.1 The reserve strategy set out in the previous MTFS was based on providing sufficient resource within the Budget Support 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.
- 6.8.2 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 2024/25 budget.
- 6.8.3 The core risk reserves remain in place and at previous 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.

- 6.8.4 With out doubt, there is 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 has been concluded.
- 6.8.5 In summary, the Council's overall budget plans include for a specific application of the Budget Support Reserve in 2024/25 of £5.58m, consisting of :-
- **£2.08m** as previously agreed in February 2023. This was specifically associated to meeting the increases in GM Waste and Transport Levies.
 - An additional **£3.50m** (change since draft) required to balance the remaining budget gap in 2024/25.
- 6.8.6 At the end of 2025/26 the balance on the Budget Support Reserve is estimated to stand at £8.26m after agreed budget support of £5.58m in 2024/25. It also includes a £2.86m contribution from GMCA out of their surplus reserves, a transfer of £1.5m from the Inflation Risk Reserve and a £1m transfer to the General Reserve. This leaves very little room for manoeuvre given the size of the remaining budget gap of approximately £29m over the next two years.

7. SCHOOLS FUNDING AND BUDGETS 2024/25

7.1 Background

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

7.1.2 The DSG is on the whole managed by funding formulae, however, the HNB funds a complex system of pupils of unique and varied needs all attracting different levels of support. This system is not conducive to formulae funding and therefore the Department for Education (DfE) requires the Council to manage the HNB with the support of the Schools Forum.

7.1.3 Since the Children and Family's Act of 2014 came into effect, the number of pupils supported by the HNB through Education, Health and Care Plans (EHCPs) has grown significantly across the country.

7.1.4 The result is that nationally numbers of EHCPs have grown by nearly 100% in that period, while placement costs are up nationally by over 50% on average. The accumulated effect is an exponential rise in the pressures on councils' HNBs across the country.

7.1.5 In Trafford, we have historically managed to balance our DSG budgets on an annual basis. The Schools Forum and council are proud of this success as this is a minority position given the national pressures on the high needs system over the last 8 years.

7.1.6 In FY 2021/22, the DSG went into deficit for the first time. We are now in the process of stabilising and then recovering this position with low level support from the DfE, who have been able to provide some advice and guidance on helping control the growing HNB deficit through completion of the DSG deficit recovery plan.

7.1.7 There are a further 2 levels of support provided by the DfE : Delivering Better Value (DBV) and Safety Valve (SV). The purpose of these interventions is to establish sustainable High Needs budgets. Local authorities receive additional funding as part of their agreed plan, but this is subject to them making satisfactory progress towards achieving the targets set out in their plans.

7.1.8 The council have had 3 meetings with the DfE and there is a further one planned in February 2024. The DfE do not consider that Trafford's deficit position warrants

further support at this stage, with many councils facing much higher levels of deficit and for a longer period of time. The council does not share this view, given that the size of the deficit is larger than the balance of the council's General Reserve.

7.1.9 A statutory override currently exists which means that the DSG deficit is ring-fenced from other Council earmarked reserves until March 2026. There is a real risk that Trafford will not be able to balance the in-year spend or recover the deficit by 2025/26.

7.2 Summary Position 2023/24

7.2.1 The projected overspend on the DSG is £7.146m for 2023/24 which is driven by the pressures on the High Needs Block.

DSG Overall Position P8	2023/24 Budget (£m)	2023/24 Expected Outturn (£m)	Variance (£m)
Schools Block (SB)	204.047	204.047	0
Central School Services Block (CSSB)	1.503	1.438	(0.065)
High Needs Block (HNB)	40.863	48.074	7.211
Early Years Block (EYB)	17.848	17.848	1
Total	264.261	271.407	7.146

Note : includes Academy recoupment amounts and HNB deductions, budget monitoring reports don't include these

7.2.2 The level of central DSG reserve at 1 April 2023 was £1.475m deficit and this is forecast to reach a deficit of £9.97m by the end of this financial year, with £11.35m related to HNB.

DSG Reserve	1 April 2023 £000's	(Cont. to) / Draw down £000's	31 March 2024 Projection £000's
Schools Block	(2,329)	1,356	(973)
Central Schools Services Block	(335)	(65)	(400)
High Needs Block	4,138	7,211	11,349
Early Years Block	1	0	1
TOTAL DSG Reserve (surplus)/deficit	1,475	8,502	9,977

7.2.3 Even though the deficit is ring-fenced, it has an impact on cash flow and the annual cost of servicing the debt/loss of investment income and a figure of £250k has been recognised in the MTFP for 2024/25.

7.3 Budget Position 2024/2025

7.3.1 The table below outlines the provisional budgets for 2023/24 and how they have moved from 2024/25.

DSG Allocations	2024/25 (£m)	2025/26 (£m)	Change (£m)
Schools Block	204.047	215.423	11.376
Central School Services Block	1.503	1.488	(0.015)
High Needs Block	40.863	42.288	1.425
Early Years Block	17.848	30.409	12.561
Total	264.261	289.608	25.347

7.3.2 Schools Block

The increase in funding is £11.376m (5.58%). This is due to :

- £6.744m Mainstream Schools Additional Grant (MSAG) being rolled into the schools NFF;
- an increase in pupil numbers of 82 overall (a reduction of 161 in the primary sector and an increase of 243 in the secondary sector);
- NFF factor values have been increased (on top of the amounts added for the MSAG) by 1.4%; and
- 0.5% increase to the funding floor.

There has been a decrease in the growth fund allocation of £326k, it is now £932k.

7.3.3 Central School Services Block (CSSB)

There are two elements to the CSSB: ongoing responsibilities that local authorities have a statutory duty to deliver for all pupils; and historic commitments made prior to 2013/14. In line with the government's reforms to move to a fairer funding system, these have been reducing year on year. The allocation for 2024/25 has reduced by £15k.

7.3.4 High Needs Block (HNB)

The allocation for 2024/25 is £42.288m, an increase of 3.49%. This is due to the funding floor being set at 3% increase and pupil numbers in special schools increasing by 60.

The HNB has been the recipient of some of the biggest increases in funding due to the pressures to fund and support the SEND system. In FY 2018/19, the HNB was £26m, and now 5 years later it is £42m, yet still overspending due to the

demand for SEND provision over the period. Without new interventions the high needs deficit is forecast to continue to increase over the MTFS period and is not financially sustainable.

The has been require to prepare a DSG deficit management plan setting out projections of expenditure and actions take to address the pressures. The DSG deficit management plan requires two versions to be calculated : mitigated and unmitigated.

The mitigated forecast is after accounting for the cost reduction and/or invest to save measures in place. The unmitigated forecast is prior to accounting for any cost reduction and/or invest to save measures in place; a 'do nothing' forecast and assumes numbers and costs will continue to rise at current levels.

The tables below set out both positions.

Unmitigated HNB position

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
HNB Grant	42.29	43.56	44.86
Projected spend	52.64	57.96	64.28
In-year deficit	10.35	14.40	19.42
Cumulative deficit	21.70	36.10	55.52

Mitigated HNB position

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
HNB Grant	42.29	43.56	44.86
Projected spend	51.23	54.18	58.56
In-year deficit	8.94	10.62	13.70
Cumulative deficit	20.29	30.91	44.61

Assumptions of growth in HNB funding are as follows :

Assumptions	2024/25	2025/26	2026/27
HNB funding growth	3%	3%	3%

Assumptions of growth and costs of Education Health Care Plans (EHCPs), Non Maintained Special Schools (NMSS) or Independent Schools and in borough Special Schools are shown in the table below.

Assumptions	2024/25		2025/26		2026/27	
	mitigated	unmitigated	mitigated	unmitigated	mitigated	unmitigated
EHCP growth	18%	18%	4%	18%	4%	18%
EHCP costs	7%	7%	3%	7%	3%	7%

NMSS/ Independent Schools growth	8%	10%	5%	10%	5%	10%
NMSS/ Independent Schools cost	5%	5%	5%	5%	5%	5%
Special Schools top- up costs	3%	3%	3%	3%	3%	3%

The mitigations that have been identified are as follows :

- **Stronger more consistent mainstream offer** – develop support in schools through the Local Authority SEND Inclusion Service which is made up of Educational Psychology Service (EPS), SEN Advisory Service (SENAS) and Sensory Impairment Support Service (TSISS).
- **Building confidence in local provision** - prioritising inclusive practice in Trafford to reduce the demand for EHC Plans and build parental confidence through the development of high quality training, self-evaluation materials and an evidence-based design process.
- **Improve commissioning arrangements** – review the effectiveness of existing LA commissioned contracts, develop a SEND Commissioning strategy that is overseen through a joint commissioning steering group, ensure strong connectivity with the integrated care board.
- **Stopping flow and ceasing plans** – rolling out the Graduated Approach to SEND across EY settings and schools aimed at the early identification of children’s needs and delivery of appropriate support to manage demand for EHCPs.
- **Staffing** - Ensure the staffing structure for SEND casework is appropriate
- **Robust sufficiency & placement planning** through the use of the High Needs Capital Provision allocation to provide places in both primary and secondary settings in the future.

A report was presented to School Funding Forum in November 2023 which provides more detail on the above mitigations.

Trafford is a member of the F40, the education funding campaign group that represents 42 of the lowest funded LAs for education across England. Like the majority of local authorities across the country, F40 members are increasingly concerned about the deepening SEND crisis, with the current need and expectation outstripping the available capacity and funding.

The resources and funding available for children with special educational needs are coming under huge strain as demand for support continues to increase. The impact on children, families, schools and local authorities is enormous, and is resulting in growing deficit SEND budgets. It is estimated that the cumulative SEND deficit across England will be around £3.6bn by April 2025.

A recent debate in the House of Commons on SEND provision and funding aimed to stress the need for greater education and SEND funding, alongside more resources, training and a cohesive strategy that places early intervention at the heart of SEND support.

F40 believes there needs to be an additional £4.6bn SEND funding available each year, along with fairer funding and a cohesive strategy, in order to address the crisis.

The number of children with SEND, and the complexity of need continues to rise. This, along with more young people accessing support for longer (19-25), without sufficient funding, is putting greater pressure on the system. Funding is currently based on historic need which is very different to requirements today.

Trafford is also part of the North West SEND Change Programme Partnership (CPP), along with Manchester, Rochdale and Oldham. The SEND and Alternative Provision improvement plan aims to improve outcomes for children and young people, improve experiences for families and deliver financial stability. It is hoped that as a result of being part of this programme, additional funding and resources will be available to assist with some of the mitigations above. The funding allocation agreed for 2024/25 is £821k and a spending plan for this is currently being prepared.

High Needs Capital Provision Allocation (HNCPA)

To support the achievement of the duty to secure sufficient places that meet the needs of children and young people with SEND, the Council received capital allocations of £1.677m in 2021/22, £4.729m in 2022/23 and £3.680m in 2023/24. The funding is being invested in a number of capital schemes to increase the number of places in Trafford special schools, as well as in small specialist classes (SSC) in primary and resourced provision (RP) in secondary, places which help most pupils with complex SEN to have their needs met within a mainstream school.

7.3.5 Early Years Block (EYB)

The increase in the EYB is due to the introduction of a new national formula covering both the existing 2 year old entitlement for disadvantaged children and new working parent entitlements.

7.3.6 Funding Formula

The outline of 2024/25 Funding Formula recommended by the School Funding Forum is shown in Annex Y

7.3.6 Summary

The position relating to the DSG deficit is an increasing concern with future projections of spend significantly outstripping the level of DSG grant available. Trafford is not alone with their DSG deficit position with many authorities facing significantly higher deficits.

The statutory override which requires the DSG deficit to be ringfenced outside of the council general fund is due to expire in March 2026. The accumulated DSG deficit at year end will be greater than the council's total General Reserve and if the deficit continues to grow in line with forecasts the council will become technically insolvent.

8. COUNCIL TAX REQUIREMENT AND STATUTORY CALCULATIONS

8.1 Budget Requirement

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

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

8.1.2 If the proposals in this budget report are agreed, the calculation for the 2024/25 Council Tax Requirement will be as follows:

Calculation of Council Tax Requirement & Relevant Basic Amount of Council Tax 2024/25	£
Service Budget	
Gross Expenditure	
Service expenditure	598,272,616
Gross Income	
Fees, charges and specific grants	(380,440,156)
Service Area Net Budget	217,832,460
Financing Budget	
Retained Business Rates Baseline	(60,278,084)
Business Rates Growth, Other Items, Prior Year Movements	(23,747,708)
Other Council Tax Items, Prior Year Movements	(1,118,108)
Application of Budget Support Reserve	(5,580,000)
Financing Net Budget	(90,723,900)
Council Tax Requirement	127,108,560
Council Tax Base in Band D's	79,362
Relevant Basic Amount of Council Tax	£1,601.63

8.1.3 The Director of Finance and Systems in accordance with his delegated powers approved the 2024/25 Trafford Council Tax Base (number of equivalent Band D properties in the borough) on 4 January 2024 at 79,362, which is an increase of 898 Band D equivalents on 2023/24. The 2024/25 Council Tax Base for each of the four Parish Councils was also approved as: Partington 1,915, Dunham Massey 234, Warburton 167 and Carrington 148.

8.2 Council Tax Increases

8.2.1 The Localism Act 2011 abolished Council Tax capping and replaced it with a requirement to hold a Council Tax Referendum if an authority wishes to increase its “relevant basic amount of Council Tax” by an amount equal to or exceeding a level set out by the Government annually. For 2024/25 a figure of 5% has been set, which is a combination of the core principle of 3% and the ‘adult social care precept’ of 2%.

8.2.2 As highlighted elsewhere in this report, it is proposed to raise the level of council tax in 2024/25 by 4.99%:

- 2.99% general increase in the ‘relevant basic amount’, and
- 2.0% for the ‘Adult Social Care’ precept.

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

	2023/24	2024/25
Council Tax Base	78,464	79,362
Council Tax Requirement with Levies (£)	119,697,617	127,108,560
Basic Amount of Council Tax (£) (excluding Social Care Precept)	1,324.18	1,369.79
Social Care Precept	201.33	231.84
Relevant Basic Amount of Council Tax	1,525.51	1,601.63
% increase in Relevant Basic Amount of Council Tax	4.99%	4.99%

8.2.4 It is proposed to increase the ‘relevant basic amount’ of Council Tax by 4.99%, which is within the 5% figure set by Government in 2024/25 for social care authorities. As this remains in line with Government policy it would therefore not be deemed ‘excessive’ and as a result there is no requirement to hold a Referendum.

8.2.5 Of the two major precepting bodies, the Mayoral Police & Crime Commissioner is recommending a £13.00 increase in their Band D precept and the Mayoral General Precept (including Fire Services) is proposing a £5.00 increase in their Band D precept.

8.2.6 Partington Town Council, at its meeting on 15 January 2024, elected to set the level of Band D Council Tax at £65.05 in 2024/25. This is an increase of £13.01, 25%, on the 2023/24 figure of £52.04. Carrington Parish Council passed a resolution on 14 December 2023 to keep the Band D Council Tax at £30.00 in 2024/25, the same as in 2023/24. Warburton Parish Council at its meeting on 19 December 2023, elected to set a Band D Council Tax of £50.00 in 2024/25, the same as in 2023/24. Dunham Massey Parish Council is not setting a Precept in 2024/25.

8.3 Council Tax Levels and Bandings

8.3.1 The overall Precepts and Council Tax levels for 2024/25 for Trafford properties are as follows:

Council Tax per Precepting Body	Precept Amount £	Council Tax per Band D Property £	Council Tax Level Increase
Trafford Services (inclusive of 'Adult Social Care Precept')	127,108,560	1,601.63	4.99%
Mayoral Police and Crime Commissioner (see note)	20,340,481	256.30	£13.00/ 5.34%
Mayoral General Precept (including Fire Services) (see note)	8,963,938	112.95	£5.00/ 4.63%
Total (excluding Parishes)		1,970.88	5.02%
Partington Precept	124,571	65.05	25.00%
Total for Partington		2,035.93	5.55%
Carrington Precept	4,440	30.00	0.00%
Total for Carrington		2,000.88	4.94%
Warburton Precept	8,350	50.00	0.00%
Total for Warburton		2,020.88	4.88%

8.3.2 Note: The Council Tax figures for the Mayoral Police and Crime Commissioner and Mayoral General Precept (including Fire Services) included above are recommended amounts and are subject to formal approval on 30 January 2024 and 9 February 2024 respectively.

8.3.3 The council tax for 2024/25, inclusive of the 'adult social care precept', for each of the eight valuation bands would be as follows:

Band	Valuation range (in 1991 prices)	Council Tax (Excl. Parishes) £	Council Tax for Partington £	Council Tax for Carrington £	Council Tax for Warburton £
A	Up to £40,000	1,313.90	1,357.27	1,333.90	1,347.23
B	Over £40,000 and up to £52,000	1,532.90	1,583.49	1,556.23	1,571.79
C	Over £52,000 and up to £68,000	1,751.87	1,809.69	1,778.54	1,796.31
D	Over £68,000 and up to £88,000	1,970.88	2,035.93	2,000.88	2,020.88
E	Over £88,000 and up to £120,000	2,408.84	2,488.35	2,445.51	2,469.95
F	Over £120,000 and up to £160,000	2,846.82	2,940.78	2,890.15	2,919.04
G	Over £160,000 and up to £320,000	3,284.78	3,393.20	3,334.78	3,368.11
H	Over £320,000	3,941.75	4,071.85	4,001.75	4,041.75

BASE BUDGET ASSUMPTIONS

Base Budget Assumptions	2024/25 £m/%	2025/26 £m/%	2026/27 £m/%
Service Expenditure			
Pay: Inflation – 2023/24 catch up	5.87%	n/a	n/a
Pay: Inflation	4.00%	2.00%	2.00%
Pay award cost	£3.05m	£1.59m	£1.64m
Pay: Pension Inflation	0.0%	0.0%	0.0%
	£0.00m	£0.00m	£0.00m
Pay: Living Wage/ FPFC/Real Living Wage	£6.77m	£1.64m	£1.88m
General Inflation: Prices	3% to 7%	2.0%	2.0%
	£0.28m	£0.09m	£0.10m
Contractual Obligations: Inflation Specific	£3.70m	£2.41m	£2.47m
Energy Inflation	-£1.60m	-£0.80m	£0.00m
Levies: Waste (GMWDA) % Levy Increase/ (Decrease)	2.3%	4.5%	4.3%
Levies: Transport % Levy Increase/ (Decrease)	3% + 1% non-recurrent	3%	3%
Demographics:	Children	£1.00m	£1.00m
	Adults	£1.24m	£1.50m
Treasury Management			
Investment Rates	5.16%	3.93%	3.12%
Debt Rates (new debt)	4.50%	4.23%	4.12%
Funding			
Council Tax rate increase (Adult Social Care)	2.00%	1.00%	1.00%
Council Tax rate increase (Relevant Basic Amount)	2.99%	1.99%	1.99%
Property Growth - Taxbase increase	1.00%	1.00%	1.00%

Budget Movements & Proposals: Draft Budget Oct 23 to Final Feb 24

MOVEMENTS & PROPOSALS	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
REVISED BUDGET GAP AT DRAFT (Oct 23)	6,408	12,751	10,642	29,801
Movements Since Draft affecting the Gross Gap				
Increase in assumptions on inflation remaining higher (contracts)	251	162	217	630
Energy budget assumptions	0	0	0	0
Waste Levy assumptions	(1,207)	(104)	726	(585)
Budget Realignment Market Sustainability	(43)	0	0	(43)
Increase pay award assumptions for 24/25 (to 4%)	833	15	16	864
National Living Wage / Real Living Wage	0	0	0	0
Housing benefit pressure P8	400	0	0	400
Planning fee income pressure P8	230	0	0	230
Strategic Investment Programme	0	0	1,000	1,000
Treasury Management Impact of DSG Deficit on cashflow	250	0	0	250
Indexation of Better Care Fund Grant (23/24)	0	314	0	314
Continuation of Market Sustainability Grant	(12)	(808)	0	(820)
Transport levy	(135)	(5)	512	372
Social Care Grant 24-25 (adj following policy statement and final settlement)	(2,298)	0	0	(2,298)
New Homes Bonus 24-25 (adj following policy statement)	391	0	0	391
Services grant 24-25 (adj following policy statement)	1,241	0	0	1,241
Legal fees (increase in caseload)	200	0	0	200
Public Health Expenditure reflecting increase in Grant	179	0	0	179
Other Budget Assumptions	(221)	(253)	146	(328)
CHANGES TO BUDGET ASSUMPTIONS	59	(679)	3,317	2,697
Change in assumptions on Council Tax Base	(408)	(25)	(20)	(453)
Release of Actual Council Tax Surplus Above Est 22 23	(118)	118	0	0
Levy Account Surplus (redistribution of national account Surplus)	(305)	305	0	0
Meet one off Transport Levy increase 24/258 from Bud Support	0	0	0	0

Bring forward Council Tax Premiums (Long Term Empty Properties) from April 24	(314)	305	1	(8)
Public Health Grant Funding	(179)	0	0	(179)
Realigning business rates budget	(18)	18	0	0
Push back of business rates reset and increase in no-detriment to 75%	0	(622)	(704)	(1,326)
Push back of Fairer Funding Review	0	(500)	0	(500)
Change in assumptions on Core Business Rates Provisional Settlement	(1,000)	0	1,000	0
CHANGES TO FUNDING (NON POLICY CHOICE)	(2,342)	(401)	277	(2,466)

MOVEMENTS & PROPOSALS	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
CHANGES IN MEETING THE GAP				
CHANGES TO SAVINGS AND INCOME PROPOSALS	(621)	211	(18)	(428)
Adjustment re Reinstatement of Prior Year Budget Gap funded from Budget Support Reserve	0	(2,076)	0	(2,076)
Contribution from Budget Support Reserve	(3,504)	0	0	(3,504)
Reinstatement of Prior Year Budget Gap funded from Budget Support Reserve	0	6,580	0	6,580
TOTAL CHANGES TO POLICY CHOICE FUNDING	(3,504)	3,504	0	0
REVISED BUDGET GAP (FEB 24)	0	15,386	14,218	29,604

Income & Savings Proposals 2024/2025

Saving Title	Service Area	Description of saving	2024/25 £000
Children Placements	Children's	Continuation of demand management approaches and review of placements for looked after children	(500)
Children's Services – Investing in our Children – Family Help Savings Proposal	Children's	Continuation of the service redesign	(50)
Re-shaping of Directorate Management Team	Children's	Review of Directorate Management Team structure	(104)
Youth Engagement Service/Youth Justice	Children's	Complete a review of the service as part of the service re-design programme	(97)
Sub-Total Children's			(751)
Weight Management	Adults	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	(28)
Bad debt provision - Adults Social Care	Adults	Review level of contribution to bad debt provision	(50)
Reduction in demographic growth budget	Adults	Reduction in demographic growth budget	(200)
Living Your Best Life	Adults	Transformation of services for people with a learning disability and people with Autism with strengthened links to transitions.	(300)
Improving Lives Everyday	Adults	Review of low cost care packages	(250)
Reablement Review	Adults	Review of externally commissioned reablement services.	(600)
Sub-Total Adults			(1,428)

Strategic Investment Income	Place	Investment Programme - Recycling of receipts to maintain net income at achievable levels	(370)
Review of operational and strategic estates	Place	Efficiency review of operational estate and lease/rent reviews to ensure full cost recovery across the Council's estate	(390)
Sale Water Park	Place	Review service provision and cost recovery	(10)
Investment Income	Place	Dividend income from LLP with Bruntwood (Lumina)	(450)
Waste Reserves	Place	Review of Waste reserves	(500)
Amey 7 year review	Place	Income generated through contract changes following the Amey 7 year review	(100)
Sub-Total Place			(1,820)
Traded Services - Star	Finance & Systems	Traded Services income - increase in contributions to offset pay and cost inflation.	(50)
Sub-Total Finance & Systems			(50)
Traded Services -Catering & Cleaning	Strategy & Resources	Review Traded Services income - increase in charges to offset pay and cost inflation.	(498)
Review of Sale Waterside Arts Centre	Strategy & Resources	Improve effective use of asset and business development	(75)
Review Music Service	Strategy & Resources	Continue to remove the remaining Corporate overhead subsidy and continue with expansion of offer with a view to broadening reach	(187)
Sub-Total Strategy and Resources			(760)
Smart Working	All	To be achieved by a combination of measures associated with smart working	(400)
Release of Treasury Smoothing Reserve	All	Release of Treasury Smoothing Reserve	(500)

Reduction in central contingency	All	Reduction in central contingency	(500)
Sub-Total Council Wide and Cross Directorate			(1,400)
TOTAL SAVINGS AND INCOME PROPOSALS			(6,209)

	CHILDREN £000's	ADULTS & WELLBEING £000's	PLACE £000's	LEGAL AND GOV £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	49,056	74,229	38,320	3,575	9,672	10,640	24,314		209,806
<u>Budget Pressures:</u>									
Pay	739	435	354	111	376	736	1,536		4,287
National Living Wage/ Fair Price for Care	26	4,833	0	0	0	0	0		4,859
General Inflation	31	11	41	2	29	64	106		284
Contractual Inflation & Obligations	1,414	892	(123)	36	144	203	0		2,566
Levies	0	0	356	0	0	0	41		397
Demographics/ Care Costs	3,200	3,454	0	0	0	0	0		6,654
Grants, Legislative & Service Transfers	(47)	(9,943)	0	0	0	47	1,632		(8,311)
Loss of Income	0	0	60	0	0	0	0		60
Treasury Management	0	0	0	0	0	0	(136)		(136)
Strategic Investment Programme	0	0	870	0	0	0	0		870
Other	2,168	415	(159)	323	165	(33)	(173)		2,706
Total Budget Pressures	7,531	97	1,399	472	714	1,017	3,006		14,236
<u>Budget Savings</u>									
Income Generation	0	0	0	0	(50)	(498)	0		(548)
Savings Proposals Efficiencies & Policy Choice	(751)	(1,428)	(1,820)	0	0	(262)	(1,400)		(5,661)
Total Approved Budget Proposals	(751)	(1,428)	(1,820)	0	(50)	(760)	(1,400)		(6,209)
PROPOSED NET BUDGET	55,836	72,898	37,899	4,047	10,336	10,897	25,920		217,833

	CHILDREN £000's	ADULTS & WELLBEING £000's	PLACE £000's	LEGAL AND GOV £000's	FINANCE & SYSTEMS £000's	STRATEGY & RESOURCES £000's	COUNCIL- WIDE £000's	FUNDING & RESERVES £000's	TOTAL £000's
Funding:									
Council Tax								(121,068)	(121,068)
Council Tax - 2.99% General Increase								(3,620)	(3,620)
Council Tax - 2% Adult Social Care Increase								(2,421)	(2,421)
Council Tax 23/24 Estimated Surplus								(775)	(775)
Council Tax use of smoothing reserve								(118)	(118)
Contribution from Council Tax Risk Reserve								(225)	(225)
Total Council Tax Funding								(128,227)	(128,227)
Business Rates: Local Share								(159,358)	(159,358)
Business Rates: Tariff Payment								99,080	99,080
Business Rates: Growth Assumptions, S31								(18,471)	(18,471)
Grants, GM Pilot								(1,252)	(1,252)
Business Rates 23/24 Estimated Surplus								(4,025)	(4,025)
COVID Rates diff est./act. and Gov Grant									
Support Smoothing Reserve									
Total Business Rates Funding								(84,026)	(84,026)
PROPOSED FUNDING								(212,253)	(212,253)
<u>Additional Use of Reserves:</u>									
Budget Support Reserve								(5,580)	(5,580)
FUNDING FROM RESERVES								(5,580)	(5,580)
BUDGET GAP									0

Main Reserves Final Budget Stage Review

The rationale for holding each reserve, an analysis of their balance, proposed commitments against each reserve is shown in detail in Annex F.

A balance of earmarked reserves of £73.98m was brought forward at 1st April 2023, the following observations relating to the main reserves should be noted:

MTFP Budget Support Reserve

- **Budget Support Reserve** - This reserve had a brought forward balance of £13.51m at 1st April 2023 of which £7.40m is committed to support the 2023/24 budget and a further £5.58m in 2024/25 (of which £2.1m was previously agreed Feb 23).

Commitments to the reserve include the following:-

- A contribution from revenue budget provision of **£0.5m** in each year until 2025/26, which was established to replenish reserves used to support pressures during the pandemic. **No change from draft.**
- An increase of **£5.46m** from GMCA relating to a release of their surplus reserves as previously reported. This will be held in this reserve and released over 2023/24 and 2024/25 as previously agreed largely to meet the annual increase costs of both the Waste and Transport Levies. GMCA announced a further release of £30m of their surplus reserves of which Trafford's share is £2.86m. **£2.86m increase from at draft.**
- A transfer of **£0.5m** relating to a review of other earmarked reserves to support the Finance and Change Programme (see below). **No change from draft.**
- A review of all earmarked reserves has been completed and identified spare capacity of **£0.46m** which has been transferred to this reserve.
- The current in-year budget monitoring position as at period 8 is a projected **underspend of £0.59m**, this will be transferred to this reserve at year end.
- The Inflation Risk Reserve will stand at £3.6m assuming a drawdown of £0.95m will be required to meet the inflationary pressures in 2023/24. Given the overall positive direction of travel regarding interest rates, a figure of **£1.5m** has been transferred from this reserve to the Budget Support Reserve. £1m reduction in transfer **from draft.**

Commitments from this reserve include the following: -

- The budget plans include support of **£7.40m** in 2023/24 and **£5.58m** in 2024/25 (of which £2.1m was previously agreed in February 23). **£3.50m increase from draft.**
- Finance and Change - A figure of **£0.5m** will be utilised to bring capacity and skills specifically to support the development of the business cases surrounding the demand management and savings in Children's placements and home to school transport. **No changes from at draft.**
- **Transformation Programme** - £0.76m remains from £1.5m budget. **£0.76m increase from draft.**
- **£1.0m** transferred to General Reserve to ensure the General Reserve is robust and is aligned with the reserve policy that the General Reserve must be broadly 5% of the Council's Net Expenditure.

This will give an estimated balance at the end of 2024/25 of £8.26m.

Smoothing and Business Risk

- **Business Rate Risk Reserve** - This reserve represents the biggest reserve under the category of Smoothing and Business Risk at £5.44m at 1st April 2023. The reserve is also 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 previous reports. The balance will increase by £5.03m in 2023/24 when the appeals provision is released and reduce by £3.03m and £2m in 2024/25 and 2025/26 to support the budget. The reserve will also hold the benefits from a one off tariff adjustment released as part of the provisional local government finance settlement for 2024 at £2.0m; this will be released at £1.0m in each year 2024/25 and 2025/26 to support our budget. The reserve will also be used to smooth the timing differences in pressures caused by delays in major refurbishments at the Trafford Centre.

The Council has a budget from Business Rates income of approximately £84m and due to the complexities in the system such as the uncertainty surrounding the wider economic downturn along with the forthcoming business rate reset, the importance of maintaining a suitable balance in this reserve cannot be underestimated. The underlying balance of £5.0m will be used to mitigate against these significant risks.

- **Inflation Risk Reserve** – This reserve was created to help mitigate against some of the pressures caused by the high and volatile levels of inflation. There was a balance of £4.5m on 1st April 2023 and it is anticipated that £0.95m will be needed in 2023/24 to largely absorb the additional cost of the local government pay award.

Although inflation is dropping, it is not doing so at the rate the Bank of England had previously forecast and a level of risk remains when budget planning. To put this in context, a 1% variance in the pay award assumptions would add a further pressure of £1.0m.

The balance on this reserve must also be considered alongside the Budget Support Reserve and the wider risk associated with balancing the remaining budget gap. With this in mind a balance of £1.5m has been transferred to the Budget Support Reserve, leaving an estimated balance of £2.05m at year end.

- **Interest Rate Smoothing Reserve** – This reserve is used to smooth the financial impact of fluctuations in interest rates relating to investments and borrowing and movements in surplus cash balances over the medium term. The rapid increases in the interest rates over the last 18 months has made budget forecasting extremely challenging. The reserve has been bolstered during the year by £1.5m due to the favourable benefits of increased interest rates on investments. This bolstering will be used to smooth the uncertainty surrounding increased borrowing costs. A balance of £1.5m has been transferred to the Asset Investment Strategy Risk Reserve in recognition of the increased risk that high interest rates will have on borrowing costs in that area.

Strategic Priority

- **Asset Investment Strategy Risk Reserve** - this reserve is the largest reserve within the category of Strategic Priority and stood at £5.0m at 1st April 2023. The reserve was established as a contingency for potential loss of income and additional cost due to delays in the investment property programme. The flexible use of this reserve has been required during the year due to the impact of delays in developer loans being drawn down and shortfalls in rental income. During 2023/24 there will be an £800k contribution to the reserve as reported at Period 8 monitor and a £1.5m transfer from Interest Rate Risk Reserve to replenish the above uses of the reserve. It is crucial to top up the reserve given the current economic uncertainty. This reserve will remain a critical tool in managing the ongoing risks associated with the programme. **Balances have been updated since draft to reflect estimated movements on this reserve.**
- **Leisure Centre Risk Reserve** – this reserve was established 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. **Balances have been updated since draft to reflect estimated movements on this reserve.**

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 minimum agreed as part of the risk and resilience exercise when preparing the current budget is for the General Reserve to be broadly 5% of the Net

Revenue Budget. Therefore, the budget plans include transferring £1.0m from the Budget Support Reserve to the General Reserve to increase the balance to £10.5m. **£1m increase since draft.**

Service Area Priority Reserves

- **Service Area Priority Reserves various** - This category of reserves holds service area reserves which have largely built up from prior years underspends, including unspent grants. Most elements are contractually committed, however all commitments have been thoroughly challenged as part of the annual review and a balance of £456k has been transferred to the Budget Support Reserve to provide further resilience in managing the budget gap over the next two years.

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. All balances will be fully utilised at the end of this financial year. **No change since draft.**

Details of Reserves by Category

Annex F

CATEGORY	RESERVE NAME	BALANCE AT 31 MARCH 2023	EST BALANCE AT 31 MARCH 2024 £000	EST BALANCE AT 31 MARCH 2025 £000	EST BALANCE AT 31 MARCH 2026 £000	Narrative
Page 97	MTFP Budget Support Reserve	(13,509)	(10,478)	(8,259)	(8,759)	<p>23/24 Transfers to/(from) Other Reserves £1m to General reserve, £(0.46)m reserves review, £(0.5)m from earmarked reserves to support Finance & Change Programme and £(1.5)m Inflation Risk Reserve</p> <p>23/24 Commitments (to)/from reserve £7.40m Budget Support £(0.5)m per annum previously identified to replenish MAG dividend reserve £(2.59)m Distribution of GMCA Waste Reserves £(0.59)m Period 8 23/24 monitor forecast £0.76m Finance & Change Prog</p> <p>24/25 Commitments (to)/from reserve £(0.5)m per annum previously identified to replenish MAG dividend reserve £(2.86)m Distribution of GMCA Waste Reserves £3.50mbudget support 24/25 £2.08m budget support 24/25 (agreed Feb 23)</p>
	Sub-Total Budget Resilience	(13,509)	(10,478)	(8,259)	(8,759)	
Smoothing and Business Risk	Business Rate Risk Reserve	(5,445)	(13,183)	(7,999)	(4,999)	Timing differences of release of business rates over three years of the MTFP. Remaining balance deemed minimum balance to meet underlying business rate volatility.
Smoothing and Business Risk	Insurance Reserve	(1,700)	(1,700)	(1,700)	(1,700)	Sufficient to cover three excess property claims (£250k per claim) plus a further £0.500m to cover historic claims relating to MMI and a balance held to cover potential emerging insurance risks.

Smoothing and Business Risk	Earmark Gen - Employment Rationalisation	(800)	(400)	(200)	0	Established to cover costs of VS/VR scheme. A balance of £800k for future potential restructuring costs and £200k draw down assumed per annum. Review of reserves has identified spare capacity of £200k which has been transferred to Budget Support Reserve.
Smoothing and Business Risk	Housing Benefit Overpayment Reserve	(900)	(410)	(410)	(410)	Reserve to reflect risk of budget pressures due to market conditions and volatility in forecasting Housing Benefit budget. £490k est draw down due to P8 24/25 monitor forecast overspend. The uncertainty on the Housing Benefit budget is expected to continue and £400k is the minimum recommended balance.
Smoothing and Business Risk	Timperley Sports Club Synthetic Pitch	(123)	(138)	0	0	This will be used towards replacing synthetic pitches across the Borough
Smoothing and Business Risk	Earmark Gen - Local Search Litigation Costs Settlement	(65)	(65)	(65)	(65)	Reserve established as a contingency for potential back claims regarding changes in local search litigation costs and Central Land Charges Register.
Smoothing and Business Risk	Earmark Gen - Civic vehicle reserve	(1)	(1)	(1)	(1)	Replacement of mayoral vehicle.
Smoothing and Business Risk	Smoothing - Waste Levy	(1,484)	(1,764)	(984)	(484)	To smooth the effects on the Council's budget of movements in the waste levy over the medium term.
Smoothing and Business Risk	Smoothing - Winter Maintenance	(120)	0	0	0	The reserve was held as emergency funds to cover the costs of highway & footway maintenance during periods of adverse weather conditions. Has not been required as risk is managed within revenue budget. Review of reserves has identified spare capacity of £120k which has been transferred to Budget Support Reserve.
Smoothing and Business Risk	Smoothing - Elections	(105)	0	(1)	(257)	To smooth the elections budget across the 4 year Municipal cycle.
Smoothing and Business Risk	Smoothing - Interest Rate	(3,107)	(3,094)	(1,594)	(1,594)	Balance sufficient to meet potential short term volatility in the financial markets. P8 23/24 monitor estimates £1.49m contribution to the reserve/ £1.5m will be transferred to Strategic Investment Reserve as a result of risk associated with town centre redevelopment.
Smoothing and Business Risk	Exchequer Services Reserve	(815)	(256)	(43)	0	Accumulated underspend of unspent grants (ring-fenced for activities such as fraud work, ICT systems, Universal Credit)
Smoothing and Business Risk	EU Exit Funding Reserve	(231)	(55)	0	0	Government funding to be used to enhance capacity and capability within local authorities in preparation for EU Exit related activities and risks.

Smoothing and Business Risk	Sale PFI Bullet Payment	(1,319)	(1,439)	(1,559)	(1,679)	Reserve used to hold the final bullet payment relating to the programme. Not Available for any other purpose.
Smoothing and Business Risk	Admin Building Cyclical Maintenance Reserve	(724)	(306)	(65)	0	To provide a reserve sufficient to cover major lifecycle maintenance and unexpected costs associated with the maintenance and repair of all major administrative sites. Review of reserves has identified spare capacity of £100k which has been transferred to Budget Support Reserve.
Smoothing and Business Risk	Council Tax Risk Reserve	(500)	(500)	(275)	(275)	Reserve to manage risk of shortfall in Council Tax Income due to uncertainty in take up of LCTSS/Hardship lower collection rates due to economic uncertainty. £225k draw down to support 24/25 budget.
Smoothing and Business Risk	Inflation Risk Reserve	(4,500)	(2,050)	(1,050)	(2,050)	Reserve to manage increased risk associated with inflation rate volatility. £0.7m draw down for pay award 23/24 £0.2m draw down for foster payments 23/24 A reduction in inflation rate volatility has allowed £1.5m to be transferred to Budget Support Reserve.
Sub-Total Smoothing and Business Risk		(21,939)	(25,361)	(15,946)	(13,514)	
Strategic Priority	Transformation Fund Match Funding Reserve	(1,587)	(862)	0	0	Monies allocated from Greater Manchester Health and Social Care Partnership for the transforming of health and social care services. This money can only be used on the activities that were laid out in the Transformation programme and some of this money will be allocated to Trafford NHS (previously CCG) for their share of programme costs.
Strategic Priority	Strategic Investment Programme Risk Reserve	(5,005)	(5,118)	(4,518)	(3,783)	Reserve established as a contingency for potential loss of income, additional cost due to delays in investment property fund. Reserve has been used/contributions adjusted during the year in order to manage variations in the programme. Balance is considered minimum necessary to manage the underlying risks. £1.5m transferred from Interest Rate Risk Reserve to manage risk of town centre redevelopment.
Strategic Priority	Leisure Centres Risk Reserve	(2,358)	(2,338)	(1,800)	(1,000)	Reserve to manage the risk during leisure centre refurbishment programme and any economic downturn due to pandemic. Particularly loss of income, changes in assumptions for demand, inflation and also risk of potential default on development loan. A budget provision is included in Place Directorate to manage these

						pressures. The reserve will be used to smooth net expenditure over the programme.
Strategic Priority	Childrens Action Fund Reserve	(44)	0	0	0	A new reserve of £1.5m which was established in 2019/20 for investment in Children's Services following the recent OFSTED inspection. Remaining balance will be used in 23/24.
Strategic Priority	Bus Reform	(1,500)	(1,500)	0	0	Reserve established to hold Traffords share of redistributed GM reserves. Will be released for GM Bus Reform.
Strategic Priority	Major Projects Reserve Abortive costs and DSG Academy Trans	(275)	(275)	(275)	(275)	Major Projects can result in abortive costs and the transfer of schools with deficits can also result in costs which need to be written off and so a small reserve has been created to protect against these two write off risks. Reserve maintained at current levels.
Sub-Total Strategic Priority		(10,769)	(10,093)	(6,593)	(5,058)	
Corporate	NDR Deficit Reserve	(613)	(324)	0	0	Reserve established towards meeting Trafford's share of the NDR Deficit. This is a requirement of collection fund accounting and is not available for any other purpose
Corporate	Star Procurement Earmarked Reserve	(272)	(137)	0	0	STAR revenue budget under/overspends to be carried forward. Commitment to spend is approved by STAR Board (Stockport, Trafford, Rochdale and Tameside). Ring-fenced reserve for members of STAR
Corporate	Planning Income Reserve	(55)	0	0	0	A reserve established to hold surplus planning income in line with Government requirements to reinvest increases in fee income towards improvements in planning services. This is a ring fenced reserve with specific statutory conditions attached to it.
Corporate	Council Tax Smoothing Reserve	(940)	0	0	0	Reserve established to hold Trafford's contribution towards Council Tax over distribution. Final release in 23/24.
Corporate	General Reserve	(9,500)	(10,500)	(10,500)	(10,500)	This is the reserve that the Council is required to hold to protect against in year financial shocks. Transfer from Budget Support Reserve of £1m to increase the balance to £10.5m as part of Robustness Review at Final budget stage.
Sub-Total Corporate		(11,380)	(10,961)	(10,500)	(10,500)	
Service Area Priority	Earmark Gen - ICT Development	(1,358)	(1,041)	(336)	(306)	Reserve established to ensure there are funds available for the replacement of equipment such as ICT and to smooth out maintenance costs as a result of the Digital Investment programme.
Service Area Priority	Economic Development	(1,694)	(950)	(61)	0	Reserve set aside specifically for economic development related projects. Review of reserves has identified spare capacity of £82k which has been transferred to Budget Support Reserve.

Service Area Priority	Earmark Gen - Libraries and Customer Services Reserve	(11)	0	0	0	Funds earmarked for ICT upgrades plus additional costs associated with the libraries
Service Area Priority	Earmark Gen - Vol Sec Grants Reserve	(4)	0	0	0	Carry forward of prior year spend due to slippage on projects - committed on schemes.
Service Area Priority	Earmark Gen - Community Safety	(358)	(136)	0	0	Investment in Community Safety initiatives related to unspent grant from prior years.
Service Area Priority	Earmark Gen - Modernisation	(71)	(71)	(71)	(71)	Hold rolling balance of Modernisation Team budget underspend for future commitment
Service Area Priority	One Trafford Partnership Reserve	(1,961)	(582)	(208)	(208)	Established to hold contractor penalty payments to be invested in one-off Partnership schemes. Spare capacity of £9k transferred to Budget Support Reserve.
Service Area Priority	Sports Partnership Reserve	(56)	(25)	0	0	Ring-fenced funding from Sports Partnership to be used on specific projects
Service Area Priority	Earmarked Service C/fwd Place	(1,103)	(401)	0	0	Service Carry Forward Place. Spare capacity of £129k transferred to Budget Support Reserve.
Service Area Priority	Earmarked Service C/fwd L&G	(25)	0	0	0	Service Carry Forward Governance and Community Services
Service Area Priority	Earmarked Service C/fwd F & S	(2,744)	(2,315)	(2,269)	(660)	Service Carry Forward Finance and Systems. Spare capacity of £100k transferred to Budget Support Reserve.
Service Area Priority	Earmarked Service C/fwd S&R	(850)	(153)	(6)	0	Service Carry Forward Strategy & Resources. Spare capacity of £14k transferred to Budget Support Reserve.
Service Area Priority	Earmarked Service C/fwd Children	(239)	0	0	0	Service Carry Forward Childrens
Service Area Priority	Earmarked Service C/fwd Adults	(3,604)	(2,404)	(1,404)	(705)	Service Carry Forward Adults. Spare capacity of £200k transferred to Budget Support Reserve.
Service Area Priority	Adults Discharge to Assess Adults	(1,991)	(1,091)	(591)	(91)	Discharge to Assess. Reserve will be drawn down to deliver DTA plans in health partners.
Service Area Priority	Traded Services Reserve	(312)	(51)	(51)	(51)	Service Carry Forward Traded Services.
Sub-Total Service Area Priority		(16,381)	(9,220)	(4,997)	(2,092)	
SUB-TOTAL Earmarked Reserves (exc Covid)		(73,978)	(66,113)	(47,295)	(39,923)	
COVID-19	Council Tax Compensation Grant Covid (75%)	(252)	0	0	0	Reserve established to hold Government support in meeting 20/21 Council Tax deficit. Will be drawn down over 3 years as planned in MTFP

COVID-19	Business Rates Compensation Grant Covid (75%)	(1,330)	0	0	0	Reserve established at Final budget stage to hold Government support in meeting 20/21 Business Rates deficit. Will be drawn down over 3 years as planned in MTFP
COVID-19	NDR Rates Exceptional Deficit Reserve (Section 31 Grants)	9,990	0	0	0	Reserve established towards meeting Trafford's share of the NDR Deficit. This is a requirement of collection fund accounting and is not available for any other purpose
SUB-TOTAL COVID-19 Budget Resilience and Smoothing		8,408	0	0	0	
Capital Related Reserves		(22,457)	(7,014)	(500)	0	
School Related Reserves		(13,089)	(13,107)	(13,107)	(13,107)	
SUB-TOTAL		(35,546)	(20,121)	(13,607)	(13,107)	
Total Reserves		(101,116)	(86,234)	(60,902)	(52,030)	

2024/25 Objective (Service) Budget Analysis

Annex G

DIRECTORATE	SERVICE EXPENDITURE ANALYSIS	Net Budget 2023/24 (£'000)	Proposed Net Budget 2024/25 (£'000)	Movement
Children's Service	Children with Complex and Additional Needs	1,199	1,285	86
Children's Service	Commissioning	1,183	1,229	46
Children's Service	Children's Social Services	33,519	38,108	4,589
Children's Service	Education and Early Years' Service	9,222	11,206	1,984
Children's Service	Early Help Delivery Model	2,782	2,884	102
Children's Service	First Response	698	719	21
Children's Service	Youth Offending Service	453	406	(47)
Children's Service	DSG	(45)	0	45
Children's Service	Sub-Total	49,011	55,837	6,826
Adults & Wellbeing Service	Client Costs	77,029	81,585	4,556
Adults & Wellbeing Service	BCF and Other Grants	(33,007)	(40,658)	(7,651)
Adults & Wellbeing Service	Assistive Equipment and Technology	1,216	1,254	38
Adults & Wellbeing Service	Social Care Activities - Care Management	13,434	14,817	1,383
Adults & Wellbeing Service	Commissioning and service delivery	2,282	2,373	91
Adults & Wellbeing Service	Public Health	13,374	13,527	153
Adults & Wellbeing Service (incl. Public Health)	Sub-Total	74,328	72,898	(1,430)
Place - Environmental, Technical & Property Services	One Trafford Partnership	20,338	20,393	55

Place - Environmental, Technical & Property Services	Street Lighting Energy	2,944	1,948	(996)
Place - Environmental, Technical & Property Services	Media Advertising	(809)	(807)	2
Place - Environmental, Technical & Property Services	Waste Disposal Levy	16,198	15,774	(424)
Place - Environmental, Technical & Property Services	Strategic Management	1,761	1,884	123
Place - Environmental, Technical & Property Services	Property Investment Fund	(5,677)	(5,599)	78
Place - Environmental, Technical & Property Services	Sport and Leisure	932	945	13
Place - Economic Growth & Planning	Economic Growth & Planning	2,766	3,297	531
Place - Economic Growth & Planning	Public Protection & Enforcement	754	875	121
Place - Economic Growth & Planning	Parking Services	(1,613)	(1,517)	96
Place - Economic Growth & Planning	Strategic Support Services	707	741	34
Place	Sub-Total	38,301	37,934	(367)
Legal and Governance	Legal & Democratic Services	3,575	4,047	472
Legal and Governance	Access Trafford	3,358	0	(3,358)
Legal and Governance	Arts and Culture	795	0	(795)
Legal and Governance	Sub-Total	7,728	4,047	(3,681)
Finance and Systems	Finance Services	6,017	6,296	279
Finance and Systems	ICT Services	3,904	4,289	385
Finance and Systems	Directorate Wide Efficiency -F&S	(249)	(249)	0
Finance and Systems	Sub-Total	9,672	10,336	664
Strategy and Resources	Human Resources	3,175	3,204	29
Strategy and Resources	Access Trafford	0	3,471	3,471
Strategy and Resources	Arts and Culture	0	787	787
Strategy and Resources	Communications	296	407	111
Strategy and Resources	Executive	383	394	11

Strategy and Resources	School Crossing Patrols	529	551	22
Strategy and Resources	Bereavement Services	(469)	(415)	54
Strategy and Resources	Catering & Cleaning Traded Services	908	816	(92)
Strategy and Resources	Music Service	382	348	(34)
Strategy and Resources	Business Intelligence	1,638	1,714	76
Strategy and Resources	Directorate Wide Efficiency - People	(389)	(414)	(25)
Strategy and Resources	Sub-Total	6,453	10,863	4,410
TOTAL SERVICE BUDGETS		185,493	191,915	6,422
				0
Council Wide Service	Transport Levy	16,698	16,733	35
Council Wide Service	Flood Defence	152	158	6
Council Wide Service	Coroners & Mortuary	728	728	0
Council Wide Service	AGMA/ Other	508	470	(38)
Council Wide Service	Contingencies, Provisions and Corporate savings	1,886	2,010	124
Council Wide Service	Interest Receivable (incl. Airport Dividend)	2,525	1,889	(636)
Council Wide Service	Loan Debt (principal and interest)	0	0	0
Council Wide Service	Insurance	880	975	95
Council Wide Service	Members Expenses	1,069	1,144	75
Council Wide Service	Other Centrally held budgets	2,614	2,925	311
Council Wide Service	Central Grants	(2,747)	(1,115)	1,632
COUNCIL-WIDE BUDGETS		24,313	25,917	1,604
PROPOSED NET BUDGET		209,806	217,832	8,026

Annex H – MTFP Risk Assessment

Risk Identified	Risk	Risk Mitigation
<p>Adequacy of overall resource envelope to sustain expenditure pressures.</p> <p>Government's Comprehensive Spending Review and Local Government Finance Settlement</p>	<p>The adequacy of the total resources available to local government is not sufficient to deliver sustainable services.</p> <p>Single year announcements of the Government's Comprehensive Spending Review and the impact this will have on future Local Government Finance Settlement leading to increased uncertainty, volatility and risk about the future direction of local government funding making accurate medium term financial planning difficult.</p>	<ul style="list-style-type: none"> - Focus on maintaining mandatory services through an Finance and Change Programme - Update from financial advisory services (SIGOMA and Pixel Financial Management) Government reforms - Reserves Policy
<p>Savings Programme not being achieved</p>	<p>The delivery of each year's respective savings programme is essential to avoid cascade and pressures in to future years.</p>	<ul style="list-style-type: none"> - Finance and Change Programme/Board - In year budget monitoring - RAG status monitoring and exception reporting to CLT - MTFP Summer Review - budget Resilience Reserves
<p>Asset Investment Strategy and Joint Ventures</p>	<p>- the Council has a controlling interest in a number of companies and an ambitious and complex strategic investment programme. This represents a high risk to the council given the high levels of borrowing associated with the programme.</p>	<ul style="list-style-type: none"> - In year budget monitoring - MTFP Summer Review - budget Resilience Reserves - Governance Boards - Use of external advisors

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Fair Funding Formula	<p>The MTFP assumes that the Fair Funding Review will have a small benefit to the Council. Whilst transitional arrangements are expected when the new funding formula is implemented, it is still not clear what impact this will have on the Council's assessed relative 'need to spend' and its baseline funding levels</p>	<ul style="list-style-type: none"> - Update from financial advisory services (SIGOMA and Pixel Financial Management) on updates to Government reforms - Reserves Policy
Business Rates	<p>The localisation of Business Rates continues to expose a significant proportion of Council resources to additional risks. These include the extent to which the Business Rates Taxbase will grow or decline relative to future Government baseline funding level assessments and the extent to which it is necessary to provide for losses on rateable value appeals impacting on the amount of Business Rates income available to support the Council's budget.</p> <p>The MTFP assumes a business rate reset in 2026/27 and removal of the 100% retention scheme. As the reform has been delayed there is uncertainty about which retention scheme will apply in the future with options being 100%, 75% or 50% and the impact this will have on the Business Rates modelling and MTFP forecasts.</p> <p>The GM Trailblazer deal is yet a further area to take into consideration which will include separate arrangements relating to reset and sharing of benefits across the regional partners.</p>	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - Reserves Policy - Identified available one-off resources - Update from financial advisory services (SIGOMA and Pixel Financial Management) on updates to Government reforms - Business Rates modelling - GMCA sharing agreement

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

Collection Fund	<p>The in-year Collection Fund position is monitored to determine the forecast surplus/deficit position to be declared and included in the MTFP estimated resources for Council Tax and Business Rates. A deficit position on the Collection Fund will need to be funded by the Council in the current financial year.</p> <p>The forecast outturn positions are subject to change during the year due to volatility in collection rates, changes in Council Tax support and Business Rates Reliefs particularly in relation to financial downturn.</p>	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - In year monitoring of collection rates - Government support in extreme cases to spread the impact across multiple years and additional grants. - Reserves Policy
Council Tax Taxbase	Future changes to the Council Tax Taxbase will impact on the MTFP forecasts in relation to Council Tax income.	<ul style="list-style-type: none"> - In year monitoring of the Collection Fund - Reserves Policy - Identified available one-off resources
<p>Macro Economic Factors (COVID19 Pandemic, Conflict/War, Economic downturn)</p>	<p>The MTFP assumes long term impact in of loss of Airport dividend following the pandemic until 2028. Permanent loss is now built into the plan.</p> <p>The pandemic and economic downturn has exacerbated the uncertainty, volatility and risk in the financial landscape making medium term financial planning increasingly difficult. Future variants pose a risk to financial planning and forecasting.</p>	<ul style="list-style-type: none"> - Continuing monitoring of the financial impact of macro events through the monthly budget monitoring - Assume further impact of any restrictions will receive some level of Government support (energy rebate, Council Tax Hardship). - Reserves Policy - Contingency items within revenue budget

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

Levies	Delays in announcements of future years' waste and transport levies by the GMCA which could impact on the MTFP forecasts. The future waste levy increase will be dependent on the delivery of the alternative delivery model. It is expected that this will lead to stability in the future waste levy increases.	<ul style="list-style-type: none"> - Discussions with GMCA colleagues throughout the year to understand position on levies - MTFP Summer Review - MTFP updates - Reserves Policy
National Living Wage	<p>The obligation for the Council to meet the increasing costs as a result of the National Living Wage to support the Care market continues to increase MTFP forecast expenditure pressure. Furthermore, the Council also needs to consider the implication of the National Living Wage increases on its own workforce and potential costs of this and ensuring existing spinal pay point differentials between different pay grades are maintained. Future reviews of the MTFP will continue to consider the impacts of this and any changes required to the MTFP forecasts as a result</p> <p>Annual increases in NLW are not matched by Government resource risks destabilising the care market.</p>	<ul style="list-style-type: none"> - In year budget monitoring - Changes to service operating models - MTFP Summer Review - Reserves Policy - budget Resilience Reserves - engage in lobbying and government consultation for matching resources to meet increases in NLW.
Pay Award	<p>Volatility in inflation rates makes forecasting difficult. Pay Award for last two years has been higher than forecast due to escalating levels of inflation.</p> <p>Future years pay award assumed at 3% with 1% held in contingency however risks of volatility in rate changes makes forecasting difficult.</p>	<ul style="list-style-type: none"> - monitoring of pay award negotiations - MTFP Summer Review - MTFP updates - Reserves Policy - contingency budgets

Price Inflation	<p>Whilst estimates have been made in the MTFP, forecasts of specific inflation cost pressures remain uncertain and could adversely impact the MTFP.</p> <p>Inflation rates are volatile and difficult to forecast. Furthermore, the complexity of service users' needs and the availability of service provision in the market (particularly in relation to Children's and Adult Social Care services) is resulting in price increases in excess of inflation.</p>	<ul style="list-style-type: none"> - monitoring of inflation rates - MTFP Summer Review - MTFP updates - Reserves Policy - contingency budgets
Statutory Inspection impact	<p>The Care Quality Commission (CQC) has a mandate to independently review and assess the quality of care provided by Local Authorities. An inspection (due in 2024) , the outcome of such reviews is uncertain and with that the extent of any actions, and therefore resources, that may be necessary in response to the review.</p>	<ul style="list-style-type: none"> - contingency budgets - MTFP review post inspection -Reserves Policy
Reserves	<p>Availability of earmarked reserves to mitigate pressures on a temporary basis and smooth the financial impact whilst permanent budget recovery plans and/or funding option are identified.</p>	<ul style="list-style-type: none"> - Reserves Policy

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OUTLINE OF 2024/25 FUNDING FORMULA RECOMMENDED BY SCHOOL FUNDING FORUM

	Description	Amount per pupil		Pupil Units		Sub Total	Total
-	Primary (Years R-6)	£3,582.20		21,071.00		£75,480,536	
	KeyStage 3 (Years 7-9)	£5,050.47		10,441.00		£52,731,957	£166,612,453
	KeyStage 4 (Years 10-11)	£5,693.10		6,745.00		£38,399,960	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
Deprivation	FSM	£492.78	£492.78	3,459.00	2,741.00	£3,055,236	£14,667,012
	FSM6	£824.65	£1,206.80	3,516.00	3,004.00	£6,524,697	
	IDACI Band F	£236.33	£341.93	1,701.90	1,390.33	£877,606	
	IDACI Band E	£286.62	£452.55	1,469.36	1,218.44	£972,553	
	IDACI Band D	£447.52	£633.57	1,206.65	833.94	£1,068,358	
	IDACI Band C	£487.75	£693.91	653.29	641.35	£763,678	
	IDACI Band B	£517.92	£744.20	766.98	745.57	£952,088	
	IDACI Band A	£683.86	£950.36	296.27	263.26	£452,797	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
English as an additional Language	EAL 3	£593.35	£1,593.99	3,550.60	840.18	£3,445,994	£3,893,100
Mobility		965.44	1387.82	342.55	83.87	£447,106	
		Amount per pupil		Eligible proportion of primary and secondary NOR respectively			
Prior attainment	Low Attainment % new EFSP	£1,176.63		5,250.59		£6,178,007	£10,309,487
	Secondary pupils not achieving (KS2 level 4 English or Maths)	£1,785.06		2,314.48		£4,131,479	
Lump Sum per school						£135,162.05	£11,083,288
Additional lump sum for a malgamated school							£94,613
Split Sites							£135,061
Sparsity							£3,895
Rates							£1,796,693
Additional funding under the minimum funding level (primary £4,610 secondary £5,995)							£4,402,848
Total Funding for Schools Block Formula (excluding MFG Funding Total)							£212,998,451
Minimum Funding Guarantee (MFG is set at 0%)							£1,523,570
Total Funding For Schools Block Formula							£214,522,020
less de-delegation							-£445,051
less Education functions							0
Total Funding For Schools Block Formula less de-delegation							£214,076,969

Formal Council Tax Resolution

The Council is recommended to resolve as follows:

1. It be noted that on 4th January 2024 the Council calculated
 - (a) the Council Tax Base 2024/25 for the whole Council area as 79,362 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and;
 - (b) 1,915 for dwellings in the Parish of **Partington**;
 - (c) 148 for dwellings in the Parish of **Carrington**;
 - (d) 167 for dwellings in the Parish of **Warburton**;

to which Parish Precepts relate.
- It is recommended : -**
2. That the Council approve the Council Tax Requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) as £127,108,560.
 3. That the Council agrees the calculation of the Aggregate Amounts for the year 2024/25 in accordance with Sections 31 to 36 of the Act:
 - (a) £608,870,373 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £481,624,452 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £127,245,921 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
 - (d) £1,603.36 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £137,361 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) £1,601.63 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) £1,666.68 **Parish of Partington** being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's

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

- (h) £1,631.63 **Parish of Carrington**
being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(c) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate
- (i) £1,651.63 **Parish of Warburton**
being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(c) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate
4. The council tax set by Trafford Council includes a 2.0% increase to be spent exclusively on supporting the delivery of adult social care services.
5. That it be noted that for the year 2024/25 the Mayoral Police and Crime Commissioner and the Mayoral General (including Fire Services) have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.

Valuation Bands

Council Tax Schedule 2024/25	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Trafford Council (including Adult Social Care Precept)	1,067.74	1,245.71	1,423.65	1,601.63	1,957.54	2,313.46	2,669.37	3,203.25
Mayoral Police and Crime Commissioner Precept	170.86	199.34	227.82	256.30	313.25	370.21	427.16	512.60
Mayoral General Precept (including Fire Services)	75.30	87.85	100.40	112.95	138.05	163.15	188.25	225.90
Sub total	1,313.90	1,532.90	1,751.87	1,970.88	2,408.84	2,846.82	3,284.78	3,941.75

Partington								
Parish only	43.37	50.59	57.82	65.05	79.51	93.96	108.42	130.10
Parish & District only	1,111.11	1,296.30	1,481.47	1,666.68	2,037.05	2,407.42	2,777.79	3,333.35
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,357.27	1,583.49	1,809.69	2,035.93	2,488.35	2,940.78	3,393.20	4,071.85

Carrington								
Parish only	20.00	23.33	26.67	30.00	36.67	43.33	50.00	60.00
Parish & District only	1,087.74	1,269.04	1,450.32	1,631.63	1,994.21	2,356.79	2,719.37	3,263.25
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,333.90	1,556.23	1,778.54	2,000.88	2,445.51	2,890.15	3,334.78	4,001.75
Warburton								
Parish only	33.33	38.89	44.44	50.00	61.11	72.22	83.33	100.00
Parish & District only	1,101.07	1,284.60	1,468.09	1,651.63	2,018.65	2,385.68	2,752.70	3,303.25
Aggregate of Council Tax requirements (incl. – Mayoral Precepts)	1,347.23	1,571.79	1,796.31	2,020.88	2,469.95	2,919.04	3,368.11	4,041.75

PARISH COUNCIL PRECEPTS

Parish/Town Council	2023/24			2024/25			C Tax Increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Partington	1,745	90,810	52.04	1,915	124,571	65.05	25.0%
Carrington	148	4,440	30.00	148	4,440	30.00	0.0%
Warburton	170	8,500	50.00	167	8,350	50.00	0.0%
TOTAL	2,063	103,750		2,230	137,361		

TRAFFORD COUNCIL

Report to: Executive and Council

Date: 21st February 2024

Report for: Decision

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

Report Title

CAPITAL STRATEGY, ASSET INVESTMENT STRATEGY, CAPITAL PROGRAMME AND PRUDENTIAL & LOCAL INDICATORS 2024/27

Summary

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

Capital Strategy including Prudential and Local Indicators (Section 1) – The Capital Strategy which includes the core principles that underpin the Council's Capital Programme and details set indicators in accordance with the CIPFA Prudential Code which are designed to support decisions taken on affordability, sustainability and professional good practice.

General Capital Programme (Section 2 and Appendix 1) - The level of resources forecasted to be available for general capital investment purposes during the period is £152.09m. The proposals included in this report will result in a general Capital Programme totalling £154.56m. This equates to £2.47m of over-programming over the three-year programme and will be reviewed each year to ensure actual capital resources are not overcommitted. To assist with the delivery of the capital programme individual scheme proposals are included for a number of key programmes.

Details of Block Budget Allocations (Appendix 2) – Provides individual details of schemes that are covered by block allocations.

Asset Investment Strategy (Section 3) – This report highlights the Council's proposals to utilise the fund created during 2017 to facilitate development and regeneration whilst providing a sustainable revenue stream and covering any related borrowing costs and also supporting local authority functions.

Asset Investment Strategy (Appendix 3) – The Asset Investment Strategy approved in February 2023 is attached for reference. No changes to this are proposed.

Recommendations

That Executive approves the: -

1. Capital Programme as detailed in Section 2 and Appendix 1
2. Schemes to be undertaken from the “block” budget allocations reported in paragraph 14 and detailed Appendix 2.

That Executive recommends the Council to approve:-

3. The Capital Strategy including Prudential and Local Indicators in Section 1.
4. The overall Capital Programme in the sum of £413.15m for the period 2024/27 comprising £154.56m in respect of the General Capital Programme (as detailed in Section 2) and an Asset Investment Strategy gross expenditure budget of £258.59m for the period 2024/27 and continues to work within the previously approved budget envelope of £500m.
5. The continuation of the existing Asset Investment Strategy included in Appendix 3
6. The flexible use of capital receipts as detailed in Capital Strategy (Section 2 paragraph 9)

Contact person for access to background papers and further information:

Name: Frank Fallon

Extension: 4170

Background Papers – None

Implications :-

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial Implications	Planned capital expenditure over the next three-year period will be contained within available capital resources.
Legal Implications:	All expenditure to be incurred in accordance with capital regulations and prudential code.
Equality/Diversity Implications	In approving the detail of schemes proposed through the capital programme the Council will need to ensure that any decisions are made fully in accordance with its Public Sector Equality Duty.
Sustainability Implications	The proposed capital programme includes a number of proposals that will aid the Council in its environmental sustainability objectives, as detailed in Annex A.
Staffing/E-Government/Asset Management Implications	A number of improvement schemes are being undertaken in 2024/27.
Risk Management Implications	Assumptions have been made on the level of receipts from land sales and developments to be generated in 2024/25 to 2026/27. This is subject of the Strategic Land Review Programme and is being presented as a separate report. An ongoing review will be undertaken of the future funding sources and in the event that there is a shortfall in resources to finance the Capital Programme, adjustments will be made to our expenditure plans. Any other properties or other assets acquired as part of the Asset Investment Strategy will be subject to the annual review and revaluation. An appropriate risk reserve has been created and is monitored in line with the investment strategy to mitigate risk and provide protection to ourselves for potential future unknowns.
Health & Wellbeing Implications	The proposed capital programme includes a number of schemes that seeks to provide a positive impact on the Health and Wellbeing of Trafford's residents, including sports and leisure improvements, active travel schemes, home adaptations as part of the Disabled Facilities Grant, tree replacement programme and improvements to play area infrastructure across the borough.
Health and Safety Implications	A number of schemes are being undertaken on the grounds of health and safety.

Carbon Reduction	Various budget proposals in the revenue and capital budgets support the carbon neutral action plan.
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1. Background

- 1.1 The Capital Strategy focuses on the core principles that underpin the Council's capital programme and gives a position statement with regards to capital expenditure and the resources available. It also reviews the key issues and risks that will impact on the delivery of the Council's capital investment plans and the governance framework required to support delivery of the Strategy.
- 1.2 The three-year capital programme that was approved in February 2023 was £199.16m. Progress against this programme has been reported to Executive throughout the financial year as part of the budget monitoring report.
- 1.3 The three-year Capital Programme 2024/27 and update of available resources is detailed in Section 2. This gives a proposed General Capital Programme of £154.56m for the next three years and an Asset Investment Programme of £258.59m to give a total capital programme of £413.15m. This includes specific reference to a number of budget areas which historically have had subsequent reports to Executive to approve the programme of schemes for these areas e.g.:
 - Public Building Repairs and Highway Programmes.

2. Other Options

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

3. Consultation

- 3.1 Consultations have taken place with budget holders, responsible officers and professional services to ascertain the new projects to be put forward for inclusion in the Capital Investment Programme for 2024/27. Consultation with the public and user-groups will follow, where appropriate, once the programme is set and specific proposals within the budget allocations are developed.

4. Reasons for the Recommendation

- 4.1 The Authority is regularly assessed on the performance of its Capital Programme and how delivery matches corporate policies and proposed

spending plans. To reflect budgets in line with revised expectations will assist in evidencing that compliance with the above is being met.

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

Legal Officer Clearance DS.....



CORPORATE DIRECTOR'S SIGNATURE

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Section 1

TRAFFORD COUNCIL

Capital Strategy

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Introduction

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

The effective management of capital resources is an important aspect in the delivery of the Council's corporate objectives and associated priority areas. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

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

A link to the Councils Corporate Plan is available here : [Corporate-Plan-2021-2024.pdf](https://trafford.gov.uk/Corporate-Plan-2021-2024.pdf) (trafford.gov.uk)

Objectives

The high-level objectives for the Council's capital investments have been reviewed as part of the Capital budget setting process to give schemes with more emphasis on savings and income generation a higher priority, to assist with the revenue challenges that the Council is currently facing, the priorities are: -

- Support the Medium-Term Financial Strategy (MTFS) by ensuring that capital investment decisions are not taken in isolation from revenue spending with specific emphasis on delivering future savings and income streams capable of supporting the revenue budget.
- Support investment that attracts additional external funding.
- Protect the Council's asset base including ICT infrastructure.
- Ensure schemes of a health and safety nature are delivered.
 - Statutory implications/impact on service delivery.
- Support achievement of Corporate Objectives and key priorities (these can be found in the Council Corporate Plan)

In an addition to the objectives set out above a developing theme for this and future capital programmes will be how our capital investment plans support the Council's ambition of achieving carbon neutrality by 2038.

In delivering both the Capital Programme and maintaining a mixed investment portfolio, opportunities to improve the carbon footprint will need to be explored. This will be done through exploring alternative delivery solutions around construction and working with potential partners to assess their green credentials.

Trafford Council was one of the first local authorities to declare a climate emergency in November 2018, whilst Greater Manchester has committed to being carbon neutral by 2038 through the Greater Manchester Combined Authority. Across the council and in partnership across Trafford, we are continuing to make progress with measures that will reduce our carbon footprint and put us on a pathway to carbon neutrality by 2038, and in doing so, help to improve the health and wellbeing of our communities, our environment, and our economy. The Council's Carbon Neutral Action Plan details those areas which are to be targeted to achieve the overall aim of carbon neutrality. These areas are.

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

Governance

Service managers bid annually in August to include new projects in the Council's capital programme and to confirm that schemes that are not contractually committed are still required to be considered as part of the proposed new three-year Capital Programme. Bids are collated by the Finance and Systems Service to identify those schemes that require financing either through the use of capital receipts or borrowing. New bids and those not yet contractually committed are then prioritised using the objectives detailed earlier in this report. The Director of Finance and Systems determines the capital resourcing envelope and recommends to Executive an appropriate level of overprogramming for the three-year capital programme considering such elements as current revenue pressures and availability of known receipts and potential future receipts.

Once the proposed schemes to be included in the three-year Capital Programme are finalised it is presented to the Capital Programme Board (chaired by Corporate Director of Place with representatives from all services invited) for discussion before being considered by Corporate Leadership Team and Executive.

The overall value of the three year capital programme is then recommended by the Executive for approval by Full Council in February alongside the Medium-Term Financial Strategy. The Council also approve any new borrowing associated with the capital budget. The Executive agree the capital schemes for inclusion within the capital programme.

Once the final programme has been approved, schemes are then subject to the following governance whilst works are being undertaken;

- Responsible Officers are assigned projects in line with their responsibilities.
- Regular budget monitoring meetings are held with Directorate Departmental Management Teams.
- Capital Programme Board chaired by the Corporate Director for Place supports the delivery of the capital programme and receives updates on progress and risks at monthly meetings.
- The progress of the programme is reported to the Executive on a bi-monthly basis.
- The Capital Programme is subject to Internal and External Audit Review

Full details of the proposed capital programme can be found in Section 2 Appendix 1.

Prudential Indicators

The Prudential Code for Capital Finance in Local Authority requires that the Council agree Prudential Indicators annually and monitor these on at least a quarterly basis during the financial year. These indicators are designed to support and record local decision making in a manner that is publicly accountable and cover the three areas as set out below:

Capital expenditure indicators:

- Estimates of capital expenditure;
- Estimates of Capital Financing Requirement;

Treasury Management Indicators

- Liability benchmark
- Upper and lower limits to the maturity structure of its borrowing
- Upper limits for long-term treasury management investment
- Authorised limit and Operational Boundary for external debt;
- Gross debt and the Capital Financing Requirement (CFR);

Affordability indicators

- Estimates of financing costs to net revenue stream;
- Estimates of net income from commercial and service investments to net revenue stream;

The Capital Expenditure and Affordability indicators are detailed and agreed as part of this Capital Strategy and the Treasury Management Indicators form part of the Treasury Management Strategy report.

Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property, highways and ICT, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. A de-minimis level of £10,000 exists for capital schemes. Schemes with a lower value are assessed for inclusion into the revenue budget. The only exceptions to this are if the scheme is supported by specific external resources.

For the three-year period 2024/25 to 2026/27, the Council is planning capital expenditure of £413.15m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m	TOTAL budget £m
General Capital Programme	74.89	69.55	10.12	154.56
Asset Investment Fund	77.31	161.93	19.36	258.59
Total Capital Expenditure	152.20	231.48	29.48	413.15

The main General Programme Investment schemes include:

- Delivery of School based improvements through Basic Need, Maintenance works and SEND provision - £43.08m
- Adults Social Care – including Disabled Facilities Grant - £9.48m
- Corporate Landlord Investment - £2.58m
- Town centre regeneration and investment - £2.88m
- Delivery of Leisure Strategy and improving outdoors sports facilities across the borough - £54.26m
- Active Travel schemes across the borough incl EV charging points - £12.85m
- Highways Structural Maintenance works including surface dressing and treatment works and Street Lighting - £12.30m
- Work at Carrington junction and relief Road - £4.60m
- Works on Parks and Greenspaces - £1.67m
- Investment of Local Authority Housing Fund - £2.86m
- Supporting the Council ICT infrastructure - £6.48m
- Other areas of investment - £1.52

The Council also plans to incur £258.59m of capital expenditure on the Council’s Asset Investment Strategy - more information can be found in Section 3.

Capital Financing

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m	TOTAL budget £m
Grants	49.55	36.68	8.31	94.54
External Contributions	4.51	4.87	-	9.38
Revenue and Reserves	3.15	-	-	3.15
Borrowing	14.01	21.42	-	35.43
Capital Receipts	-	6.25	3.34	9.59
Total Funding	71.22	69.22	11.65	152.09

A breakdown of these sources of funding are detailed in Section 2.

The Council’s underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This represents capital spend, not yet paid for by revenue or other capital resources (eg grants), incurred from current and prior years’ activities reflecting the level of the Council’s indebtedness or need to borrow.

CFR increases with new debt-financed capital expenditure and reduces with contributions made under Minimum Revenue Provision (MRP) and capital receipts used to repay debt. The CFR is expected to increase by £57.88m during 2024/25. Based on the above figures for expenditure and financing, the Council’s estimated CFR is as follows:

Table 3: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

Trafford Capital Strategy

	2023/24 Forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
General Capital Programme	87.75	74.89	69.55	10.12
Asset Investment Fund (AIF) spend	52.04	77.31	161.93	19.36
Capital expenditure – Total	139.79	152.20	231.48	29.48
Opening Capital Financing Requirement	412.02	461.52	519.41	587.41
Capital Expenditure	139.79	152.20	231.48	29.48
Less: Non-borrowing capital resources	(69.54)	(60.88)	(48.13)	(10.12)
Less: Minimum Revenue Provision	(4.35)	(4.47)	(4.59)	(4.71)
Less: AIF Investment Repayments	(15.99)	(28.53)	(110.29)	(28.34)
Less: PFI Adjustment	(0.34)	(0.36)	(0.40)	(0.42)
Less: Probation Service Adjustment	(0.07)	(0.07)	(0.07)	(0.07)
Cumulative Capital Financing Requirement	461.52	519.41	587.41	573.23

Asset management: To ensure that capital assets continue to be of long-term use, the Council has developed a 10 Year Estates Strategy 2023-33 which was approved in March 2023, The Council has a diverse portfolio of properties ranging from large office buildings to schools, leisure centres and libraries. A significant area of our work is to manage the commercial properties that help pay for the services that the Council provides. Overall, a portfolio of over 400 assets is managed. The core principals of the strategy are;

- Right sized and fit for purpose.
- Asset management focussed on low cost and maximising revenue.
- Investing for Growth.
- Transparency.

The Council's 10 Year Estates Strategy is available here: [Estates Strategy- Final- 20.02.23.pdf \(trafford.gov.uk\)](https://trafford.gov.uk/estates-strategy-final-20.02.23.pdf)

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on acquisition of new assets, improvement of current assets or to repay debt.

The Council is currently also permitted to spend capital receipts “flexibly” on service transformation projects. This provides Local Authorities the freedom to use capital receipts generated from the sale of assets (with the exception of right to buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings.

As part of capital programme approved in February 2023 the Council agreed “flexible use of capital receipts” to support the cost of Modernisation team who are involved in developing the Council’s Finance and Change Programme targeted at delivering sustainable savings to support the revenue budget over the medium term. The Capital Programme for 2024/25 includes the further flexible use of capital receipts to continue with the programme. Details are included in Section 2 paragraph 9.

Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £30.2m of capital receipts in the coming financial year as follows:

Table 4: Capital receipts receivable in £ millions

	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
Usable Capital receipts from Asset sales *	0.00	6.25	3.34
Capital Loans Repaid	30.20	110.48	0.34
TOTAL Capital Receipts	30.20	116.73	3.68

* There are no usable capital receipts in 2024/25 as a result of any receipts received, being required to meet a shortfall in 2023/24 requirement.

- Further details of planned asset disposals and development programme are included in the Strategic Land Review Programme which is approved on the same Executive meeting as this Strategy.

Treasury Management

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

The Treasury Management Strategy aims to maximise investment interest whilst minimising risk to the Council. The main objective surrounding the Council’s investment criteria is Security of capital first, Liquidity of its cash flows and finally Yields (SLY).

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

There are close links between the Capital Strategy and Treasury Management Strategy with

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

Asset Investment Strategy

The Council's Asset Investment Strategy, which was originally drafted in September 2017, this has been reviewed in order to better align with Council's strategic priorities and values, protect against near-term market uncertainty and incorporate recent guidance on Local Authority finances.

The primary objective of the Asset Investment Strategy is to promote regeneration and the Council's 3 Strategic Priorities while creating a suitable income stream to support frontline services. The Council will also ensure that future investments are in keeping with the Council's objective and policies around environmental sustainability. Further details on the Council Investment can be found in Section 3.

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

- ❖ Leader of the Council
- ❖ The Chief Executive
- ❖ Leader of the Green Party Group
- ❖ Leader of the Conservative Group
- ❖ Executive Member for Finance, Change and Governance
- ❖ Executive Member for Economy and Regeneration

(*) The Leader of the Liberal Democratic Group has chosen not to take up a position on the Board.

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

- Further details on the strategic priorities, risk management of commercial investments are in the Asset Investment Strategy in Appendix 3

Revenue Budget Implications (Affordability Indicators)

Estimates of net income from commercial and service investments to net revenue stream; This indicator compares income, net of operational costs but not financing costs, from commercial investments to the Council's net revenue stream. As before, this comparison allows for consideration for the Council's reliance on that income and its proportionality.

Table 5: Prudential indicator: Net income from commercial and service investments to net revenue stream in £ millions

	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
Total net income from service and commercial investments (£m)	16.20	17.16	16.65	15.47
Net Revenue Stream	201.97	214.04	214.13	214.43
Proportion of net revenue stream	7.9%	8.0%	7.8%	7.2%

Estimates of financing costs to net revenue stream; Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and provision for repayment of the principal are charged to revenue. This indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income(*)) against the Council's net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. This demonstrates the affordability and proportionality of that borrowing by comparing it to the Council's net revenue stream as a whole.

Table 6: Prudential Indicator: Proportion of financing costs to net revenue stream in £ millions

	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
Net Financing costs (£m)	- 1.99	2.12	3.93	5.89
Proportion of net revenue stream	-1.0%	1.0%	1.8%	2.7%

(*) The level of investment income generated through the Asset Investment Strategy means that net financing costs on this indicator are low; a more appropriate measure of risk is provided is shown in Table 7 which uses gross financing costs.

Estimates of financing costs to net revenue stream; this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council’s net revenue stream. This demonstrates the affordability and proportionality of that borrowing by comparing it to the Council’s net revenue stream as a whole.

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream in £ millions (detailed) and local indicator Gross Investment Income

	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
Net Revenue Stream (£k)	201.97	214.04	214.13	214.43
Net Financing Costs * (£k)	(1.99)	2.12	3.93	5.89
Net Financing Costs to NRS (%) (Prudential Indicator)	- 1.00%	1.00%	1.80%	2.70%
Gross Financing Costs (£k)	13.61	16.87	17.89	18.21
Gross Investment Interest Income (£k)	(15.60)	(14.75)	(13.96)	(12.32)
Net Financing Costs (£k)*	(1.99)	2.12	3.93	5.89
Using Gross Financing Costs to NRS (%)	6.74%	7.88%	8.35%	8.49%

(*) The prudential indicator requires a comparison between Net Financing Costs and the Net Revenue Budget; however this does not demonstrate fully the risk due to the high levels of investment income that the Council generates.

The **Gross** Investment Interest Income and **Gross** Financing Costs are more appropriate and reflect

- Risk of losing Gross Investment Income as this pays for borrowing costs
- Gross Financing Cost is the amount of exposure you need to pay

The Gross Financing Costs to Net Revenue Stream has been prepared as a local indicator as shown in the table above.

Further details on the revenue implications of capital expenditure can be found within the Medium-Term Financial Strategy which is also going to this Executive meeting

Local Indicators

Local Indicators are indicators that are not statutorily required but are included in the Council's suite of capital indicators to provide additional transparency and reporting information. The indicators below relate to forecast activity and performance in the Council's Asset Investment Strategy (AIS). The rolling investment nature of the AIS means that income is forecast to decrease in later years as investments mature, to be replaced by new investments within the pipeline yet to be agreed.

The Council has previously used income from its investments to contribute to a Risk Reserve. Over the next three years, this reserve will be used to mitigate against income shortfalls from the Stretford Mall and Stamford Quarter LLPs as trading is impacted by the ongoing regeneration works. Once work is complete, income is forecast to recover, and surpluses can be used to replenish the fund.

Table 8: Local Indicators.

	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
Asset investment Strategy				
Gross Income	14.40	15.00	14.49	13.12
Financing Costs	8.60	10.27	10.61	10.15
Risk Reserve				
Balance B/fwd	5.01	5.12	4.52	3.78
Net contributions to/(from) Risk Reserve	(1.39)	(0.60)	(0.74)	(0.26)
Transfer from Interest Rate Smoothing Reserve	(1.50)			
Forecast Risk reserve balance at year end	5.12	4.52	3.78	3.52

Sustainability

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance and Systems is satisfied that the proposed capital programme is prudent, affordable and sustainable after considering that;

- The extent to which the Council's revenue budget is reliant on income from investments

- Whether any plausible losses associated with any of the Council's investments could be absorbed in budgets or reserves without unmanageable detriment to local services.
- The investments included within the Capital Programme are fully funded and proportionate to the benefit provided.

Knowledge and Skills

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

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

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

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

Section 2

Capital Programme

CAPITAL RESOURCES UPDATE 2024/27

1. A review of capital resources was undertaken to determine the amount available to fund the three-year 2024/27 general Capital Programme. This indicates total available resources of £152.09m as follows:

Table 2 – Available Resources	2024/27 Total £m
Capital Grants	94.54
External contributions	9.38
External Resources	103.92
Reserves & revenue	3.15
Borrowing	35.43
Available Receipts – Strategic Land Review and other	9.59
Internal Resources	48.17
Resourcing Total	152.09

External Resources

2. External resources available to support the Capital Programme are received from a number of sources. These include grants from government bodies, statutory and other developer contributions (e.g. S.106) and partner contributions interested in specific projects. These resources can be very specific with little, if any, discretion on how they can be applied.
3. **Capital Grants - £94.54m:** These include grants from central government departments and agencies and the major areas include: -
 - **£34.86m** for schools related investment for Schools from the Department for Education.
 - **£5.12m** from the Department for Education create places and to improve facilities for pupils with special educational needs and disabilities (SEND).
 - **£0.56m** from Department for Education for childcare
 - **£8.71m** from the Department for Levelling Up, Housing and Communities for disabled facilities grants
 - **£1.00m** from Department for Levelling Up, Housing and Communities for Future High Streets Fund to support work in Stretford
 - **£17.17m** from Department for Levelling Up, Housing and Communities for works at Partington Leisure Centre
 - **£9.28m** from the Department of Transport to support investment in highways and infrastructure

- **£0.22m** from Greater Manchester Combined Authority for Decarbonisation works across the
 - **£4.60m** from Transport for Greater Manchester to assist with infrastructure schemes.
 - **£12.16m** from the Mayors Challenge Fund for improving the network for pedestrians and cycle users.
 - **£0.41m** from Department Levelling Up, Housing and Communities for the Local Authority Housing Fund.
 - **£0.45m** from Department for Environment, Food and Rural Affairs for weekly food collections
4. **External Contributions - £9.38m:** These include contributions from public bodies and private contributions
- **£0.89m** from the Football Foundation to assist in improving football facility provision
 - **£0.21m** from Lawn Tennis Association to support Parks Tennis Court Programme
 - **£1.30m** from Sport England to support works Altrincham Leisure Centre
 - **£0.87m** from English Cricket Board to support works at Stretford Leisure Centre
 - **£2.00m** from Sport England to support works at Partington Leisure Centre (subject to approval)
 - **£1.26m** of external contributions from various organisations to support works at Partington Sports Village
 - **£0.59m** from Section 106 Contributions towards Longford Park HLF bid.
 - **£1.50m** of Section 106 Contributions to support the Future High Street scheme in Stretford
 - **£0.76m** being a number of smaller contributions towards a variety of schemes

Internal Resources

5. The restrictions on the ability to apply external resources to specific schemes means that only internal resources are available for application on discretionary investment. Internal resources mainly comprise prudential borrowing and capital receipts.
6. **Prudential Borrowing - £35.43m:**
- £28.57m of borrowing, previously agreed by Council is in the three-year capital programme to assist with the delivery of the Leisure Strategy, where redevelopment of Altrincham leisure centre which is currently underway with £1.63m to support completion of the scheme and an element of £1.18m being committed for matched funding to support levelling up funding for the redevelopment of Partington leisure centre. The remaining allocation of £27.26m is currently earmarked to support the ongoing leisure investment programme for which specific approvals will be sought from Executive.
 - There is £2.41m of borrowing as the matched element to funding awarded from Department Levelling Up, Housing and Communities for the Local Authority Housing Fund with the objective to provide long term sustainable accommodation for Ukraine and Afghan families.

- Previously approved supported borrowing £4.45m is still required to support a number of schemes within the wider programme.
- 7. Reserves and Revenue – £3.15m:** There are currently a range of projects supported by the application of reserves including:
 - **£2.00m** for the replacement of SAP financial system
 - **£1.00m** to support additional highway investment over and above that supported by external grant
 - **£0.15m** support a small number of other schemes
 - 8. Capital Receipts – £9.59m :** A review of the sites included in the current Strategic Land Review Programme has been undertaken along with other potential receipts to determine an estimate of the level of capital receipts likely to be available to support the programme. The Strategic Land Review Programme is a subject of a further report to the Executive. Total capital receipts over the next three years are currently expected to be £13.66m, this includes £6.05m from the sites that have been identified for self-development by the Council. Of the total receipts, £2.02m is required to support a funding shortfall in 2023/24, with £2.05m to fund flexible use strategy and MRP costs, related to the Council’s PFI scheme, giving a balance of £9.59m available to support the 2024/27 programme.
 9. As part of the Autumn Statement released in November 2024, the Government confirmed the extension of the flexible use of capital receipts which provides Local Authorities the freedom to use capital receipts generated from the sale of assets (with the exception of right to buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings. As part of capital programme approved in February 2023 the Council agreed “flexible use of capital receipts” to support the cost of Modernisation team to the sum of £0.85m in 24/25, the team will be involved in developing the Council’s Finance and Change Programme targeted at delivering sustainable savings to support the revenue budget over the medium term.
 10. The following table gives the current position of capital receipts for 2024/25 to 2026/27

Table 4: Capital Receipts	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Land Sales	1.96	3.65	2.00	7.61
Self-development Returns	-	4.28	1.77	6.05
<i>Less costs:</i>				
Flexible Use Strategy	(0.85)	-	-	(0.85)
MRP allowance (Sale PFI)	(0.37)	(0.40)	(0.43)	(1.20)
Total Estimated Receipts	0.74	7.53	3.34	11.61
Amount required to support estimated deficit in 2023/24	(0.74)	(1.28)	-	(2.02)
Net receipts available to support 2024/27 capital programme	0.00	6.25	3.34	9.59

PROPOSED CAPITAL PROGRAMME 2024/2027

11. The value of the proposed three year general Capital Programme is £154.56m, a summary is shown in the table below, with detailed analysis shown in Appendix 1. The capital programme will be reviewed and updated in the monitoring reports to Executive throughout the year.

Table 5: Capital Programme and funding	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget Total
<i>Investment:</i>	£m	£m	£m	£m
Children's Services	15.74	24.61	2.93	43.28
Adult Social Care	4.44	2.57	2.47	9.48
Place	51.76	40.65	2.91	95.32
Finance & Systems	2.95	1.72	1.81	6.48
General Programme Investment	74.89	69.55	10.12	154.56
<i>Funding:</i>				
Grants	49.55	36.68	8.31	94.54
External Contributions	4.51	4.87	-	9.38
Revenue & reserves	3.15	-	-	3.15
Prudential Borrowing	14.01	21.42	-	35.43
Capital Receipts available	-	6.25	3.34	9.59
Total Funding	71.22	69.22	11.65	152.09
Surplus / (Deficit)	(3.67)	(0.33)	1.53	(2.47)

12. The surplus and deficit reflects the likelihood of timing differences between financial years relating to delivery, cost efficiencies (e.g. from procurement) and availability of receipts/development returns. This will be included in the regular Executive monitoring reports including any corrective action required as appropriate.

13. Where there are in year deficits there may be the requirement to undertake some temporary borrowing. This would create an additional cost of the revenue budget and need to be contained within the Treasury Management budget; regular monitoring will be undertaken through Capital Programme board to mitigate the risk of this happening.

14. Appendix 2 is a specific list of the schemes that require approval in 2024/25 for the areas of the programme covering:

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

Section 3

The Asset Investment Strategy

1. The Council has an approved Investment Strategy and the establishment of the Investment Management Board (IMB) to oversee implementation of the Strategy. The overall objective of the strategy is:

“To promote Trafford Council’s strategic priorities while creating a suitable income stream to support local services”.
2. The strategy is reviewed, updated as necessary, and approved by the Council annually. The updated strategy is found in Appendix 3 (unchanged from 2023).
3. The overall budget envelope agreed for the Asset Investment Strategy is currently £500m, supported by prudential borrowing. The total budget envelope of the strategy is reviewed annually to ensure that it is set at an appropriate level to cover the commitments and provide a reasonable level of head room. This review has been considered by the Scrutiny Committee as part of their review of the budget and is satisfied that it is appropriate to maintain the fund at its current level of £500m. The transactions that have been agreed by the Investment Management Board (IMB) to date have a total current committed cost of £436.4m, of which £273.5m has currently been expended. The balance of the approved £500m which is available for further investment is £63.6m
4. This investment to date has already provided a net benefit to support the revenue budget of £25.41m over the last 5 financial years, and is forecast to provide a further £5.94m in 2023/24.
5. In 2024/25, the targeted net income for the Strategy is £6.04m. This target will require the Council to build upon the investments it has made to date to generate additional income, while ensuring that any new investments are compliant with the Investment Strategy and supports the Council’s Corporate Priorities. To assist with achieving this target, as investments are sold or recouped, the funds will be recycled into new investments.
6. Included in the table below are costs listed as Various Development Sites under Property Development, these costs relate to feasibility work that has been undertaken to progress future developments. Once the feasibility work is completed, any approved schemes will be brought forward and the costs included within the Asset Investment Strategy envelope. Future schemes being evaluated includes the Jubilee Centre, Bowdon, and Stokoe Avenue, Altrincham.
7. In addition to the capital commitments listed in the following table, the Investment Management Board has also approved the Council to provide a debt facility of £17.62m secured against a portfolio of properties in Manchester City Centre, known collectively as Albert Estate. This facility is funded through surplus cash balances and so is a part of the Council’s Treasury Management Strategy, rather than a capital investment. In April 2022, £5.68m was repaid by the borrower, reducing the facility to £12.01m.

Asset Investment Fund	Prior Years	Repayments	Actual Spend 2023/24	Commitment	Total £m
	Spend £m	£m	£m	£m	
Total Investment Fund					500
Property Purchase:					
Sonova House, Warrington	12.2	-		-	12.2
Grafton Centre, Altrincham	10.8	-		-	10.8
The Fort, Wigan	13.9	-		-	13.9
Sainsbury's, Altrincham	25.6	-		-	25.6
Sub Total	62.5	0.0	0.0	0.0	62.5
Property Development:					
Sale Magistrates Court	6.4	-	(0.0)	28.4	34.8
Brown Street, Hale	9.2	(6.1)	0.1	-	3.2
Former sorting office, Lacy Street, Stretford	0.9	-	0.0	-	0.9
GMP Site, Chester Road, Old Trafford	0.0	-	0.0	0.6	0.6
Care Home Purchase & Remediation	2.4	-	0.1	0.6	3.1
Tamworth	0.2	-	0.0	0.3	0.4
Various Development Sites	0.6	0.0	0.6	0.0	1.2
Sub Total	19.7	(6.1)	0.8	29.9	44.2
Equity:					
Stretford Mall, Equity	9.3	-		7.1	16.4
Stamford Quarter, Equity	20.0	-	3.1	2.1	25.2
K Site, Stretford Equity	11.7	-	0.7	(0.2)	12.2
Sub Total	41.0	0.0	3.8	9.0	53.8
Development Debt:					
Bruntwood; K site	11.5	-	0.7	(0.0)	12.2
Bruntwood; Stamford Qtr./Stret Mall	29.3	-	3.1	9.2	41.6
CIS Building, Manchester	60.0	(25.8)		-	34.2
Castle Irwell, Salford	19.6	(19.6)		-	0.0
Castle Irwell, Salford – Phase 2	11.0	(9.5)	0.0	0.0	1.5
Castle Irwell, Salford – Phase 3	0.0		7.5	8.5	16.0
Hale Library	3.8	(1.3)	0.5		3.0
Network Space, Broadheath	6.7	-	9.7	5.1	21.5
Sunlight House	22.2	-	1.3	4.8	28.3
Barton Dock Road, Trafford Park	3.1	-	6.0	2.9	12.0
One Victoria	0.0	0.0	0.0	22.6	22.6
Moorfield, Lumina Village	0.0	-	0	71.0	71.0
Sub Total	167.2	(56.2)	28.8	124.1	263.9
Total Capital Investment	290.4	(62.3)	33.4	163.0	424.4
Albert Estate Investment	17.6	(5.6)		-	12.0
Total Investment	308.0	(67.9)	33.4	163.0	436.4
Balance available					63.6

2024/2027 PROPOSED CAPITAL PROGRAMME				
	2024/25	2025/26	2026/27	Total
DESCRIPTION	£m	£m	£m	£m
Schools				
Basic Need – School Places	1.79	19.18	-	20.97
Altrincham College	3.58	2.00	-	5.58
Devolved Formula Capital	1.14	0.38	0.37	1.89
Capital Maintenance Grant	3.32	3.05	2.56	8.93
Childcare Grant	0.56			0.56
Brentwood School - SEND	3.15	-	-	3.15
Egerton School - SEND	2.00	-	-	2.00
Sub-total	15.54	24.61	2.93	43.08
Children's Services				
Foster Carers – Adaptations to Registered Social Landlord Properties	0.20	0.00	0.00	0.20
Sub-total	0.20	0.00	0.00	0.20
Adults Social Care				
Disabled Facility Grants	3.77	2.47	2.47	8.71
Disabled Facility Grants - Additional Support	0.10	0.10	-	0.20
Our Place - Safety Works	0.57	-	-	0.57
Sub-total	4.44	2.57	2.47	9.48
Place				
Town Centres Loans Fund	0.07	0.07	-	0.14
Market Street Altrincham	0.24	-	-	0.24
Future High Street Fund	2.50	-	-	2.50
Public Building Repairs & Compliance Prog – Appendix 2	0.52	0.40	-	0.92
Sale Waterside/ Trafford Town Hall Improvements incl Update Working Arrangements	0.06	-	-	0.06
Altrincham Market House Improvements	0.10	-	-	0.10
Watling Gate – Preservation/Conservation	0.16	-	-	0.16
Estates Savings Requirements	0.62	-	-	0.62
De-Carbonisation Programme	0.50	-	-	0.50
Claremont Centre Works	0.07	-	-	0.07
Corporate Building Security Review	0.15	-	-	0.15
Altrincham Leisure Centre	3.93	-	-	3.93
Stretford Leisure Centre	4.58	13.72	-	18.30
Leisure Strategy – Refurbishment and Essential Works	-	8.33	-	8.33
Partington Sports Village – Levelling Up Fund	8.00	13.61	-	21.61
Football Facility Provision	1.22	-	-	1.22
Timperley Sports Club - Artificial Pitch	0.48	-	-	0.48
Longford Park Sports – Track Replacement	0.10	-	-	0.10
Altrincham Golf Course	0.08	-	-	0.08
Parks - Tennis Courts Programme	0.21	-	-	0.21
Integrated Transport Schemes – Appendix 2	0.27	-	-	0.27
Mayors Cycling and Walking Challenge Fund	12.16	-	-	12.16
Residents Parking Scheme	0.06	-	-	0.06
Boroughwide – Boundary / Village Entry Signs	0.05	-	-	0.05

Electric Vehicle Charging Points	0.42	-	-	0.42
Moving Traffic Offences - Boroughwide Cameras	0.15	0.15	-	0.30
Highways Structural Maintenance – Appendix 2	3.85	2.61	2.91	9.37
Surface Dressing & Treatment Programme	0.50	0.50	-	1.00
CRSTS - Key Route Network Programme	0.20	-	-	0.20
Street Lighting	0.83	0.30	-	1.13
Electric Street Furniture Replacement	0.10	-	-	0.10
Bridge Assessments and Strengthening – Appendix 2	0.50	-	-	0.50
Carrington Junction and Relief Road – Appendix 2	4.60	-	-	4.60
Parks Infrastructure	0.25	0.10	-	0.35
Play Area Refurbishment	0.10	0.10	-	0.20
Longford Park, Stretford: Heritage Lottery Fund Bid	0.15	0.59	-	0.74
Support incl Section 106				
Countryside Infrastructure	0.04	-	-	0.04
Parks & Open Space, Outdoor Sports & City Of Trees – S.106 Funded	0.19	0.15	-	0.34
Food Waste Collection Programme	0.45	-	-	0.45
Parking Services	0.10	-	-	0.10
Assistance to Owner Occupiers	0.01	0.01	-	0.02
Housing Standards / Empty Property Initiatives	0.01	0.01	-	0.02
Local Authority Housing Fund	2.82	-	-	2.82
CCTV Cameras – Fly-tipping Prevention	0.36	-	-	0.36
Sub-total	51.76	40.65	2.91	95.32
Finance & Systems				
SAP Systems Landscape - Upgrades	0.22	-	-	0.22
CRM - Update/Replacement	0.80	-	-	0.80
Device Replacement Programme	0.35	0.40	0.40	1.15
Content Management System	0.04	0.10	-	0.14
Unsupported Server O/S Migration	0.03	0.08	-	0.11
Network Replacement	0.55	-	-	0.55
I Trent Replacement	0.27	-	-	0.27
Information Management Services for Regulatory Services	0.38	-	-	0.38
Cloud and Data Centre Strategy	-	0.51	-	0.51
Cloud Telephony and Unified Communications	0.04	0.07	-	0.11
Security Infrastructure - Perimeter Firewall replacement	0.24	-	-	0.24
Information Management Services for Regulatory Services	0.03	0.56	1.41	2.00
Sub-total	2.95	1.72	1.81	6.48
GENERAL PROGRAMME TOTAL	74.89	69.55	10.12	154.56
Asset Investment Programme	77.31	161.93	19.36	258.59
TOTAL PROGRAMME	152.20	231.48	29.48	413.15

Public Buildings Repairs and DDA Compliance Programme – 3 Year Programme	
Description	Value £000
Previously Approved and Committed Schemes	77
Tatton Depot – Roof Repairs	300
33 Old Hall Rd Children's Home Replacement fire doors and frames	40
Fire Remedials (Multiple sites)	28
Equality Works	36
Kingsway Park Children's Home Replacement fire doors and frames	39
2024/25 Total	520
Sale West Youth Centre (Integrated with Sale West Community Centre) – Rewire/New boiler replacement	276
Flixton Park Repairs to park garden wall	39
Hayeswater Contact Centre Replacement Windows	18
John Leigh Park Repairs to park garden wall	27
Longford Park Repairs to park garden wall	40
2025/26 Total	400
Public Building Repairs Programme Total	920

Integrated Transport Programme	
Description	Value £000
Collision Analysis	5
Traffic Regulation Orders	55
Minor/Medium Works	30
Dropped Crossing Programme	25
Disabled Persons Parking	30
School Streets & School Keep Clear markings	10
20mph Programme	60
Variable Message Signs/Vehicle Activated Signs	20
Walking and Cycling - Moss Lane, Altrincham	15
Red Routes / Traffic Regulation Orders	20
Integrated Transport Programme Total	270

Bridge Assessments	
Description	Value £000
Previously Approved and Committed Schemes	250
Bridge Inspections	85
Asset Management	30
Assessment/Studies/Advanced Design	30
Bridge Minor Works	40
Warburton Mill Bridge A6144, Warburton	65
Bridge Assessments Total	500

Highways Structural Maintenance Programme	
Description	Value
Highways Structural Maintenance - Asset Management	£000
Previously Approved and Committed Schemes	2,001
Asset Management	
Patching and Pot Holes	50
Drainage Programme	180
Markings, Signs & Street Furniture	80
Vehicular safety barriers and Pedestrian guardrail	50
Footways	200
Joint treatment/Over banding	10
Surveys - Highway Condition	100
Serviceability Repairs	30
Advanced Design	20
Flood Alleviation/ Duty	40
Disused Railway Tracks – Various Sites	100
Asset Management Total	2,861
Highways Road Resurfacing	£000
Park Road, Bowdon	57
Park Road Timperley	52
Lingfield Avenue, Sale	44
Cloverly Drive, Timperley	28
Westing House Road Phase 1	245
Broomfield, Altrincham	35
Newgate Road, Sale	73
Cherry Lane, Sale	134
Humphrey Crescent, Urmston	45

Banky Lane, Sale	30
Oakwood Lane, Bowdon	65
Bucklow Avenue, Partington	57
Haydock Drive, Timperley	38
Queens Road, Hale	39
Millway , Hale	48
Highways Resurfacing Total	990
Description	Value
Surface Dressing and Treatment Programme	£000
Vyner Grove (Sale) Glebelands Road - Cul De Sac	7
Ennerdale Dr (Sale) Stokesy Road (W) - Stokesy Road (E)	34
Hunters Mews (Sale) Oakfield - Cul De Sac	8
Pulford Road (Sale) Farley Road - Derbyshire Road	39
Lurgan Avenue (Sale) Arran Avenue - Cul De Sac	7
Lucy Street (Old Trafford) City Road - Stretford Road	34
Briggs Road (Stretford) Greatstone Road - Cul De Sac	4
Ponsonby Rd (Stretford) Davyhulme Road (E) - Grasmere Road	30
Erlington Av. (Old Trafford) Ryebank Road (W) - Ryebank Road (E)	41
Truro Avenue (Stretford) Faulkner Road - Kings Road	19
Melfort Avenue (Stretford) Granby Road - Cul De Sac.End	20
Melville Road (Stretford) Barton Road - Cul De Sac	37
Chinley Avenue (Stretford) Ashbourne Road - Cul De Sac	5
Cornbrook Street (Old Trafford) Stretford Road - Cul De Sac	31
Lillian Street (Old Trafford) Walter Street - Northberland Road	14
Brooks Road (Old Trafford) Seymour Grove - Wood Road Nth	41
Holly Drive (Sale) Roebuck Lane - Cul De Sac	8
Montague Road (Sale) Hope Road - Wardle Road	40
Trafalgar Road (Sale) Dane Road - Linton Road	7

Bridgewater Street (Sale) Chapel Road - Harley Road	14
Alderley Road (Sale) Frodsham Road - Chelford Road	60
Surface Dressing and Treatment Programme Total	500

Asset Investment Strategy



Trafford Investment
Strategy - January 20:

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Asset Investment Strategy





January 2023

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Executive Summary

Introduction

CBRE Investment Advisory has updated the Investment Strategy for Trafford Borough Council (“Trafford” or the “Council”), originally drafted in September 2017 and last updated in July 2022.

Recent updates:

- 2021 update better aligned the Investment Strategy with Council’s current strategic priorities and values, protected against near-term market uncertainty and incorporated guidance on Local Authority finances.
- A further update was incorporated in 2022 to provide some flexibility to the strategy in instances where a potential transaction deviated from the parameters set out in the Investment Strategy, but where wider transaction characteristics help mitigate any potential risk associated with this. The intention was to allow the Council to engage in such transactions that meet the overall purpose and intention of the strategy.

There are no further strategy changes currently proposed for the strategy, which is currently operating successfully, with a strong portfolio of income producing investments and a healthy pipeline.

This document confirms the previous strategy and consolidates the 2022 changes into a coherent document.

Investment Objective

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

Rationale

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

This can be done through:

- Using development, refurbishment or pre-construction lending to bring forward projects that compliment these objectives.
- Structuring lending transactions to incentivise borrowers to work towards objectives.
- An allocation within the fund aimed at deployment against social investments.
- Investing directly into regeneration projects or strategy real estate assets that give the council more control over their outputs.

The following shall not be included in the Investment Strategy:

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

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

Strategic Priorities for Investment Strategy

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

Council Outcomes

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

Council Priorities

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

Strategic Priorities

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

Preferred Attributes

CBRE has created 21 Development Attributes to align with the Strategic Priorities.

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

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

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

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

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

	<ul style="list-style-type: none">7. Local sub-contractors employed8. Forms part of a regeneration plan9. Community uses included	<ul style="list-style-type: none">15. Cycle / public transport promoted by project16. Low carbon and renewable energy generation part of project17. Energy storage part of project
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Investment Characteristics

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

Routes to Investment

Development Lending

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

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

We will focus on senior lending, set appropriate covenants on all loans to ensure the Council's investment has sufficient headroom to protect against potential losses in the future.

Direct Investment (Equity)

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

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

Pricing, Sector and Geography

Minimum Return

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

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

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

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

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

Sector Preferences

The Investment Strategy is not limited to specific real estate asset sectors.

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

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

Geographic Investment Zones

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

The order of preference for investment is:

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

Prioritising In-Borough Investment

In order to prioritise investment within borough, the following measures are in place:

- A 0.50% reduction in the return requirement for investing in-Borough.
- Waiving the temporary leverage reductions if required (see Lending Investments – Specific Guidelines below).

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

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

Trafford Borough Council Economic Area

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

Lending Investments – Specific Guidelines

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

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

Temporary Restrictions of Leverage Levels

During this period of economic uncertainty, leverage levels on new transactions are reduced by 5%.

- This would make the temporary maximum LTV Ratio 65% and a maximum LTC Ratio of 75%.

These temporary leverage levels are regularly reviewed. At present they are still considered to be appropriate and are therefore retained.

Infrastructure Investments

In addition to traditional real estate sectors, lending to support the development of infrastructure will be considered as a potential investment type. This will predominantly be the funding of low carbon or renewable energy generation, such as solar, wind or biomass projects. This could also include the addition to exiting assets of on-site renewable or retrofitting, along with a loan against the property.

The same leverage and return criteria will apply as other development lending investments, and the investments will strictly require the following attributes:

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

Social Lending Investments

Investing in “Social” investments will be considered as well. The structure of these will be developed in 2023 by CBRE in consultation with local community groups, charities and innovators in these sectors. It is expected that these debt investments will be used in order to give community groups and charities a route to real estate acquisition, although the structure of this is to be confirmed.

The social investment strategy will:

- Target commercial returns, but with a minimum of 2.00% + PWLB (a 50 basis point reduction to the overarching target returns listed above).
- Target an allocation of £40.00m towards social investments.
- Where considered appropriate, exceed the leverage maximums for Lending Investments.

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

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

Direct Investments – Specific Guidelines

Equity investment will take place under two main circumstances, both anticipated to be in-Borough:

- Council investment in a development, or
- To allow for strategic land purchase.

Investment styles:

- **Joint Venture:** A Joint Venture could occur between the Council and one or more other parties. There is no single formula for a joint venture as each party can bring different attributes to the relationship. In borough, it is possible that the Council would contribute land and/or costs, and the JV Partner would provide development or other expertise. Both parties would share in the upside and risks of the development.
- **Direct Investment:** the Council could choose to purchase land and develop themselves, or purchase land, work up planning and sell to a developer once planning is achieved, thus unlocking the land and accelerating the development.
- **Forward Funding a development:** This opportunity will arise from a Developer seeking capital investment into a project. The usual structure involves the investor purchasing the land, committing to piecemeal payments throughout the development with a final balancing payment upon practical completion. The key benefit to the Council would be that all of the Development expertise are placed in the third-party Developer. Furthermore, there is a prescribed fixed price payment plan as determined by a Development Agreement, so the costs are known from the outset.

If the Council seeks to invest in real estate for strategic purposes, the investment criteria will depend on the reason for investment or strategy. For example (but not limited to):

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

Investment Strategy Flexibility

The Investment Strategy includes parameters that help guide and inform the nature of Trafford's investments. These parameters include (though are not limited to) risk indicators such as leverage, return hurdles, ESG requirements, geographical constraints etc.

There is, however, an acknowledgement that every transaction is different, and there may be instances where transactions have characteristics which sit outside of the aforementioned parameters, but which also possess other qualities which, when viewed on balance, help mitigate this non-compliance with the strategy. In these instances, the Investment Strategy should provide some flexibility to assess the transaction holistically and across all of its characteristics, and support those which are deemed to meet the aims and objectives of the Investment Strategy and at no extra risk (as advised by CBRE). This should also be analysed on a portfolio level against the Council's existing investments.

By way of an example of such instances:

- Allowing for an increase in leverage in instances where there is a forward purchase agreement in place to purchase the whole, or part, of the property at practical completion, thus reducing market and exit risk. This will be subject to the following conditions, which ensure that (a) market risk, (b) exit risk and (c) cost risk are all sufficiently mitigated:
 - The third party has a strong financial covenant which can be expected to remain strong through the term of the development;
 - The purchase price is unconditional other than on completing the development to a certain specification (i.e. not linked to lettings achieved, market values etc.);
 - There is at least 12 months headroom between the project monitors projected PC date and the longstop date of the forward purchase;
 - There is a strong contractor in place with a fixed price design and build contract to complete the scheme, matching the specification of the forward purchase;
 - The headroom between purchase price and the total loan facility represents a minimum of 15% of the fixed price build contract of the scheme.
- Allowing for lower financial return requirements where the transaction would deliver other, wider returns to the Council (be it economic development, social or environmental), such as necessary regeneration, delivery of services for residents, excellent (above market) environmental credentials etc.
- Allowing for investments that are located marginally outside of the geographic zones, but where it can be proven it is within the economic area of the Council (and Council residents) and will drive benefits to both.

Local Authority Finance Guidance

Guidance since the Last Update

As and when guidance on Local Authority Finance has been introduced it has been incorporated into the Council's Investment Strategy. The latest requirements from consultations and guidance documents are found below.

Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code for Capital Finance, 2021

The Prudential Code was developed by CIPFA as a professional code of practice to support local authorities in the development and delivery of their programmes of capital investment. Local authorities are required by legislation to have regard to the Prudential Code when carrying out their duties.

The requirements of the Code have been reviewed and compliance has been ensured in the production of this strategy.

Relevant Code requirements, inclusive of those added in an update to the Code in December 2021:

- Investments are affordable and proportionate; all borrowing is prudent and within sustainable levels and the risks associated with commercial investments are proportionate to their financial capacity.
- Local authorities must not borrow to invest primarily for financial return
- It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Authorities with existing commercial investments (including property) are not required by the Code to sell these investments, however, authorities that have an expected need to borrow should review options for exiting financial investments (non-property commercial investments)

PWLB Guidance –Revised in May 2022

Borrowing from the PWLB by authorities is permitted under the following definitions and categories:

- **Service delivery** - expenditure on assets that form part of the authority's public service delivery
- **Housing** - includes all spending on delivering new homes, maintaining or improving existing homes, and purchasing built homes to deliver housing services
- **Regeneration** - direct investments in assets to generate additional social or economic benefits.
- **Preventative action** - a special category which involves direct financial support to local companies or acquiring assets as a way to protect jobs, prevent social or economic decline
- **Treasury Management** - includes the refinancing or extending of existing debt from any source, the externalisation of internal borrowing or borrowing to manage cashflow within year

Borrowing for the purpose of investing primarily for yield is not supported, and would disqualify the authority from borrowing from the PWLB during the same three year capital cycle, including for the purpose of unrelated expenditure such as service delivery.

Thank you

For more information

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee 7 February 2024
Executive and Council 21 February 2024
Report for: Decision
Report of: The Executive Member for Finance, Change and Governance and the Director of Finance and Systems

Report Title

TREASURY MANAGEMENT STRATEGY 2024/25 – 2026/27

Summary

This report outlines the:

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

Recommendations

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

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2024/25 – 2026/27 including the:
- policy on debt strategy as set out in section 4;
- the updated policy on Minimum Revenue Provision in section 5;
- Investment Strategy as set out in section 6;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 2.

Contact person for access to background papers and further information:

Name: Frank Fallon

Background papers: None

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

Executive Summary

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

Economic position (Section 3)

Major influences on the Authority's treasury management strategy for 2024/25:

- Impact of higher interest rates and inflation
- weakening economic outlook
- uncertain political climate due to an upcoming general election
- war in Ukraine and the Middle East

Debt (Section 4)

- New external borrowing will be taken to assist in financing the capital borrowing requirement as outlined in the 2024/27 Capital Programme report
- All associated costs of new borrowing to be contained within the Medium Term Financial Plan
- Debt restructuring exercises will only be undertaken in order to produce revenue savings or reduce overall treasury risk

MRP (Section 5 and Appendix 2)

- MRP Policy and any potential review
- The Council switched from an approach of setting aside MRP for both supported and unsupported (prudential) borrowing on an equal instalment basis to an annuity basis in 2023/24

Further detail can be found in Section 5 of this report.

Investments (Section 6 and Appendix 3)

- The Council's investment criteria remains unchanged from that previously adopted of **S**LY, **S**ecurity of capital first, then **L**iquidity of its cash flows and finally **Y**ields.
- Council is required to agree the Investment criteria and this is set out for Member approval at Appendix 3.

Prudential Indicators and limits (Section 8 and Appendix 2)

- Council is required to approve a set of Prudential Indicators and limits ensuring its capital expenditure plans and borrowing remain robust, prudent, affordable and sustainable. These are detailed at Appendix 2 for Member approval.

Background

- 1.1 The Council is required to operate a balanced budget with cash raised during the year being used to pay for expenditure incurred. A primary part of the treasury management operation is to ensure that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity with any temporary surplus monies being invested in low risk institutions.
- 1.2 Another function of this service is to ensure that the Council's capital borrowing requirement, the longer-term cash flow planning, is provided for which may involve arranging long or short-term loans or using longer-term cash flow surpluses. In addition to this and when it is financially prudent to do so, any debt previously obtained may be restructured.
- 1.3 The Council's in-house treasury management team will ensure that:
 - all treasury management transactions undertaken comply with the statutory requirements as stipulated within the relevant professional codes and legislation (Local Government Act 2003, CIPFA Prudential Code and Treasury Management Code, MRP Guidance, and DLUHC Investment Guidance, (a brief outline of these frameworks is provided at Appendix 1),
 - sufficient cash is available to meet both service activity and the Council's capital strategy,
 - various periodic cash flows are prepared and maintained accurately using all known information available,
 - where capital plans require, appropriate borrowing facilities are undertaken and
 - when financially prudent any debt previously obtained is restructured.
- 1.4 Treasury management is defined by CIPFA as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.5 Management of the Treasury function will seek to ensure sufficient funding is in place to cover planned payments or undertaking the investment of temporary surplus funds when available in a secure manner.
- 1.6 Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of all monies invested is achieved to avoid any potential loss of principal which in turn would result in a loss to the General Fund Balance
- 1.7 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions as covered by this report), and more strategic investments, such as regeneration properties, which are reported and managed through the capital programme. To assist with this activity, the Council uses a specialist external advisor.
- 1.8 Whilst any strategic initiatives or loans to third parties will impact on the treasury function, these activities are classed as non-treasury activities, (arising from capital expenditure) and are separate from the day-to-day treasury management activities. Details of these transactions are shown in Appendix 4 for reference.
- 1.9 Members are required to receive and approve, as a minimum, three main treasury reports each year which incorporate a variety of policies, forecasts and actuals as follows;

- **Annual Treasury Strategy** (issued February - is the most important report and includes):
 - A MRP policy (this reflects capital expenditure previously financed by borrowing and how the principal element is charged to revenue over time),
 - The treasury management strategies (how the investments and borrowings are to be organised) including treasury prudential indicators and limits and
 - An investment strategy (the parameters on how investments are to be managed).
 - **Mid-year update** – (issued November / December – this provides an);
 - update for Members with the progress of the treasury management activities undertaken for the period April to September and
 - opportunity for amending prudential indicators and policies if necessary.
 - **Annual outturn** – (issued June);
 - this provides details of actual treasury operations undertaken in the previous financial year.
- 1.10 Each of the above 3 reports are scrutinised by the Council's Accounts & Audit Committee before being forwarded onto either Executive or Council for final approval.
- 1.11 This report which has been prepared in accordance with the required statutory regulations and guidance, includes;
- The current treasury position (section 2);
 - Economic & Interest Rate forecast (section 3)
 - Debt Strategy (section 4)
 - Minimum Revenue Provision (section 5)
 - Investment Strategy (section 6)
 - Investment Risk Benchmarking (section 7)
 - Prudential Indicators (section 8)
 - Related Treasury Issues (section 9)
 - Recommendations (section 10)
 - Appendices.
- 1.12 The Council uses Arlingclose as its external treasury management advisors who provide a range of services on treasury matters from the supply of credit ratings to technical support. The Council recognises that there is value in using external providers for this service which is subject to regular reviews.
- 1.13 Whilst the external advisors provide support to the in-house team, the Council will consider all available information when forming an opinion on matters concerning treasury management and acknowledges that the final decision remains with the Council at all times.
- 1.14 The Council also acknowledges the importance of ensuring that all members and staff involved in the treasury management function receive adequate and relevant training in order to undertake the duties and responsibilities allocated to them. This is further highlighted in the CIPFA Code which requires the responsible officer, the Director of Finance and Systems, ensures that members with responsibility for this task, receive adequate training in treasury management.
- 1.15 The CIPFA Treasury Management Code was updated in September 2021 and from 2023 required that all staff involved in the Treasury Management function have the necessary expertise, knowledge and skills to perform their role. In addition board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Regular training is provided to Members of the Accounts and Audit Committee and for reference a member training event was provided on 23rd January 2024 as part of the consideration of this annual strategy by the Council's in-house team and its external advisors Arlingclose. Additional training is also provided as a precursor to the regular updates at year-end and mid-year.

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

2. Treasury Position

2.1 The Council's investment and debt positions at the beginning of the current financial year and as at 31st December 2023 are listed in the table below;

	31 March 2023		31 December 2023	
	Principal £m	Average Interest Rate %	Principal £m	Average Interest Rate %
DEBT				
<i>Short term (payable before 31.03.24)</i>				
PWLB	4.3	6.62	4.2	6.75
Market	15.0	4.24	0.0	0.00
Sub-total	19.3	4.77	4.2	6.75
<i>Long term (payable after 31.03.24)</i>				
PWLB	277.8	2.32	277.8	2.32
Market	21.0	4.79	21.0	4.79
Sub-total	298.8	2.49	298.8	2.49
Total debt	318.1	2.63	303.0	2.55
INVESTMENTS				
<i>Short term (less than 1 year duration)</i>				
- Instant access	26.3	4.06	7.4	5.32
- Call accounts	0.0	0	0.3	5.14
- Term deposit	27.4	3.92	6.0	4.88
Sub-total	53.7	3.99	13.7	5.12
<i>Long term (greater than 1 year duration)</i>				
- CCLA	4.7	4.65	4.6	5.62
- Strategic Investment programme (SIP)	12.0	n/a	12.0	n/a
Sub-total	16.7	4.65	16.6	5.62
Total Investments	70.4	4.04	30.3	5.25

Information in the above table reflects the;

- level of funds available on a temporary basis for investment purposes which fluctuate on a daily basis due to the timing of precept payments, receipt of grants and spend progress on the capital programme,
- repayment of monies borrowed and;

- value of original monies placed with CCLA was £5m. The fall in value from March 2023 to December 2023, of £0.1m, is representative of a reduction in property values driven, in part, by rising interest rates. Although, capital valuations have shifted down, the rental market is still strong in multiple sectors, and so yields are expected to be less effected.

3. Economic & Interest Rate forecast

3.1 The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25. The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted in favour of keeping Bank Rate at 5.25%.

Office for National Statistics (ONS) figures showed CPI inflation was 4.0% in December 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI (excluding energy, food, alcohol and tobacco) inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

3.2 Arlingclose produce interest rate projections periodically throughout the year and the latest forecasts (December 2023) are shown below for reference;

Average rates	2023-24 Forecast %	2024-25 Forecast %	2025-26 Forecast %	2026-27 Forecast %
Bank Rate	4.94	5.06	3.88	3.08
Investment Rates 3 month	5.40	5.16	3.93	3.12
PWLB Loan Rates				
5 Year	4.57	4.50	4.23	4.12
20 Year	5.00	5.00	5.00	5.02
50 Year	4.60	4.69	4.70	4.75

3.3 The December 2023 Bank Rate of 5.25% is expected to remain at this level until Q3 2024/25 and then decrease to 4.75% by the end of the financial year.

3.4 The Council will continue to adopt a cautious approach to its treasury management activities whilst utilising the information available from both Arlingclose and other external sources which may become available during this time.

4. Debt Strategy

4.1 The Council's capital expenditure plans are set out in the Capital Programme report and this provides details of the service activity. The treasury management function ensures in accordance with the relevant professional codes, that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and where capital plans require, appropriate borrowing facilities.

- 4.2 The underlying need to borrow comes from the Capital Financing Requirement (CFR) which represents the total level of outstanding capital expenditure both historic and current, not yet paid for from either revenue or capital resources (eg capital grants). It is essentially a measure of the Council's indebtedness or its underlying borrowing need.
- 4.3 The Council needs to ensure that its debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates going out to 2026/27. Whilst this allows some flexibility for limited early borrowing for future years, it also ensures that borrowing is not undertaken for revenue or speculative purposes. The Director of Finance and Systems can confirm that to date the Council has not exceeded the CFR with its debt.
- 4.4 CFR increases with new debt-financed capital expenditure and reduces with contributions made under Minimum Revenue Provision (MRP) and capital receipts used to replace debt. The CFR is not allowed to rise indefinitely and statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset with an annual revenue charge, the MRP, being applied to reduce the CFR each year.
- 4.5 Included within the CFR are any other long-term liabilities such as Private Finance Initiative (PFI) schemes and finance leases. Whilst these increase the overall balance of the CFR, the Council's borrowing requirement is not increased as this type of liability includes a borrowing facility by the PFI or lease provider. The Council currently has £3.4m (31 March 2024) liability of such schemes within the CFR which is set to fall to £2.20m by 31 March 2027 as highlighted in the table below;

Other long-term liabilities	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Total at 1 April	3,755	3,404	3,029	2,628
Expected repayment	(351)	(375)	(401)	(428)
Total at 31 March	3,404	3,029	2,628	2,200

- 4.6 With effect from April 2024, the International Financial Reporting Standard 16 will require that all Council leases are also included within the CFR. Whilst the compliance of this new accounting requirement will impact on the Council's overall long term liabilities, it is deemed at this stage to be immaterial.
- 4.7 The total of the Council's loans outstanding as at 31 December 2023 totalled £303.0m and a breakdown of this debt is provided for reference in Section 2 above.
- 4.8 The Council held, as mentioned above £36.0m of Non-PWLB (Market) loans and of these £15.0m were held at variable rates of interest in the form of Lender's Option Borrower's Option (LOBO) loans. With regards to this type of loan, the lender has the option to propose an increase in the interest rate at set dates and should this situation occur then the Council can either accept the new rate or repay the loan at no additional cost. In accordance with the Director of Finance and Systems delegated authority, the Council repaid the £15m of LOBO loans in June 2023 due to the lender proposing an increase to the interest rate.
- 4.9 The Council continues, as in previous years, to be in an under-borrowed position which reflects that the CFR balance is greater than the level of external debt and this is in line with the majority of other UK local authorities. This under-borrowed position has arisen from previous and current years annual CFR (borrowing need),

not being fully funded with new loans, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure.

- 4.10 Since March 2023, the Council's forecast under-borrowing is expected to grow to a level which is not considered sustainable due to the impact on the Council's cash balances. Therefore, the Council will reduce the level of under borrowing over the next couple of years by using external debt to finance in-year borrowing requirements and when asset strategy investments are repaid these receipts will be used to pay back the internal borrowing. This process is expected to begin within 2023/24, with the under-borrowing at year end expected to be £92.7m.

This externalisation of this debt will be funded by existing provisions within the Treasury Management and Strategic Investment Programme revenue budgets. The situation will be continued to be monitored, with considerations given to movements in interest rates and future capital plans. The decision to borrow will be taken by the Director of Finance and Systems per delegated powers, and in accordance with the approved Treasury Management and Debt Strategies.

- 4.11 As in line with previous years requirements any new capital projects which are to be funded from borrowing will need to generate sufficient revenue savings in order to be self-financing therefore avoiding any impact on the Council's MTFP.
- 4.12 The Director of Finance and Systems will continue to monitor interest rates and adopt a sensible approach to changing circumstances within the 2024/25 treasury operations before taking on any new debt.
- 4.13 Based on current commitments the table below reflects the level of external debt the Council potentially may have for the period 2023/24 to 2026/27 which is used to part fund its capital programme. In addition, it reflects to the borrowing required to finance the projected future pipeline of schemes for the Council's Strategic Investments.

	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Strategic Investment Programme				
Total at 1 April	170,158	220,514	314,017	365,491
Planned repayments	(154)	(158)	(162)	(25,367)
Potential New external debt	50,510	93,661	51,636	25,367
Sub-Total at 31 March	220,514	314,017	365,491	365,491
General Capital Programme				
Total at 1 April	148,010	148,314	162,324	183,744
Planned repayments	(19,185)	0	0	(2,354)
Potential New external debt	19,490	14,010	21,420	0
Sub-Total at 31 March	148,314	162,324	183,744	181,390
Total Estimated External Debt	368,828	476,342	549,235	546,881
Capital Financing Requirement (CFR)	461,524	519,406	587,410	573,233
Estimated (Under)/Over	(92,696)	(43,064)	(38,175)	(26,352)

Borrowing at year end				
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- 4.14 All interest incurred on the Council's external debt is charged directly to treasury management apart from where it has previously been agreed by Executive for interest incurred on major development schemes e.g. Sale Magistrates Court to be capitalised.
- 4.15 When any form of borrowing is required to finance the Council's capital expenditure, be this long or short term, consideration will continue to be given to obtaining funds at the most advantageous rates possible at that time, from the following sources:
- Other local authorities,
 - The Government via the PWLB,
 - Dedicated publicly funded companies e.g. Salix,
 - Financial institutions within the money market (insurance companies, pension funds and banks).
- 4.16 The uptake of new long term debt will be processed in accordance with the Council's approved scheme of delegation and reported to members at the earliest opportunity. Action of this sort will be undertaken in accordance with a number of factors such as affordability, proposed life of the asset, current interest rate projections and advice obtained from the Council's external advisors.
- 4.17 Rescheduling any of the Council's current loans will only be undertaken when it is cost effective to do so taking into account the high early repayment penalty (premium) which will be incurred. This situation will be monitored during the course of the year and in the event any debt rescheduling is done, it will be reported to the Members at the earliest opportunity following its action.
- 4.18 Whilst the Council retains the flexibility to borrow funds in advance of requirement as a result of potential changes to market conditions i.e. a sharp rise in interest rates, it will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will ensure that funds are taken within the forward approved CFR estimates and that value for money can be demonstrated.
- 4.19 Any borrowing taken by the Director of Finance and Systems in advance of need will be done in accordance with delegated powers and within the constraints stated below;
- no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period and
 - the Council would not look to borrow more than 12 months in advance of need.
- 4.20 The Council's debt maturity profile is provided at Appendix 2 for reference which also shows, in accordance with the Code of Practice, the potential first date the lending banks could amend the rate of interest for their respective market LOBO loans (if any).
- 4.21 *The Council is required to approve;*
- *the above debt strategy and*
 - *as part of the Prudential Indicators and Limits requirement, the limits for external debt in accordance with the Local Government Act 2003, having regard to CIPFA's prudential code before the commencement of each financial year. These limits are detailed at Appendix 2.*

5. Minimum Revenue Provision Strategy

- 5.1. Local Authorities are required by statute to make a charge to their revenue account to provide for the repayment of debt resulting from capital expenditure, known as Minimum Revenue Provision (“MRP”).
- 5.2. The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the MRP Guidance issued by the Department for Levelling Up, Housing and Communities (“DLUHC”).
- 5.3. The Guidance provides suggested methods for the calculation of MRP that the DLUHC consider to be prudent, however the Guidance and legislation do not define what is prudent. It is for each Authority to determine a prudent repayment based on its own individual circumstances, considering the medium and long-term financial plans, current budgetary pressures, future capital expenditure plans and funding needs.
- 5.4. Any change to the Authority’s MRP Policy needs to consider:
 - Its appropriateness and compliance with the MRP guidance.
 - Affordability, prudence and sustainability with regard to current revenue budgets of the Authority, balanced against deferring costs of future Council Taxpayers.
 - The Authority’s future capital programme in terms of complexity, variability and deliverability.
 - Capital Financing Requirement (CFR) forecasts and the level of borrowing proposed by the Authority in future years.
 - S151 officer consideration of what constitutes a prudent provision
- 5.5. The main consideration for the MRP policy and referred to in the Guidance is to align the period over which the MRP is made to one that is commensurate with the period over which their capital expenditure provides benefits. Therefore, when considering the broad aim of MRP making a prudent provision, there is scope to recognise the flexibilities which exist in determining an appropriate annual repayment profile and the context of the Authority’s current and future financial position.
- 5.6. An authority may also consider that ‘prudent’ in this context does not necessarily mean the quickest possible repayment period and will also have regard to the prudent financial planning of the authority overall, the flow of benefits from the capital expenditure, and other relevant factors. For example, the MRP Policy may also take account of the financial forecast in the authority’s medium / long term financial plan in determining what is prudent MRP in the circumstances.
- 5.7. The majority of the MRP which the Council sets aside is done so currently under an Annuity Method. Under the Annuity Method, rather than setting aside MRP on an equal instalment basis it operates similar to a repayment mortgage where the principal element of the repayment increases over the life of the loan. Therefore, under this method MRP would start low then increase over the time.
- 5.8. This method is now being increasingly applied by a number of authorities and The Chartered Institute of Public Finance and Accountancy (CIPFA) puts forward the following reasoning for using the annuity method in ‘The Practitioner’s Guide to Capital Finance in Local Government’ (2019) which states:
 - The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years’ time is less of a burden than paying £100 now.

- The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, considering the real value of the amounts when they fall due.
- The annuity method would then be a prudent basis for providing for assets that provided a steady flow of benefits over their useful life.

5.9. The MRP Policy will continue to be reviewed annually to make sure the approach is prudent and that it is appropriate based on the condition and profile of benefits being derived from the assets.

5.10. In December 2023, the Department for Levelling Up, Housing and Communities published a consultation on changes to the Minimum Revenue Provision statutory guidance and regulations. This follows a consultation in November 2021 aimed at strengthening the duty to make Minimum Revenue Provision (MRP) and a further consultation in June/July 2022 to address concerns of unintended consequences that the initial consultation may have caused.

As a result of the complexity introduced by the previous consultation outcomes, the government said it would review the Statutory MRP Guidance before putting in place changes to the Regulations, and that no changes would take effect before April 2024. This current consultation, closing in February 2024, is looking for views on the revised MRP guidance and amended regulations, which do not differ substantially from the June/July consultation.

5.11. The council's MRP policy is considered to comply with the updated proposals set out in the consultation. Should there need to be a change in policy following the outcome of the consultation and once the detailed guidance is issued, this will be reported to Council in the next update.

5.12. The Council is requested to approve the MRP Statement as detailed at Appendix 2.

6. Investment Strategy

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

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

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Guidance Notes 2021 ("the Code")

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

6.4 Environmental, social and governance (ESG) issues are increasingly significant for the Council and its residents. The CIPFA Treasury Management Code recommends that councils consider their credit and counterparty policies in light of

ESG information. The Investments Strategy has therefore been updated for 2024/25, to confirm that the Council will only place funds with institutions which are signatories to the UN Principles for Responsible Banking, or are UK Government or Local Government bodies. The UN Principles for Responsible Banking are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. The Council will also remove from its approved lending list any financial institutions whose practices or behaviours are not deemed to be commensurable with the values or ethical standards of the Council.

- 6.5 The Council will aim to achieve the maximum return (yield) on its investments appropriate with proper levels of security and liquidity in line with the Council's risk appetite. In order to safeguard its funds the Council's in-house treasury management team will continue its approach of not undertaking any investment without thoroughly understanding the product together with associated risks or in any institution which is paying considerably over and above market levels.
- 6.6 Funds making up the Council's investments derive from monies received in advance of spend requirement and from the balances and reserves which it holds. Whilst greater returns are usually obtainable by investing for longer periods, most cash balances are required to manage the movements of the Council's day to day cash flows. Cash not required for immediate use may be invested for longer periods of time, however before doing so careful assessment to the value to be obtained from this is undertaken.
- 6.7 Guidance issued by both the DLUHC and CIPFA as identified at paragraph 6.2 places a high priority on the management of risk and whilst this will never completely be eliminated, it can be minimised. The Director of Finance and Systems will maintain a counterparty list with the assistance of Arlingclose specifying which institutions it can place funds with. By only placing funds with those institutions which appear on this list it reduces the risk of an institution defaulting, enables diversification and avoids concentration risk. The key credit ratings used to monitor institutions are the short term and long-term ratings.
- 6.8 The Council will use UK institutions, including banks, building societies and local authorities together with banks located in a country which has a minimum Sovereign Long term credit rating of AA-. As well as detailing the criteria institutions must meet to enable them to be included onto the Council's approved lending list, within their respective category, Appendix 2 also specifies both the maximum value and duration funds can be placed at any one time.
- 6.9 Credit rating information is supplied by Arlingclose, the Council's treasury advisors, on all active counterparties that comply with the criteria above. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to an institution at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 6.10 This approach uses real time credit rating information provided by Arlingclose and enables an institution, should they meet or no longer meet the minimum credit criteria required to be immediately included on to or removed off the approved list.
- 6.11 A full explanation of the credit ratings determining the institutions which the Council will use can be found at Appendix 3.

- 6.12 The Council's in-house treasury management team recognises ratings should not be the sole basis of determining the quality of an institution. It is important to continually assess and monitor institutions both on the economic and political environments in which they operate together with information that reflects the opinion of the markets. To achieve this, the Council will, with Arlingclose, monitor market pricing on additional factors such as "credit default swaps" (CDS) and overlay this information on top of the credit ratings. This additional market information is detailed for Members' reference at Appendix 3.
- 6.13 Members are asked to approve this base criteria, however the Director of Finance and Systems may temporarily restrict further investment activity to those institutions considered of higher credit quality than the minimum criteria set out for approval should any exceptional market conditions be encountered.
- 6.14 Investments will continue to be placed as follows;
- Short-term – cash required to meet known cash flow outgoings in the next month, plus a contingency to cover any unexpected transaction over the same period with bank notice accounts and money market funds being the main methods used for this purpose.
 - Medium-term – cash required to manage the annual seasonal cash flow cycle covering the next 12 months and will generally be in the form of fixed term deposits and ultra-short dated bond funds.
 - Long-term – cash not required to meet any immediate cash flow requirements and can be used primarily to generate investment income by using fixed or structured term deposits, certificates of deposits, government bonds or the Local Authority Property Investment fund.
- 6.15 Investment instruments identified for use in the financial year together with institution limits are detailed for members reference in Appendix 2. The use of longer term instruments (greater than one year from inception to repayment) falls in the Non-specified investment category and these will only be used where the Council's liquidity requirements are safeguarded and be limited to the Prudential Indicator which is also detailed at Appendix 2.
- 6.16 The level of the Council's investments together with the average interest rate, as at 31 December 2023, is provided for reference at paragraph 2.1
- 6.17 *The Council is requested to approve the;*
- *adoption of the above Investment strategy and*
 - *minimum criteria for providing a list of high-quality investment institutions, instruments and limits to be applied as set out at Appendix 2.*

7. Investment Risk Benchmarking

- 7.1 The CIPFA Code of Practice and DLUHC Investment Guidance require that appropriate security and liquidity benchmarks are considered and reported to members annually and details of these are provided below with more detail concerning the security benchmark being provided in Appendix 3.
- 7.2 Benchmarks are simple guides (not limits) to maximum risk for use with cash deposits and so may be breached from time to time, depending on movements in interest rates and institution criteria. The purpose of the benchmark is to assist officers to monitor the current and trend position and amend the operational strategy to manage risk as conditions change. For reference the benchmarks proposed are;
- Security - Each individual year the security benchmark is:

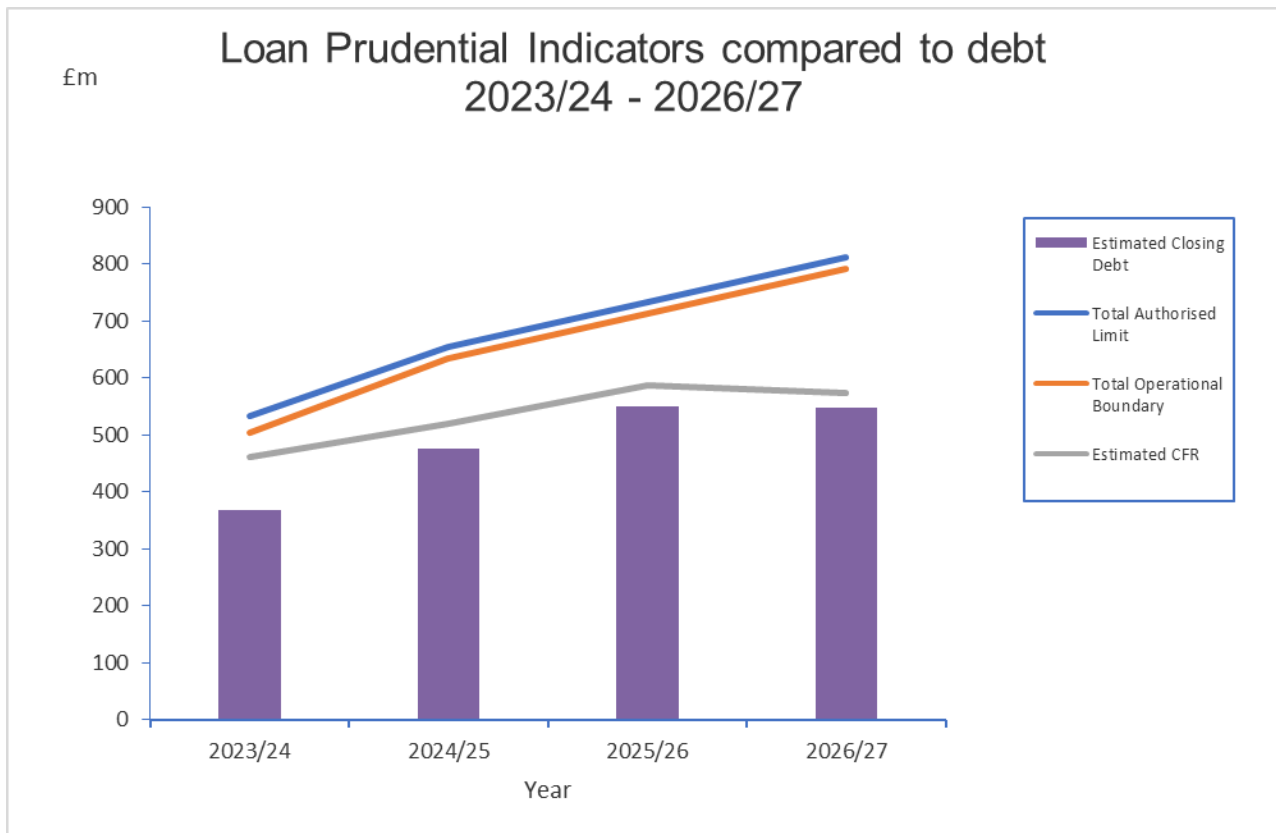
1 year investments	2 year investments	3 year investments
0.03%	0.08%	0.10%

Note - This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment. At the end of December 2023, the Council's default rate of its investments placed was 0.03% which is in line with the 1 year benchmark of 0.03%.

- Liquidity - The current CIPFA Treasury Management Code of Practice defines this as *“having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable at all times to have the level of funds available which are necessary for the achievement of its business / service objectives”*.
 - Weighted Average Life (WAL) - benchmark for 2024/25 is set at 6 months, with a maximum of 3 years for cash time deposits;
 - Liquid short term deposits - at least £5m is available within a week's notice.
- Yield- The Council aims to achieve a return on its investments of greater than 1 month Sterling Overnight Index Average (SONIA) rate.

8. Prudential Indicators

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



8.3 *Members are requested to approve the full set of Prudential Indicators for the Council's treasury management activities as detailed at Appendix 2.*

9. Related Treasury Issues

9.1 Asset Investment Strategy. During 2017/18 the Council introduced a programme to acquire suitable assets which will deliver significant regeneration benefits for the area and increase the Council's income generating capacity thereby enabling it to maintain the provision of services in future years.

9.2 Whilst investments under Asset Investment Strategy are made to support policy related activities and are therefore considered outside the treasury management function, their implementation will have an impact on the Council's cash flow. All such investments are also considered on each occasion in accordance with the principles set out in paragraphs 6.2 and 6.3 above.

9.3 International Financial Reporting Standards 9 (IFRS9). This was introduced to enable a reader of the Council's accounts to fully assess the worth and risk of its financial instruments with any potential losses or profits being taken to the accounts in full in the year they occur. Whilst IFRS 9 is primarily a re-classification not a re-valuation exercise, its introduction has not had any major impact for the Council to date. Currently there is one investment which is affected by this re-classification which is placed with the pooled Church Commissioners Local Authority in its Property fund. To mitigate against revaluation losses or gains impacting on the Council's General Fund, DLUHC issued an override which has been extended to 31 March 2025 enabling local authorities' time to either arrange for a planned exit or for potential surpluses to be placed into an unusable reserve and applied in those years when a downward revaluation occurs.

The Council's in-house team will;

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

10. Recommendations

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

That Executive notes the report and recommends that Council approves;

- the Treasury Management Strategy 2024/25 – 2026/27 including the:
- policy on debt strategy as set out in section 4;
- the Minimum Revenue Provision policy as set out in section 5;
- Investment Strategy as set out in section 6;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 2.

Other Options

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

Consultation

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

Reasons for Recommendation

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

Key Decision

This will be a key decision likely to be taken in: February 2024

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

Finance Officer Clearance DM

Legal Officer Clearance DS



Corporate Director's Signature

STATUTORY FRAMEWORK

Local Government Act 2003

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

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

CIPFA Code of Practice

The Council's treasury activities are strictly regulated by statutory requirements in conjunction with a professional code of practice (the CIPFA Treasury Management Code of Practice). These Codes are revised from time to time and the Council complies with any revisions.

ELEMENTS FOR COUNCIL APPROVAL

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

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

The Accounts and Audit Committee and Executive are requested to recommend that Council approve these for the period 2024/25 – 2026/27 as detailed below. Upon recommendation, Council is required to approve the prudential indicators and limits affecting treasury management performance for this period.

TREASURY PRUDENTIAL INDICATORS AND LIMITS –

In accordance with the current CIPFA Prudential code, the Council is required to produce prudential indicators and limits reflecting the projected capital activity regarding its capital investment programme. These have an impact on the Council's treasury management activities and are monitored on a regular basis with any breaches being reported to Council at the earliest opportunity.

Authorised Limit for External debt	2023/24 estimate £m	2024/25 estimate £m	2025/26 estimate £m	2026/27 estimate £m
General Capital Programme	280.0	280.0	310.0	310.0
Strategic Investment programme	250.0	370.0	420.0	500.0
Other Long Term Liabilities (PFI)	3.8	3.4	3.0	2.6
Total	533.8	653.4	733.0	812.6

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

Operational Boundary for External debt	2023/24 estimate £m	2024/25 estimate £m	2025/26 estimate £m	2026/27 estimate £m
General Capital Programme	250.0	260.0	290.0	290.0
Strategic Investment programme	250.0	370.0	420.0	500.0
Other long term Liabilities (PFI)	3.8	3.4	3.0	2.6
Total	503.8	633.4	713.0	792.6

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

Upper limit for Principal sums invested over 1 Year	2023/24 estimate £m	2024/25 estimate £m	2025/26 estimate £m	2026/27 estimate £m
Maximum limit	100.0	100.0	100.0	100.0
<i>Current investments:</i>				
Manchester Airport Shares as at 31 March 2023 *	37.7	37.7	37.7	37.7
Church Commissioners Local Authorities Property Investment Fund	5.0	5.0	5.0	5.0
Strategic Investments	12.0	12.0	12.0	12.0
Total Current Investments	54.7	54.7	54.7	54.7

* Manchester airport shares are included for clarity and transparency purposes only as they are a non-treasury investment.

Upper Limit for sums invested for over 1 year – these limits are set with regard to the Council’s liquidity requirements.

Upper Interest limits	2023/24 estimate £m	2024/25 estimate £m	2025/26 estimate £m	2026/27 estimate £m
Fixed interest rate exposure based on net debt	9.5	9.5	9.5	9.5
Variable interest rate exposure based on net debt	1.0	1.0	1.0	1.0

Upper Interest Limits – identifies the maximum limit of interest payable after deducting all investment interest for each category of interest rate fixing

Maturity structure of all external loan debt – 2024/25 to 2026/27	Lower limit %	Upper limit %
Under 12 months	0	40
12 months to 2 years	0	40
2 years to 5 years	0	40
5 years to 10 years	0	40
10 years to 20 years	0	40
20 years to 30 years	0	40
30 years to 40 years	0	70
40 years and above	0	90

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

Gross Debt and the Capital Financing Requirement

The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance and Systems reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Liability Benchmark

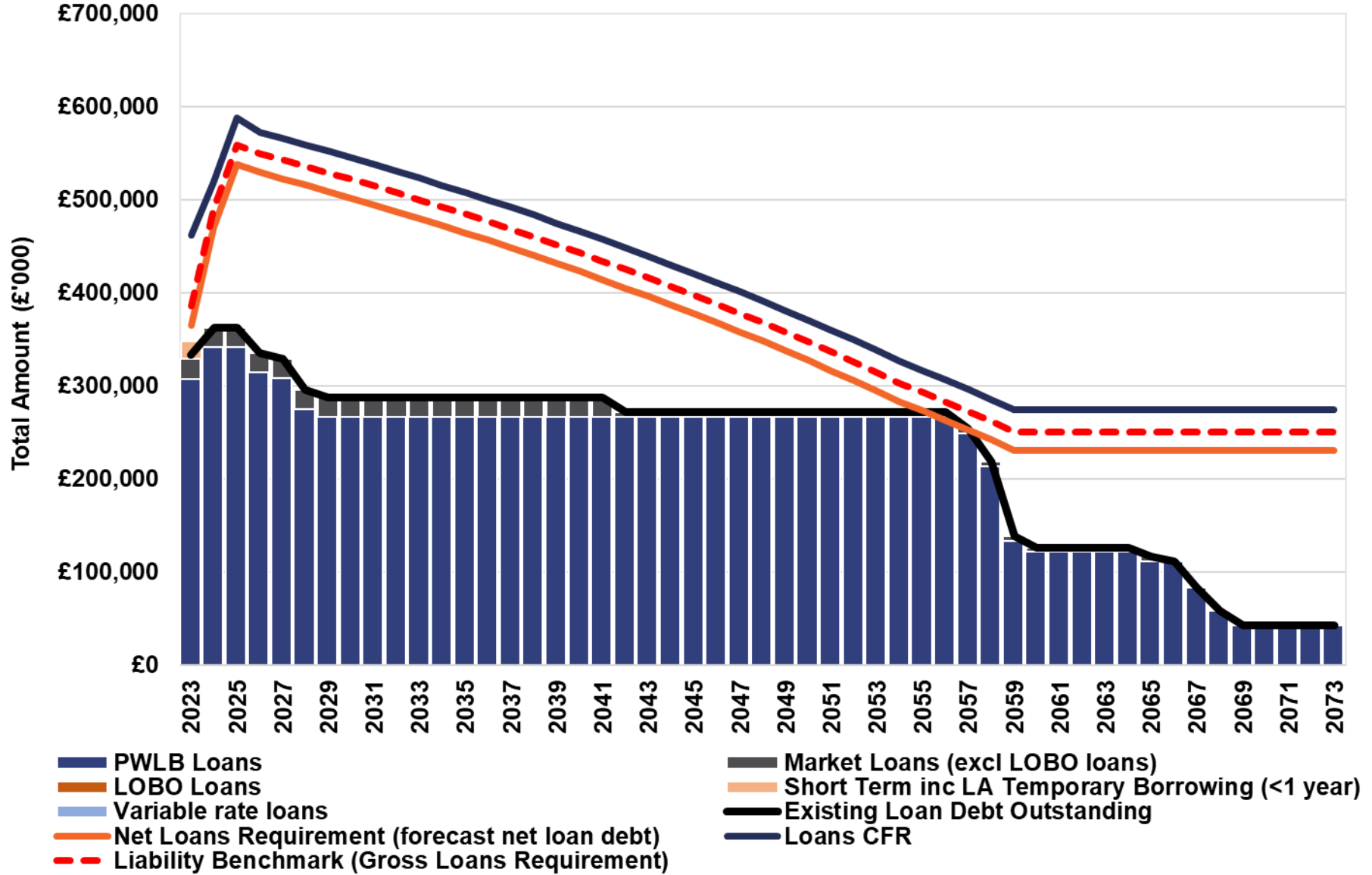
In the update to the Treasury Management Code made in December 2021, a requirement has been made for the Council to estimate and measure its liability benchmark. The liability benchmark is not a single measure but is presented as a chart of four balances as described below. A warning would be indicated if the Liability Benchmark (which is the Net Loans Requirement plus a notional buffer of £20m) exceeds the Loans CFR.

- Existing loan debt outstanding: the Council's existing loans which are still outstanding in future years.
- Loans CFR: calculated in accordance with the loans CFR definition in the Prudential Code, and projected into the future based on approved prudential borrowing and planned MRP taking account of approved prudential borrowing
- Net Loans Requirement: the Council's gross loan debt, less treasury management investments, at the last financial year end, projected into the future based on its approved prudential borrowing, planned MRP and any other forecast major cash flows
- Liability Benchmark (or Gross Loans Requirement) = Net loans requirement + short term liquidity allowance (a notional buffer of £20m)

The chart, below, shows that actual loans are less than the benchmark, which indicates a future borrowing requirement driven by spending with the capital strategy.

The chart below shows that the Liability Benchmark (forecast total external debt less investment) is less than the Loans Capital Financing Requirement.

Liability Benchmark



MINIMUM REVENUE PROVISION

In accordance with the current DLUHC Guidance, the Council shall determine an amount of minimum revenue provision that it considers to be prudent and submit to Council for approval an annual MRP Statement which sets out its policy.

The following MRP Statement has been reviewed and prepared in accordance with the Council's accounting procedures and is recommended for approval to be effective from 1st April 2024:

- **Capital expenditure financed by Supported Borrowing:** MRP will be calculated on the Asset Life Method (up to 50 years), using an annuity calculation in accordance with DLUHC guidance;
- **Capital expenditure financed by Prudential Borrowing:** MRP will be based on either the estimated life of the assets once operational and charged on a straight line or annuity basis in accordance with DLUHC guidance;
- **Strategic Asset Investment Strategy financed by Prudential Borrowing:** Voluntary Revenue Provision (VRP) using the periods stipulated within the DLUHC Guidance of up to 50 years will be applied and written down on an annuity basis in accordance with DLUHC guidance. By adopting this approach it will enable the Council upon the sale of each asset, to either apply the capital receipt or use the VRP receipts to extinguish debt taken.
- **PFI schemes and leases shown on the balance sheet:** MRP will be based on the amount of the principal element within the annual unitary service payment and financed from the provision set-up to cover the final bullet payment. Capital receipts are to be used to replenish this provision to ensure any final bullet payment can still be made in 2028/29;
- **Expenditure that does not create an asset:** this is where the Council through the Strategic Asset Investment Strategy has made equity investment with Joint Venture companies with VRP being provided and calculated on a straight line basis for periods up to 50 years or annuity basis in accordance with DLUHC guidance;.
- **Use of a Capitalisation Direction:** Expenditure incurred in response to the issuance of a Capitalisation Direction by Central Government, MRP will be made over a period not exceeding 20 years, in accordance with the 2018 Guidance;
- **Lending to a third party:** In instances where the Council lends funds to a third party and in accordance with the guidelines issued (February 2018) by the Secretary of State, MRP is required to be provided over the useful life of the asset created. The Council in this instance will not follow the guidance but rather treat any advance as "Serviced debt" and therefore no MRP will be set-aside providing there is an agreed repayment date. Annually the Council will undertake a financial assessment of the third parties ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.
- **Equity** – MRP for the acquisition of share capital will be calculated on a straight line basis for a period up to 20 years or annuity basis in accordance with DLUHC guidance;. The Council will consider on a case by case basis the appropriateness of the application of this period against any equity investments it undertakes.

INVESTMENT CRITERIA – (changes in relation to ESG)

Counterparty Selection

- The Council will only use institutions which are located in the UK or from a country with a minimum Sovereign Long term credit rating of AA-. The individual credit criteria is highlighted below and where credit ratings have been issued, both the Long and Short term rating from 2 of the 3 main agencies will need to meet the minimum required. The requirements shown below for categories 1 to 5 and 7 will be applied to both Specified and Non-specified investments. Category 6 applies only to The Church Commissioners Local Authorities Property Investment fund.
- The CIPFA Treasury Management Code requires local authorities to consider their counterparty policies in regard to environmental, social and governance (ESG) information. With this in mind, the Council will only place funds with institutions which are signatories to the UN Principles for Responsible Banking, or are UK Government or Local Government bodies.
- The Council will remove from its approved lending list any financial institutions whose practices or behaviours are not deemed to be commensurable with the values or ethical standards of the Council.

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

	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 1 – •UK & Non UK Banks (bank subsidiaries must have a parent guarantee in place), •UK Building Societies Institutions must also have an individual minimum short term credit rating of – Fitch F1 or equivalent.	AA to AAA	£75m	3yrs
	A+ to AA-	£25m	1yr
	A- to A	£10m	1yr
Category 2 – UK Building Societies which are unrated or do not meet the minimum ratings as per Category 1 with assets in excess of: •£5bln+, •£2.5bln - £4.99bln	-	£5m	1yr
	-	£3m	1yr
Category 3 – UK Banks part nationalised - Royal Bank of Scotland. This bank or its subsidiaries can be included provided it continues to be part nationalised or meets the ratings in category1 above.	-	£20m	1yr
Category 4 – The Council's own banker for transactional purposes if the bank falls below the above criteria.	-	n/a	1day

Category 5 – <ul style="list-style-type: none"> • Pooled Investment Vehicles: ➤ Money Market Funds (per fund) ➤ Ultra-Short Dated Bond Funds(per fund) • Social & Ethical funds (per fund) • UK Government (including treasury bills, gilts and the DMO) • Local Authorities (per authority) • Supranational Institutions 	AAA AA - - - -	£20m £15m £5m £20m £10m £20m	3yrs 3yrs 10yrs 3yrs 3yrs 1yrs
Cont...	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 6 – <ul style="list-style-type: none"> • Local Authority Property Investment fund 	-	£10m	10yrs
Category 7 – <ul style="list-style-type: none"> • Support for the Strategic Asset Investment Programme 	-	£50m	5yrs

Specified and Non Specified Investments – (no changes)

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

- **Specified investments** - are high security and liquid investments with a maturity of no more than a year or those which could be for a longer period but where the Council has the right to be repaid within one year if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small.
- **Non specified investments** - are any other type of investment not defined as specified above. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity. A maximum of £100m is permitted to be held in this classification as detailed on page 22, Prudential Indicator Upper limit for sums invested over one year.

Instruments & Maximum period

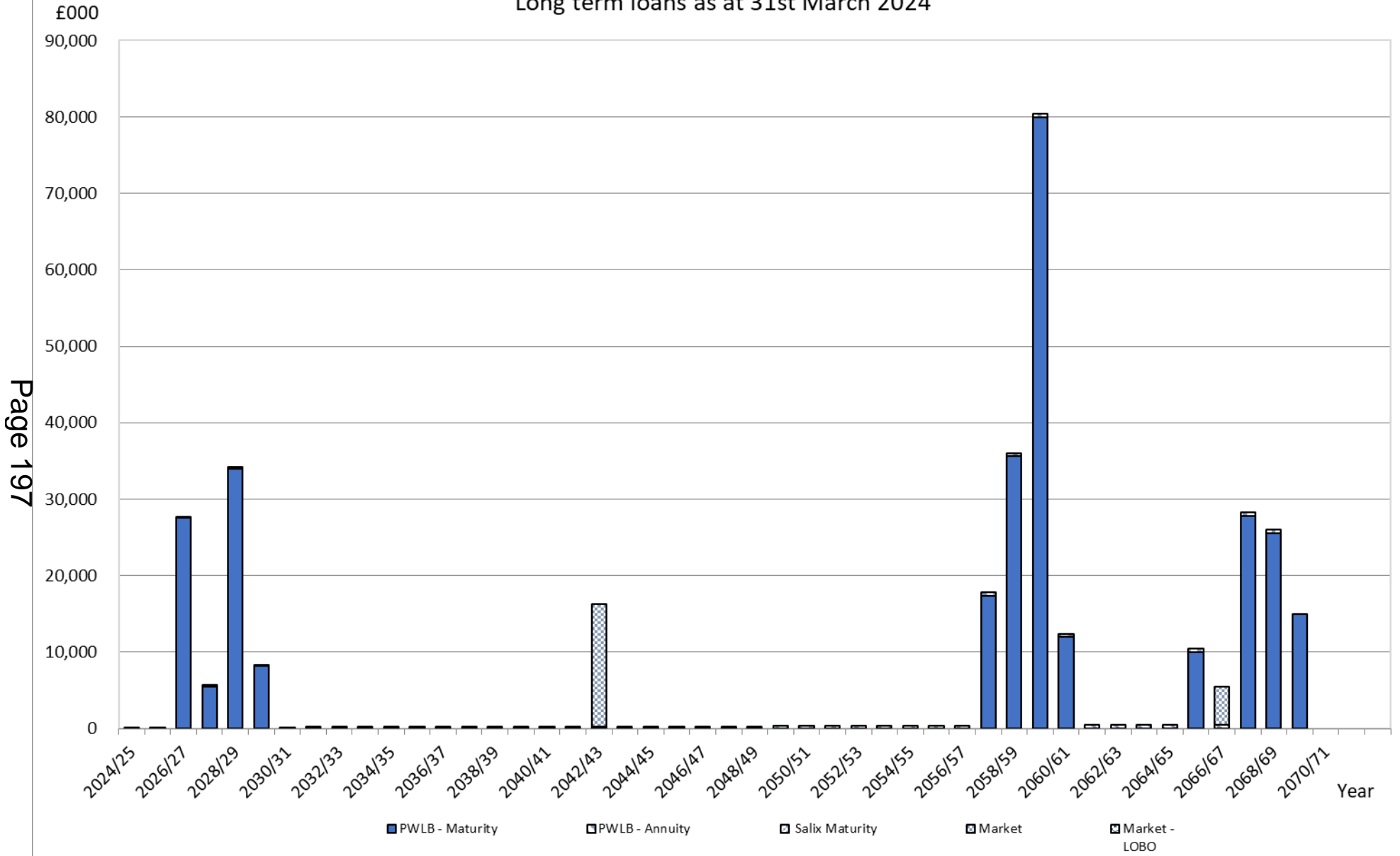
All Investments undertaken will be in Sterling and placed in any of the following instruments: Term Deposits, Money Market Funds, Ultra Short Dated Bond Funds, Treasury Bills, Bonds, Gilts or Certificates of Deposits unless otherwise stated below;

Specified Investments	Maximum Maturity
The UK Government including Local Authorities and Debt Management Office.	1 Year
Supranational bonds of less than one year duration (e.g. International Monetary Fund)	1 Year
Pooled investment vehicles such as money market funds (including the revised categories of Low Volatility Net Asset value and variable Net Asset Value funds) Social & Ethical funds and	1 Year

low volatility bond funds.	
Specified Investments.....cont.	Maximum Maturity
An institution that has been awarded a high short term credit rating (minimum F1 or equivalent) by a credit rating agency, such as a bank or building society.	1 Year
Non-Specified Investments	
Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. World Bank). The security of principal and interest on maturity is on a par with the Government and these bonds usually provide returns above equivalent gilt edged securities. The value of the bond may rise or fall and losses may accrue if the bond is sold prematurely.	3 Years
Gilt edged securities. These are Government bonds and provide the highest security of interest and principal. The value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	3 Years
The Council's own bank if it fails to meet the basic credit criteria with balances being kept to a minimum.	1 Day
UK Banks which have significant Government holdings	1 Year
Any bank or building society which meets the minimum long term credit criteria for Category 1 institutions detailed on page 23 with a maturity of greater than one year (including forward deals in excess of 1 year from inception to repayment).	3 Years
Building societies The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £2.5bln but will restrict these type of investments as shown for Category 2 institutions on page 23.	1 Year
The UK Government including Local Authorities and Debt Management Office.	3 Years
Pooled investment vehicles such as money market funds (including the revised categories of Low Volatility Net Asset value and variable Net Asset Value funds) Social & Ethical funds and low volatility bond funds.	10 Years
Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. It is envisaged this facility will apply to the Manchester Airport share-holding which the Council holds at a historical value of £37.7m as reported in the 2020/21 Statement of Accounts.	Unspecified
Manchester Airport Group – This is in response to the restructuring of the airports existing debt and is included for	Term of loans

clarity and transparency purposes only.	
Church Commissioners Local Authorities Property Investment Fund - This fund is aimed solely for use by public sector organisations wishing to invest in the property market whilst at the same time generating a favourable rate of return.	10 Years
Support the Strategic Asset Investment programme - where external borrowing to support the investment would not be in accordance with the CIPFA Prudential Code.	5 Years

Long term loans as at 31st March 2024



INVESTMENT CREDIT AND INSTITUTION RISK MANAGEMENT

Monitoring of investment counterparties - The Council receives credit rating advice from Arlingclose and when ratings change this information is checked promptly to ensure institutions affected comply with the Council's criteria. On the occasion a rating may be downgraded when an investment has already been made, the criteria used are such that this should not affect the full receipt of the principal and interest. Any institution failing to meet the criteria, or those on the minimum criteria placed on negative credit watch, will be removed from the list immediately and if required new institutions which meet the criteria will be added.

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

The Council's list of Investment institutions is prepared primarily using credit rating information with full regard also being given to other sources of available information concerning credit quality. The information below will continue to be considered when undertaking investments;

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

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

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

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

Investment Risk benchmarking

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

A method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment strategy. The table below shows the latest average defaults for differing periods of investment grade products for each of Fitch, Moody’s and Standard and Poors long term rating category over the period 1981 to 2022. The Council can generally place investments up to a maximum period of 3 years and for this purpose will only use high rated institutions in order to ensure any potential risk in the form of defaults are kept to a minimum. Investments placed over 1 year but up to 3 years are placed with higher rated institutions in order to ensure that any potential risk of default as highlighted in the table below is kept to a minimum.

Long term rating	Average 1 yr default	Average 2 yr default	Average 3 yr default	Average 4 yr default	Average 5 yr default
AAA	0.04%	0.09%	0.17%	0.26%	0.38%
AA	0.03%	0.08%	0.10%	0.18%	0.25%
A	0.03%	0.17%	0.28%	0.43%	0.59%
BBB	0.17%	0.41%	0.71%	1.09%	1.49%
BB	0.73%	2.11%	3.72%	5.24%	6.63%
B	2.86%	6.84%	10.62%	13.77%	16.29%
CCC	19.79%	28.25%	33.87%	37.16%	40.15%

The Council’s minimum long term rating criteria is currently “A-”, meaning the average expectation of default for a one year investment in an institution with a “A-” long term rating would be 0.03% of the total investment (e.g. for a £1m investment the average loss would be £500). This is only an average as any specific institution loss is likely to be higher.

NON-TREASURY INVESTMENT ACTIVITIES

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

Description	£m	Purpose
General		
Manchester Airport Group	29.7	Regeneration – 3 Shareholder loans
Homestep	0.5	Regeneration – Capital loan monies advanced to assist first time buyers to acquire property within Trafford which remains in place
Town Centre	0.65	Regeneration – Capital loan monies advanced to assist businesses occupy empty high street units within Trafford.
Sub-total	30.85	
Asset Regeneration Schemes		
Property Purchases	62.5	
Property Development	15.9	
Equity	53.9	
Development Debt	262.7	
Sub-total	395.0	
TOTAL	425.85	Further information can be found in Capital Strategy Report February 2024

TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 21 February 2024
Report for: Decision
Report of: Executive Member for Finance, Change and Governance
and the Director of Finance and Systems

Report Title

FEES, CHARGES & ALLOWANCES 2024/25

Summary

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

The Fees and Charges booklet represents the main fees and charges to the public upon which the Executive's proposed budget for 2024/25 has been based. Fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget and service planning process. New charges for 2024/25 or revised wording to existing charges are highlighted in blue on the schedule and significant changes are referred to in paragraph 3.3 below.

The fees and charges are inclusive of VAT, where indicated (V), and delegated authority to Corporate Directors and the Director of Finance and Systems, is sought to amend the level of the relevant fee or charge as appropriate if there are changes to the rate of VAT during 2024/25, which is the Council's traditional practice.

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

Recommendation(s)

That the Executive:

1. Recommends to Council that it approves the following;

- The Fees and Charges for 2024/25 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2025/26, as set out in the booklet available on the Council's web site;
- The joint delegation of authority to each Corporate Director and the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2024/25 in the event of any change in the rate of VAT, as appropriate;
- The joint delegation of authority to each Corporate Director and the Director of Finance and Systems to amend fees and charges during 2024/25 which are within their respective delegated powers where the economics of the charge levels have changed (e.g., costs have risen unexpectedly), or for commercial reasons.

Contact person for access to background papers and further information:

Name: Councillor Joanne Harding, Executive Member for Finance, Change and Governance
Graeme Bentley, Director of Finance and Systems Extension: 4884

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2024/25 supports all key priorities and policies.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	The report sets out the proposed Fees and Charges for 2024/25 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2025/26.
Legal Implications	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. Where appropriate and necessary some of the fees and charges have been the subject of consultation.
Equality/Diversity Implications	The Council will be directed to have regard to its Public Sector Equality Duty in reaching its decision.

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

INTRODUCTION

1.1 The detailed fees and charges booklet is available on the Council's web site alongside other agenda items. It represents a schedule of the main fees and charges which the Executive is proposing to charge for services in 2024/25 and included in the revenue budget proposals for 2024/25 to be presented to Council on 21 February 2024.

1.2 It should be noted that the booklet relates to fees and charges levied on the general public, businesses or service users. Trading income, such as that with Schools, is not covered within the fees and charges booklet as it is subject to individual contracts and negotiations. The Council also charges for certain services on a commercial basis, in competition with other providers, and these are excluded from the booklet for this reason (e.g., trade waste).

2. COUNCIL DISCRETION IN SETTING FEES & CHARGES

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

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

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

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

3. Summary of Fees and Charges movements

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

Discretion Code	No. of Charges (No.)	As a % of the Total (%)	Charges yet TBA (No.)	% of Charges that have changed (%)	Average increase # (%)
M / M	70	8%	0	21%	8%
M / D*	80	9%	0	0%	0%
D / D*	16	2%	0	13%	15%
M / D	138	16%	0	80%	6%
D / D	579	65%	0	45%	7%
Total	883	100%	0	44%	6%

Note: This does not represent a 6% increase in income as the averages are calculated as a simple average increase on the unit charges and are not weighted by the level of income generated by each charge.

##. All discretionary charges have been reviewed. However, in a number of areas they have not been increased because of benchmarking against other Greater Manchester councils, competition and statutory limitations, and potential for legal challenge if set at more than full cost recovery.

3.2 Approximately 21% of mandatory fees have changed by an average of 8%. Where the Council has discretion to increase the charge level, all such charges have been reviewed as part of the budget process and consequentially there is much greater movement in those fees and charges. Where the Council has discretion to charge up to a maximum amount set by legislation, many of the current fees are already close to the statutory limit.

3.3 The key highlights with regard to specific charges are:

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

- Placing of Tables and Chairs on the Highway – charges in line with new legislation;

- Use of Parks and green spaces for commercial activities – re-alignment of charges to reflect operational needs;
- A number of Environmental Protection charges have been aligned across Greater Manchester (e.g. food hygiene, environmental searches, housing standards);
- Fit & Proper Persons Tests (Mobile Homes) – new fee in line with legislation;
- Pest Control – fees re-aligned to reflect demand and commercial competition;
- Renewal of Annual Safety at Sports Ground Certificate and Special Safety Certificates – – increased to better recover costs and reviewed to align across Greater Manchester.
- Street Trading Provisions of Local Government (Miscellaneous Provisions) Act – fee structure has been amended as previously approved by Council in November 2023;
- Environmental Enforcement - Fixed penalty for Waste receptacle offences brought in line with other charges;
- Planning Fees – fees have been reviewed and extended in line with Planning Advisory Service guidance.

Central Services : The main changes within this service are:

Marriage & Civil Partnership fees at Licensed venues including cost of certificate

- - Standard Certificate application – new mandatory fee;
- Attending a marriage or civil partnership at Waterside Plaza – new fees in line with new service offer.

Cemeteries & Crematorium

- Interment and Crematorium Fees – pre stillbirth fees implemented which fall outside the Children's Funeral Fund for England (CFF) scheme and will be free to Trafford residents.

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

4. Recommendations

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

- The Fees and Charges for 2024/25 and those relating to Registration of Births, Death & Marriages and Allotments also shown for 2025/26, as set out in the booklet available on the Council's web site;

- The joint delegation of authority to each Corporate Director and the Director of Finance and Systems to amend fees and charges which are within their respective delegated powers during 2024/25 in the event of any change in the rate of VAT, as appropriate;
- The joint delegation to each Corporate Director with the Director of Finance and Systems to amend fees and charges during 2024/25 which are within their respective delegated powers where the economics of the charge levels have changed (e.g., costs have risen unexpectedly), or for commercial reasons.

Other Options

All options at an individual fee or charge basis have been considered as part of the budget process where the Council has discretion to set the fee or charge. Should the proposed changes not be approved, the fees or charges will remain as set in February 2023 and would mean the relevant financial, commercial and/or policy objectives underpinning the proposed changes would not be met.

Consultation

There are no public consultation requirements in respect of the Fees and Charges proposals for 2024/25.

Reasons for Recommendation

To fulfill statutory obligations and in accordance with the Council’s Constitution, fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget and service planning process.

Key Decision

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

Finance Officer Clearance

Legal Officer Clearance

CORPORATE DIRECTOR’S SIGNATURE

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

Fees, Charges and Allowances

2024/25

Fees, Charges and Allowances Guide

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KEY

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

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

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

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

ADULT SOCIAL CARE

Telephones Provided Under the Chronically Sick and Disabled Persons Act 1970				
Following the calculation of the net chargeable income, the following scale is used to determine the service user's entitlement to assistance.				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Free installation and rental	M/D	Net chargeable income of up to £17.40 per week	Net chargeable income of up to £18.30 per week	5.2%
Free installation only	M/D	Net chargeable income of up to £17.40 per week but below £34.60 per week	Net chargeable income of up to £18.30 per week but below £36.30 per week	5.2%
No assistance	M/D	Net chargeable income of up to £34.60 per week	Net chargeable income of up to £36.30 per week	4.9%
Estimated Financial Implication - Negligible				

Review of Residential and Nursing Home Placements				
The Council, in making residential care and nursing home placements outside the Trafford area, may ask the other Local Authority involved to carry out the placement review where it would be more cost effective to do so e.g. where a placement is made in a distant local authority area.				
In cases where another local authority arranges a residential placement within the Trafford area and requests that a Trafford Social Worker undertakes the placement review then a charge may be made which is a flat rate charge calculated to cover the cost of social work and administrative time in completing the review.				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Charge for Review	D/D	387.00	406.00	4.9%
Estimated Financial Implication - Negligible				

Community Care Charging Policy - Disregard of Income and Expenditure				
The Department of Health Guidance "Fairer Charging for Non-Residential Services" lays down statutory allowances for charging. These are Income Support allowances plus 25%.				
The guidance allows the council to charge against Disability Benefits, (Attendance Allowance and Disability Living Allowance) and the Severe Disability Premium of Income Support.				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Percentage disregard of Net Disposable Income	M/D	0%	0%	0.0%
Standard Disregard for Disability Related Expenditure	M/D	11.35	12.10	6.6%

Daily Rate for Day Care Attendance and Day Care Transport				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Daily rate for Day Care Attendance	M/D	47.28	TBC *	N/A
Sessional rate (1/2 day attendance)	M/D	23.64	TBC *	N/A
Day Care Transport	M/D	2.90	TBC *	N/A

Home Care Charge - Framework Prices				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Charge per Hour	M/D	19.66	TBC *	N/A
Charge per half hour	M/D	9.83	TBC *	N/A

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

Residential and Nursing Home Charge - Framework Prices	VAT (V) /Code	2023/24 £	2024/25 £	% change
Residential	M/D	657.90	TBC *	N/A
Residential (Elderly Mentally Infirm)	M/D	657.90	TBC *	N/A
Nursing	M/D	735.43	TBC *	N/A
Nursing (Elderly Mentally Infirm)	M/D	735.43	TBC *	N/A

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

Pendant Alarm Services	VAT (V) /Code	2023/24 £	2024/25 £	% change
Service level 1 - 24 hr monitoring service	M/D	6.00	6.30	5.0%
Service level 2 - responds to emergency calls received by sending a mobile warden.	M/D	7.20	7.50	4.2%
Service level 3 - as per Service level 2 with an additional planned visiting service.	M/D	10.35	10.80	4.3%
Estimated Financial Implication - Negligible				

Supported Living - Shawe Road & Shawe View

Most permanent tenants receive housing benefit which meets the major part of their rent. An additional charge in the rent, which is not eligible for Housing Benefit, is made for heating and lighting.

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Shawe Road *				
1 Bedroom flat (weekly)	M/D	138.08	178.36	29.2%
2 Bedroom flat (weekly)	M/D	149.59	201.37	34.6%
* Rates are linked to the Local Housing Allowance (LHA) set by the Government				
Charges for Part 3 Homes (Shawe Rd Respite) **				
** Cost per resident week charged in line with Residential Framework Prices above.	M/D	N/A	N/A	N/A

Administration Charges Relating to Funerals and Estates

Section 46 of the Public Health (Control of Disease) Act 1984 charges Local Authorities with the duty to bury or cremate the body "of any person who has died or been found dead in their area, in any case where it appears to the Authority that no suitable arrangements for the disposal of the body have been made or are being made otherwise than the Authority". The Authority is empowered to reimburse itself for any costs involved from the estate provided there are sufficient means to do so.

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Where a funeral is arranged but inventory is not required.	V M/D	323.00	350.00	8.4%
Where a funeral is arranged and inventory taken.	V M/D	650.00	700.00	7.7%
Estates which have involved four days work (30 hours) involving searching, inventory and funeral arrangements.	V M/D	953.00	1050.00	10.2%
Estates where an inventory is taken but no funeral arranged.	V M/D	323.00	350.00	8.4%
Estimated Financial Implication - Negligible				

Kennel Fees

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

Kennelling Fee	VAT (V) /Code	2023/24 £	2024/25 £	% change
All dogs	D/D	15.00	19.00	26.7%
Cats	D/D	8.50	10.00	17.6%
Parrots	D/D	4.00	6.00	50.0%
Budgies/Canaries	D/D	3.00	5.00	66.7%
Guinea pigs	D/D	3.50	6.00	71.4%
Rabbits	D/D	4.00	8.00	100.0%
Snakes	D/D	3.00	8.00	166.7%
Hamsters/Gerbils	D/D	3.00	5.00	66.7%
Transport is per collection	D/D	15.00	20.00	33.3%

New prices agreed for a 2 year period starting 1 April 2024.

Administration fee for Deferred Payers

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

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Charge per deferred case	V D/D	682.00	740.00	8.5%

Scale of Income Support Allowances used in Trafford's Assessments	VAT (V) /Code	2023/24 £	2024/25 £	% change
Personal Allowances				
<u>Single claimant</u>				
18-24	M/M	67.20	71.70	6.7%
25 - 60	M/M	84.80	90.50	6.7%
60 and over	M/M	201.05	218.15	8.5%
<u>Couple</u>				
At least one aged 18 or over	M/M	133.30	142.25	6.7%
Couple aged 60 and over	M/M	306.85	332.95	8.5%
<u>Disability Premium</u>				
Single	M/M	39.85	42.50	6.6%
Couple	M/M	56.80	60.60	6.7%
<u>Pensioner Premium</u>				
Single	M/M	116.25	127.65	9.8%
Couple	M/M	173.55	190.70	9.9%
<u>Severe Disability Premium</u>				
Single claimant	M/M	76.40	81.50	6.7%
Couple (both qualify)	M/M	152.80	163.00	6.7%
<u>Enhanced Disability Premium</u>				
Single claimant	M/M	19.55	20.85	6.6%
Couple	M/M	27.90	29.75	6.6%
<u>Other Premiums</u>				
Carer Premium	M/M	42.75	45.60	6.7%
<u>CAPITAL LIMITS</u>				
Lower Limit	M/M	14,250.00	14,250.00 *	0.0%
Upper Limit	M/M	23,250.00	23,250.00 *	0.0%

* Awaiting confirmation from Department of Health

Disabled Facilities Grants	VAT (V) /Code	2023/24 £	2024/25 £	% change
* Technical and Professional Services fee - minimum charge (£275.00) or 15% of eligible expense, (whichever is the greater). All plus professional negligence insurance based on 10% of fee plus VAT.	V M/D	*	*	0.0%
** Limited Land Charge on a property if it is disposed of within 10 years. The charge will apply where the value of the DFG exceeds £5,000 and will be limited to a maximum charge of £10,000	D/D	**	**	0.0%

Charges for Deferred Payment Agreements and Proposed Rates for Alternative Funding Arrangements	VAT (V) /Code	2023/24 £	2024/25 £	% change
Interim Funding Agreement (Council loan) secured by a legally binding agreement	D/D	352.00	380.00	8.0%
Solicitor's Undertaking a legal document that is signed by the clients conveyancing solicitor confirming funds owed in outstanding care fees will be paid out of the proceeds of sale before funds are transferred	D/D	210.00	230.00	9.5%
# Annual interest rates for DPAs & Interim Funding Arrangements - we charge the maximum interest rate as defined in the Care and Support Regulations on a daily basis (compounded). Interest charges are added to the debt, payable at the end of the agreement.	D/D	3.18%#	4.65%#	46.2%

PLACE

Highways Business Group

Stopping Up and Diversion Of Highway (Temporary)	VAT (V) /Code	2023/24 £	2024/25 £	% change
Temporary Traffic Orders				
Section 14(1) Orders (long term) Costs for Posting of Notices & Invoicing included.	D/D	2,200.00	2,350.00	6.8%
Section 14(2) Notices (5 Day/Emergencies) Costs for Posting of Notices & Invoicing included.	D/D	660.00	690.00	4.5%
Provision of Access Highlight Markings:				
Single Property	D/D	77.00	85.00	10.4%
Two Properties	D/D	132.00	145.00	9.8%

Road Opening Permit	VAT (V) /Code	2023/24 £	2024/25 £	% change
To allow for the excavation in the highway for the purpose footway crossings, sewer connections and sewer maintenance works.				
Administration Fee	V D/D	247.00	260.00	5.3%
Inspection fee – New Roads and Street works Act Section 75	M/M	150.00	Fee set nationally due March	N/A
Reinstatement Charges	D/D	Actual Cost	Actual Cost	N/A

New Roads and Street works Act 1991 - Section 50 Street Works Licence	VAT (V) /Code	2023/24 £	2024/25 £	% change
Fees to allow for the administration of the licence, maintaining the record of the apparatus and permitted inspection fees under the Act.				
Administration Fee – Installation of apparatus (non-returnable)	V D/D	378.00	395.00	4.5%
Administration Fee – Maintenance of apparatus	V D/D	247.00	265.00	7.3%
Capitalised Fee in lieu of annual charge	M/D	270.00	285.00	5.6%
Inspection fee per 200m length	M/M	150.00	Fee set nationally due March	N/A
Traffic Management Act - The above may be subject to changes in legislation.				

Street Furniture Records and Specification Information	VAT (V) /Code	2023/24 £	2024/25 £	% change
To cover small development involving no more than 6 items of street furniture.	D/D	105.00	110.00	4.8%
To cover major development involving more than 6 items of street furniture.	D/D	135.50	145.00	7.0%
Provision of Street Lighting Specification.	D/D	88.00	92.00	4.5%

Vehicular Crossings	VAT (V) /Code	2023/24 £	2024/25 £	% change
Site inspection, preparation of estimate, processing application, supervision of work, payment of account, including all administration costs.	D/D	Actual Cost	Actual Cost	N/A
Specialist input if required, i.e. Trees, Street Lighting.	D/D	Actual Cost	Actual Cost	N/A
Where a crossing is provided as part of programmed highway works, an all inclusive minimum charge (based on standard width of 2.7m).	D/D	575.00	595.00	3.5%
To provide estimate for a vehicle crossing.	D/D	52.50	55.00	4.8%

Miscellaneous charges	VAT (V) /Code	2023/24 £	2024/25 £	% change
Grit, salt etc				
20 Kilo bag - collected from depot	V D/D	15.50	16.50	6.5%
5 x 20 Kilo bags delivered (minimum 5 bags)	V D/D	246.00	265.00	7.7%
Loose grit salt - 1/2 tonne (if collected)	V D/D	82.00	87.00	6.1%
Loose grit salt - 1 tonne	V D/D	130.00	140.00	7.7%
Delivery charge for 1 tonne loose salt	V D/D	265.00	290.00	9.4%
Grit Bin Delivered	V D/D	530.00	570.00	7.5%
Grit Bin - Collected	V D/D	335.00	360.00	7.5%
Grit Bin - to fill	V D/D	255.00	275.00	7.8%
Hire of sandbags 1 week (each)	V D/D	5.50	6.00	9.1%
Second hand flags - dependent on availability	V M/D	On application	On application	N/A

Provision of Highway Inspection Details To Statutory Undertakers and Other Bodies	VAT (V) /Code	2023/24 £	2024/25 £	% change
Supply of collected Highway Inspection Data – per year requested	V D/D	152.00	160.00	5.3%
Administrative charge per question	V D/D	20.20	22.00	8.9%
Photocopying of existing information per sheet	V D/D	0.60	0.65	8.3%

Local Authorities (Transport Charges) Regulations 1998 – Skips	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Consideration to an application by any person for permission to deposit, or cause to be deposited, a skip on any highway pursuant to section 129 (1) and (2) of the Highways Act 1980.	D/D	42.00	45.00	7.1%
If any skip is found on the public highway without a valid permit, an inspection fee shall be applied in addition to the retrospective permit fee.	D/D	50.00	53.50	7.0%

Local Authorities (Transport Charges) Regulations 1998 – Scaffolding	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Consideration of an application for licence in writing to erect or retain on or over a highway any scaffolding or other structure in connection with any building or demolition work or the alteration, repair, maintenance or cleaning of any building which obstructs the highway pursuant to section 169 (1) and (2) of the Highways Act 1980.	D/D	150.00	160.00	6.7%
For each 28 day period thereafter.	D/D	145.00	155.00	6.9%
If any scaffolding or other structure is found on the public highway without a valid permit, an inspection fee shall be applied in addition to the retrospective permit fee.	D/D	50.00	55.00	10.0%

Local Authorities (Transport Charges) Regulations – Hoardings	VAT (V) /Code	2023/24 £	2024/25 £	% change
Consideration of an application for consent for the obligation to erect a hoarding or fence in accordance with section 172 (1) of the highways Act 1980 to be dispensed pursuant to subsection (2) of that section.	D/D	154.00	165.00	7.1%
Anything done by the local highway authority in connection with site specifications to monitor compliance with duties imposed by section 172(3) and by section 173 (1) of the highways Act 1980 on a person who has erected a hoarding or fence (for pre and post erection inspections per month for duration for safety inspections.	D/D	81.00	85.00	4.9%
If any hoarding or fence is found on the public highway without a valid permit, an inspection fee shall be applied in addition to the retrospective permit fee.	D/D	50.00	55.00	10.0%

Removal of "A" Boards and Other Obstructions placed within the Public Highway	VAT (V) /Code	2023/24 £	2024/25 £	% change
Small	V D/D	71.50	75.00	4.9%
Medium	V D/D	143.00	150.00	4.9%
Large	V D/D	204.00	215.00	5.4%

Placing of Tables and Chairs on the Highway	VAT (V) /Code	2023/24 £	2024/25 £	% change
All Businesses renewal / application 12 month standing charge	D/D	285.00	350.00	22.8%
All Businesses new / application 12 month standing charge	D/D	N/A	500.00	N/A

Children's Fairground Rides on the adopted highway under Section 115E of the Highways Act 1980	VAT (V) /Code	2023/24 £	2024/25 £	% change
per annum	D/D	2,500.00	2,600.00	4.0%
per month (4 week period)	D/D	220.50	235.00	6.6%
per week (one off special event)	D/D	66.00	70.00	6.1%

Copies of Technical Reports	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Copies of Technical Reports.</u> (Ground Investigation and Tests Available to Developers/Consultants) per page inclusive of VAT - minimum charge of £50.	V D/D	3.90	4.10	5.1%
<u>Provision of Policy Documents.</u> (for any policy document including the "Highway Design Standards for Adoption" document).	D/D	106.00	110.00	3.8%

Adopted Highway Information, Signs to Housing Developments

Street Lighting Design Services for Private Developments	VAT (V) /Code	2023/24 £	2024/25 £	% change
Fixed design/checking fee	D/D	855.00	895.00	4.7%
Plus charge per column	D/D	58.50	65.00	11.1%

Highways Act 1980 Section 38 Agreement – Administration Charge	VAT (V) /Code	2023/24 £	2024/25 £	% change
Charge to be made of 11% of the Bond figure subject to a minimum charge as stated and no maximum charge.	M/D	7,500.00	7,850.00	4.7%
Charge in respect of any agreed extension of time to that in the agreement.	M/D	1,280.00	1,350.00	5.5%

Stopping Up and Diversion of Highway (Permanent)	VAT (V) /Code	2023/24 £	2024/25 £	% change
For all requests for the stopping up and diversion of Highways/Public Rights of Way.	D/D	2,938.00	3,100.00	5.5%

The Council's legal fees will be payable in addition to the above.

Provision of Direction Signing to Tourist Attractions	VAT (V) /Code	2023/24 £	2024/25 £	% change
Non-refundable fee for each request.	D/D	275.50	295.00	7.1%
Provision of temporary directional signage to events.	D/D	160.00	170.00	6.3%

If signing is agreed, the applicant is required to meet all costs for design, manufacture, erection and monitoring of the signs to their attractions.

Street Numbering and Naming	VAT (V) /Code	2023/24 £	2024/25 £	% change
Renumbering of properties in situations where numbers have previously been allocated.	D/D	588.00	625.00	6.3%

Adopted Highway Information				
For all requests from developers, individuals and external bodies to mark up plans submitted by them to show the extent of adopted highways.				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
To cover single applications i.e. a single house.	V D/D	92.50	97.50	5.4%
To cover large single unit development i.e. office block, single factory unit or flat development.	V D/D	106.00	115.00	8.5%
To cover major development i.e. large scale housing, industrial and commercial development.	V D/D	156.50	170.00	8.6%
Request for advice and information on proposals or infrastructure queries.	V D/D	71.50	75.00	4.9%

Signs to Housing Development	VAT (V) /Code	2023/24 £	2024/25 £	% change
Irrespective of the number of signs, each application to be subject to a fee for processing the application and that the applicant pay the actual cost of providing the signs including the design fee. (The fee covers the first 12 months or part thereof).	D/D	472.50	495.00	4.8%
For each additional 12 months (or part thereof).	D/D	180.00	195.00	8.3%
Administration fee for removal of unauthorised signage.	D/D	144.00	155.00	7.6%
Each further sign: Small	D/D	22.00	25.00	13.6%
Large	D/D	35.50	40.00	12.7%

Dangerous Buildings and Demolition Notices	VAT (V) /Code	2023/24 £	2024/25 £	% change
Dangerous Buildings	D/D	POA	POA	N/A
Demolition Notices	D/D	300.00	320.00	6.7%

Parking Services				
Parking Permits	VAT (V) /Code	2023/24 £	2024/25 £	% change
Annual Residents Parking Permit	D/D	49.50	51.50	4.0%
Annual Visitor Permit	D/D	49.50	51.50	4.0%
Visitor Books – 25 cards per book	D/D	13.00	13.50	3.8%
Administration Fee	D/D	7.70	8.00	3.9%
Annual Business Permit (on street only - limited to a maximum of 10 in Hale only)	D/D	175.00	185.00	5.7%
Annual Season permits - Brown St car park, Hale (max 15 spaces available)	D/D	400.00	425.00	6.3%
Lloyd Square, Altrincham - on street annual permits limited to business use only ringfenced to local properties - 10 spaces in total	D/D	300.00	320.00	6.7%

Town Centre Display Area	VAT (V) /Code	2023/24 £	2024/25 £	% change
Daily charge	D/D	82.00	85.00	3.7%

Trafford Park Match Day Parking	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
	The Village, Trafford Park Match Day parking charge (per event)	D/D	6.00	6.00

Pay and Display	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Off Street * (SEE BELOW)				
Regent Road up to 2 hours	V D/D	2.00	2.00	0.0%
Regent Road up to 3 hours	V D/D	3.00	3.00	0.0%
Regent Road up to 4 hours	V D/D	4.00	4.00	0.0%
Regent Road up to 5 hours	V D/D	5.00	5.00	0.0%
Regent Road over 5 hours	V D/D	6.00	6.00	0.0%
Oakfield Road up to 2 hours	V D/D	2.00	2.00	0.0%
Oakfield Road up to 3 hours	V D/D	3.00	3.00	0.0%
Oakfield Road up to 4 hours	V D/D	4.00	4.00	0.0%
Oakfield Road up to 5 hours	V D/D	5.00	5.00	0.0%
Oakfield Road over 5 hours	V D/D	6.00	6.00	0.0%
Victoria Road up to 2 hours	V D/D	2.00	2.00	0.0%
Victoria Road up to 3 hours	V D/D	3.00	3.00	0.0%
Victoria Road up to 4 hours	V D/D	4.00	4.00	0.0%
Victoria Road up to 5 hours	V D/D	5.00	5.00	0.0%
Victoria Road over 5 hours	V D/D	6.00	6.00	0.0%
Cecil Road East up to 2 hours	V D/D	2.00	2.00	0.0%
Cecil Road East up to 3 hours	V D/D	3.00	3.00	0.0%
Cecil Road East up to 4 hours	V D/D	4.00	4.00	0.0%
Cecil Road East up to 5 hours	V D/D	5.00	5.00	0.0%
Cecil Road East over 5 hours	V D/D	6.00	6.00	0.0%
Crown Passages up to 2 hours	V D/D	2.00	2.00	0.0%
Crown Passages up to 3 hours	V D/D	3.00	3.00	0.0%
Crown Passages up to 4 hours	V D/D	4.00	4.00	0.0%
Crown Passages up to 5 hours	V D/D	5.00	5.00	0.0%
Crown Passages over 5 hours	V D/D	6.00	6.00	0.0%
Ashley Walk up to 2 hours	V D/D	2.00	2.00	0.0%
Ashley Walk up to 3 hours	V D/D	3.00	3.00	0.0%
Ashley Walk up to 4 hours	V D/D	4.00	4.00	0.0%
Ashley Walk up to 5 hours	V D/D	5.00	5.00	0.0%
Ashley Walk over 5 hours	V D/D	6.00	6.00	0.0%
Oaklands Drive up to 2 hour	V D/D	2.00	2.00	0.0%
Oaklands Drive up to 3 hour	V D/D	3.00	3.00	0.0%
Oaklands Drive up to 4 hour	V D/D	4.00	4.00	0.0%
Oaklands Drive up to 5 hour	V D/D	5.00	5.00	0.0%
Oaklands Drive over 5 hour	V D/D	6.00	6.00	0.0%
Brown St up to 2 hour	V D/D	2.00	2.00	0.0%
Brown St up to 3 hour	V D/D	3.00	3.00	0.0%
Brown St up to 4 hour	V D/D	4.00	4.00	0.0%
Brown St up to 5 hour	V D/D	5.00	5.00	0.0%
Brown St over 5 hour	V D/D	6.00	6.00	0.0%
Golden Hill, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Golden Hill, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
Warrener Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
Warrener Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Lacy Street, Stretford up to 3 hours	V D/D	0.50	0.50	0.0%
Lacy Street, Stretford over 3 hours	V D/D	1.20	1.20	0.0%
Flixton Road, Flixton up to 3 hours	V D/D	0.50	0.50	0.0%
Flixton Road, Flixton over 3 hours	V D/D	1.20	1.20	0.0%
Manor Avenue, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Manor Avenue, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
Hampson Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
Hampson Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Balmoral Road, Altrincham (small) up to 3 hours	V D/D	0.50	0.50	0.0%
Balmoral Road, Altrincham (small) over 3 hours	V D/D	1.20	1.20	0.0%
Atkinson Road, Urmston up to 3 hours	V D/D	0.50	0.50	0.0%
Atkinson Road, Urmston over 3 hours	V D/D	1.20	1.20	0.0%
James Street, Sale Moor up to 3 hours	V D/D	0.50	0.50	0.0%
James Street, Sale Moor over 3 hours	V D/D	1.20	1.20	0.0%
Greenbank Road, Ashton on Mersey, Sale up to 3 hours	V D/D	0.50	0.50	0.0%
Greenbank Road, Ashton on Mersey, Sale over 3 hours	V D/D	1.20	1.20	0.0%
Baker St, Timperley up to 3 hours	V D/D	0.50	0.50	0.0%
Baker St, Timperley over 3 hours	V D/D	1.20	1.20	0.0%
Thorley Lane up to 3 hours	V D/D	0.50	0.50	0.0%
Thorley Lane over 3 hours	V D/D	1.20	1.20	0.0%

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

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

2024/25

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours
ALTRINCHAM								
Stamford street (ss)	N/A			2.00				
Springfield road (ss)	N/A			2.00				
Victoria street (ss)	N/A			2.00				
Market street (ss)	N/A			2.00				
Regent road (ss)	N/A			2.00				
New street (ss)	N/A			2.00				
The Downs (ss)	N/A			2.00				
Lloyd street (ss)	N/A			2.00				
Railway street (ss)	N/A			2.00				
Kingsway (ss)	N/A			2.00				
Oakfield street (ss)	N/A			2.00				
Oxford road (ss)	N/A			2.00				
Barrington road (ss)	N/A			2.00				
Burlington road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Gaskell road (ls)	N/A			2.00	3.00	4.00	5.00	6.00

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours
Grosvenor road (nr 2+11) (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Grosvenor road (Bridge) (ls)	N/A			2.00	2.50	4.00	5.00	6.00
Hazel road (ls)	N/A			2.00	2.50	4.00	5.00	6.00
Mill street (ls)	N/A			2.00	2.50	4.00	5.00	6.00
Sandway road (ls)	N/A			2.00	2.50	4.00	5.00	6.00
Sandway place (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
SALE								
Broad road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Northenden road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Hope road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Ashton lane (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Harley road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Symons road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Linley road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Sefton road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Ashfield road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Leicester road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Claremont road (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Claremont rd (nr School) (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A
Brighton grove (ss)	N/A			2.00	(max stay 2hrs-no return 1 hour)	N/A	N/A	N/A

Location	Up to 1/2 hour			Up to 2 hours	Up to 3 hours	Up to 4 hours	4 to 5 hours	Over 5 hours
STRETFORD								
Chorley street (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Warwick road (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Brian Statham Way (ls)	N/A			2.00	3.00	4.00	5.00	6.00
Trafford Wharf Road	N/A			2.00	3.00	4.00	5.00	6.00
Wharf End	N/A			2.00	3.00	4.00	5.00	6.00

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

Parking Dispensations and Suspensions				
Operation of decriminalised parking enforcement gives provision for the Council to allow a named vehicle to park for a defined time in a parking place where the operation of the parking place has been suspended or where the parking place is in a restricted area.				
	VAT (V) /Code	2023/24 £	2024/25 £	% change
Dispensation – per vehicle, per day, e.g. House Removal, Builders (for long term work, price to be agreed upon application).	D/D	16.75	17.50	4.5%
Dispensation – per vehicle for one month (builders etc).	D/D	200.00	215.00	7.5%
Dispensation – per vehicle for two months (builders etc)	D/D	303.00	320.00	5.6%
Dispensation – per vehicle for three months (builders etc).	D/D	386.00	420.00	8.8%
Suspensions	D/D	33.10	35.00	5.7%
Multi-bay suspensions to be agreed upon application. Dependent on location.	negotiated on application with reference to daily parking charges			
Cones charge – refundable charge for each cone - charge to be negotiated on application.	D/D	16.75	17.50	4.5%

Greenspace Business Group

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Allotments				
Standard Plots – 250 metres square – per annum	D/D	104.00	104.00	0.0%
Concessionary charge – first plot	D/D	52.00	52.00	0.0%
Concessionary – additional plots	D/D	104.00	104.00	0.0%
		2024/25 £	2025/26 £	
N.B. Allotment fees set a year ahead in line with legislation.				
Standard Plots – 250 metres square – per annum	D/D	104.00	104.00	0.0%
Concessionary charge – first plot	D/D	52.00	52.00	0.0%
Concessionary – additional plots	D/D	104.00	104.00	0.0%

Fishing (King George V Pool)

This facility is managed by Friends of King George V Pool who will collect and retain income for development projects.

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Day ticket to 5.00 p.m. – Adult	D/D	2.00	2.00	0.0%
Day Ticket to 5.00 p.m. - Junior	D/D	1.00	1.00	0.0%
Night fishing permit – Adult	D/D	30.00	30.00	0.0%

Special Events

Filming in Trafford

Location fees may increase/decrease depending on your requirements and location impact.

Clearance to film on the Highway including footpaths

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Admin Charge *	V D/D	78.75	85.00	7.9%
Small Production (1-5 crew) *	V D/D	105.00	120.00	14.3%
Medium Production (6-11 crew) *	V D/D	131.25	145.00	10.5%
Large production (12-29 crew) *	V D/D	183.75	200.00	8.8%
Major features (30+ crew) *	V D/D	262.50	300.00	14.3%
Student / Charity (proof required) *	V D/D	No charge	No charge	N/A
Unit Base – charges will vary depending on size of unit base and location *	V D/D	52.50	55.00	4.8%
Evening or Night filming surcharge **	V D/D	Specific approval required	Specific approval required	N/A
Cancellation fees	V D/D	If clearance has already been granted £75 otherwise no charge	If clearance has already been granted £75 otherwise no charge	N/A

*Does not include road closure fees. Road closures are agreed and invoiced separately by our One Trafford partner AMEY.

Covers up to a maximum of three clearances, unused clearances will be credited to your account for 30 days. You need formal permission from the council if you need to place equipment on the footpath or highway. Rates quoted are day rate covering 8 hours between 7am & 10pm unless otherwise agreed,

** An admin fee also applies to certain unit base locations, we will advise you when we provide a quote.

Cemeteries and Crematoria

Admin Charge
 Small Production (1-5 crew)
 Medium Production (6-11 crew)
 Large production (12-29 crew)
 Major features (30+ crew)
 Student / Charity (proof required)
 Evening or Night filming surcharge
 Cancellation fees

VAT (V) /Code	2023/24 £	2024/25 £	% change
V D/D	78.75	85.00	7.9%
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	No charge	No charge	N/A
V D/D	POA	POA	N/A
V D/D	Dependent on notice period	Dependent on notice period	N/A

Trafford Town Hall

Admin Charge
 Small Production (1-5 crew)
 Medium Production (6-11 crew)
 Large production (12-29 crew)
 Major features (30+ crew)
 Evening or Night filming surcharge
 Cancellation fees

VAT (V) /Code	2023/24 £	2024/25 £	% change
V D/D	78.75	85.00	7.9%
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	Dependent on notice period	Dependent on notice period	N/A

Parks & Greenspaces

Admin Charge
 Small Production (1-5 crew) *
 Medium Production (6-11 crew) *
 Large production (12-29 crew) *
 Major features (30+ crew)
 Student / Charity (proof required)
 Evening or Night filming surcharge
 Unit Base – charges will vary depending on size of unit base and location
 Cancellation fees
 * Charge per hour

VAT (V) /Code	2023/24 £	2024/25 £	% change
V D/D	78.75	85.00	7.9%
V D/D	105.00	120.00	14.3%
V D/D	131.25	145.00	10.5%
V D/D	183.75	200.00	N/A
V D/D	POA	POA	N/A
V D/D	No charge	No charge	N/A
V D/D	+25%	+25%	N/A
V D/D	+50%	+50%	N/A
V D/D	From £300 per 24 hours	From £300 per 24 hours	N/A
V D/D	105.00	110.00	4.8%

Parking Services

Admin Charge
 Car parking per bay
 Suspension of on street parking
 Vehicle dispensation forms
 Cancellation fees

VAT (V) /Code	2023/24 £	2024/25 £	% change
V D/D	78.75	85.00	7.9%
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A
V D/D	POA	POA	N/A

Temporary Market Licences

Fees are subject to change at any time. Fees for trader are for each day the market is operating.
 If a market goes ahead without the appropriate licence the operator may be charged a Standard Fee** after the event.

All fees must be paid before a licence is issued and a market can go ahead.

Admin Fee*

Market (operated for profit)
 Market (operated by a not-for-profit)^
 Car boot sales (operated for profit)
 Car boot sales (operated by a not-for-profit)^

Fee per trader

Market (operated for profit)
 Market (operated by a not-for-profit)^
 Car boot sales (operated for profit)
 Car boot sales (operated by a not-for-profit)^

VAT (V) /Code	2023/24 £	2024/25 £	% change
D/D	52.50	55.20	5.1%
D/D	52.50	55.20	5.1%
D/D	52.50	55.20	5.1%
D/D	52.50	55.20	5.1%
D/D	4.20	4.40	4.8%
D/D	2.10	2.20	4.8%
D/D	1.60	1.70	6.2%
D/D	1.05	1.10	5.0%

*A larger Admin Fee of £105 will be charged where a licence is issued retrospectively. This is to account for additional administrative work, e.g. research, additional communications with organisers etc.

^Markets run by charities or not-for-profit organisations will only be charged a per trader fee for those stalls trading for profit, not for those traders raising funds for a charity or not-for-profit organisation. Applicants will need to evidence their charity/not-for-profit status.

****Standard Fee**

The 'Standard Fee' is a set fee based on the following assumptions:

No. of stalls, operating days and operator

The Standard Fee would equate to a larger admin fee of £105 (to account for the additional administration)

Every effort will be made to establish the correct fee with the operator before an invoice for the Standard Fee is issued.

i.e. fee per trader x number of stalls x number of days + admin fee £105

<u>Use of Parks and green spaces for commercial activities (sessional) e.g. fitness classes, forest schools</u>	<u>VAT (V) /Code</u>	<u>2023/24</u> <u>£</u>	<u>2024/25</u> <u>£</u>	<u>% change</u>
Operator registration fee *	V D/D	15.00	N/A	N/A
Annual Licence administration fee one venue	V D/D	40.00	50.00	25.0%
Annual Licence administration fee for each additional venue	V D/D	30.00	50.00	66.7%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Annual)	D/D	130.00	180.00	38.5%
Licence fee: per adult session/per trainer or per children's session maximum group size 30 (Quarterly /13 weeks)	D/D	40.00	50.00	25.0%

* Fee no longer applicable

Environment Business Group

Waste Management	VAT (V) /Code	2023/24 £	2024/25 £	% change
Waste Charges shown are NOW exclusive of VAT unless stated otherwise				
<u>Bulky Item Collection</u>				
Removal of Commercial Bulky items (hourly charge)	D/D	110.00	115.00	4.5%
Removal of Commercial Fridges/Freezers/WEEE per unit	D/D	165.00	173.00	4.8%
Removal of Domestic Bulky Household Items (per 5 items)	D/D	38.50	40.00	3.9%
<u>Domestic Container Purchase (Individual Properties)</u>				
Purchase of Domestic Recycling and Waste Container New Builds.	D/D	121.50	127.00	4.5%
<u>Domestic Containers Purchase for Developers - per Container. (INCLUSIVE of VAT)</u>				
Purchase of Domestic Waste & recycling Euro Containers (flats) - 1 bin	V D/D	408.00	425.00	4.2%
Purchase of Domestic Waste & recycling Euro Containers (flats) - set of 3	V D/D	1,135.00	1,187.00	4.6%
Purchase of Domestic Waste & recycling Wheeled Bins 360 (flats).	V D/D	89.50	94.00	5.0%
<u>Delivery and Administration for Replacement Domestic Bins</u>				
Delivery and administration charge for replacement domestic wheeled bins.	V D/D	35.70	37.00	3.6%
Delivery and administration charge for swapping to a larger refuse wheeled bin. (Excluding medical exemptions)	V D/D	35.70	37.00	3.6%
Delivery and administration charge for replacement domestic wheeled bins for householders receiving Council Tax Benefit, (excluding Single Persons Reductions) or Housing Benefit.	V D/D	14.45	15.00	3.8%
Delivery and administration charge for swapping to a larger refuse wheeled bin for householders receiving Council Tax Benefit, (excluding Single Persons Reductions) or Housing Benefit. (Excluding medical exemptions)	V D/D	14.45	15.00	3.8%

Environmental Health

A) Licences	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Health & Safety</u>				
Tattooing, Cosmetic Piercing, Ear Piercing, Semi-permanent skin-colouring, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Premises.	D/D	270.00	283.00	4.8%
Tattooing, Ear Piercing, Acupuncture & Electrolysis (and other related activities which may be included following a change to the relevant Byelaws) - Person.	D/D	92.00	97.00	5.4%
Statement of Facts	D/D	85.00 per hour	95.00 per hour	11.8%
<u>Animal Welfare *</u>				
<u>Home Boarding of Dogs</u>				
Application Fee	M/D	215.00	226.00	5.1%
Grant Fee (1 Year)	M/D	123.00	129.00	4.9%
Grant Fee (2 Years)	M/D	146.00	153.00	4.8%
Grant Fee (3 Years)	M/D	169.00	177.00	4.7%
<u>Dog Breeding Licence</u>				
Application Fee - Residential	M/D	273.00	287.00	5.1%
Application Fee - Commercial	M/D	331.00	348.00	5.1%
Grant Fee - Residential (1 Year)	M/D	152.00	160.00	5.3%
Grant Fee - Residential (2 Years)	M/D	176.00	185.00	5.1%
Grant Fee - Residential (3 Years)	M/D	199.00	209.00	5.0%
Grant Fee - Commercial (1 Year)	M/D	181.00	190.00	5.0%
Grant Fee - Commercial (2 Years)	M/D	205.00	215.00	4.9%
Grant Fee - Commercial (3 Years)	M/D	228.00	239.00	4.8%

Boarding of Cats <u>or</u> Dogs				
Application Fee - Business <10 animals	M/D	273.00	287.00	5.1%
Application Fee - Business 10-29 animals	M/D	302.00	317.00	5.0%
Application Fee - Business 30-60 animals	M/D	331.00	348.00	5.1%
Application Fee - Business > 60 animals	M/D	360.00	378.00	5.0%
Grant Fee - Business <10 animals (1 Year)	M/D	152.00	160.00	5.3%
Grant Fee - Business 10-29 animals (1 Year)	M/D	168.00	176.00	4.8%
Grant Fee - Business 30-60 animals (1 Year)	M/D	181.00	190.00	5.0%
Grant Fee - Business > 60 animals (1 Year)	M/D	197.00	207.00	5.1%
Grant Fee - Business <10 animals (2 Years)	M/D	176.00	185.00	5.1%
Grant Fee - Business 10-29 animals (2 Years)	M/D	191.00	201.00	5.2%
Grant Fee - Business 30-60 animals (2 Years)	M/D	205.00	215.00	4.9%
Grant Fee - Business > 60 animals (2 Years)	M/D	220.00	231.00	5.0%
Grant Fee - Business <10 animals (3 Years)	M/D	199.00	209.00	5.0%
Grant Fee - Business 10-29 animals (3 Years)	M/D	214.00	225.00	5.1%
Grant Fee - Business 30-60 animals (3 Years)	M/D	228.00	239.00	4.8%
Grant Fee - Business > 60 animals (3 Years)	M/D	244.00	256.00	4.9%
Boarding of Cats <u>and</u> Dogs				
Application Fee - Business <10 animals	M/D	331.00	348.00	5.1%
Application Fee - Business 10-29 animals	M/D	360.00	378.00	5.0%
Application Fee - Business 30-60 animals	M/D	390.00	410.00	5.1%
Application Fee - Business > 60 animals	M/D	418.00	439.00	5.0%
Grant Fee - Business <10 animals (1 Year)	M/D	181.00	190.00	5.0%
Grant Fee - Business 10-29 animals (1 Year)	M/D	197.00	207.00	5.1%
Grant Fee - Business 30-60 animals (1 Year)	M/D	211.00	222.00	5.2%
Grant Fee - Business > 60 animals (1 Year)	M/D	226.00	237.00	4.9%
Grant Fee - Business <10 animals (2 Years)	M/D	205.00	215.00	4.9%
Grant Fee - Business 10-29 animals (2 Years)	M/D	220.00	231.00	5.0%
Grant Fee - Business 30-60 animals (2 Years)	M/D	234.00	246.00	5.1%
Grant Fee - Business > 60 animals (2 Years)	M/D	249.00	262.00	5.2%
Grant Fee - Business <10 animals (3 Years)	M/D	228.00	239.00	4.8%
Grant Fee - Business 10-29 animals (3 Years)	M/D	244.00	256.00	4.9%
Grant Fee - Business 30-60 animals (3 Years)	M/D	257.00	270.00	5.1%
Grant Fee - Business > 60 animals (3 Years)	M/D	260.00	273.00	5.0%
Providing Day Care for Dogs (Crèche)				
Application Fee	M/D	273.00	287.00	5.1%
Grant Fee (1 Year)	M/D	152.00	160.00	5.3%
Grant Fee (2 Years)	M/D	176.00	185.00	5.1%
Grant Fee (3 Years)	M/D	199.00	209.00	5.0%
Keeping of Animals for Exhibition				
Application Fee	M/D	273.00	287.00	5.1%
Grant Fee	M/D	83.00	87.00	4.8%
Hiring out Horses				
Application Fee <10 Horses	M/D	273.00	287.00	5.1%
Application Fee 10-50 Horses	M/D	390.00	410.00	5.1%
Application Fee >50 Horses	M/D	505.00	530.00	5.0%
Grant Fee (1 Year)	M/D	36.00	38.00	5.6%
Grant Fee <10 Horses (2 Years)	M/D	152.00	160.00	5.3%
Grant Fee 10-50 Horses (2 Years)	M/D	211.00	222.00	5.2%
Grant Fee >50 Horses (2 Years)	M/D	269.00	282.00	4.8%
Grant Fee <10 Horses (3 Years)	M/D	293.00	308.00	5.1%
Grant Fee 10-50 Horses (3 Years)	M/D	410.00	430.00	4.9%
Grant Fee >50 Horses (3 Years)	M/D	527.00	554.00	5.1%
Variation of licence for additional horses	M/D	16.00	17.00	6.3%
Selling Animals as Pets				
Application Fee	M/D	302.00	317.00	5.0%
Grant Fee (1 Year)	M/D	167.00	175.00	4.8%
Grant Fee (2 Years)	M/D	190.00	200.00	5.3%
Grant Fee (3 Years)	M/D	213.00	224.00	5.2%
Dangerous Wild Animals				
Application Fee for Dwarf Caiman or Serval	M/D	245.00	257.00	4.9%
Application Fee for any other Animal	M/D	360.00	378.00	5.0%
Grant Fee (2 Year Licence)	M/D	124.00	130.00	4.8%
Zoo Licence				
New Application Fee	M/D	418.00	439.00	5.0%
Grant Fee (4 Year Licence)	M/D	1,041.00	1,093.00	5.0%
Renewal Fee (6 Year Licence)	M/D	1,614.00	1,694.00	5.0%
Transfer Fee	M/D	£56 per hour of officer time	£59 per hour of officer time	5.4%
Variation Fee for any of the above categories	M/D	£56 per hour of officer time	£59 per hour of officer time	5.4%
Vet's Fees				
Charged at cost plus a 15% administration charge and VAT.				
New application fees reflect additional work, time and visits required for licensing a new premises. The new application fee will also apply to any relocation of premises or change of licensee.				

* Please note, if you undertake more than one activity at the same premises, you will pay whichever is the higher of the fees, plus a £59 variation fee

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Food Surrender Certificate	D/D	£85.00 per hour	£95.00 per hour	11.8%
The following standardised fees have been agreed across Greater Manchester:				
Food Export Certificate	D/D	163.00	163.00	0.0%
Export Health Certificates (fishery products)	D/D	£85.00 per hour	£95.00 per hour	11.8%
Request for a re-inspection under the Food Hygiene Rating Scheme	D/D	189.00	200.00	5.8%
Request for a pre-inspection	D/D	144.00	154.00	6.9%
Request for advice - hourly rate	D/D	85.00	95.00	11.8%
Primary Authority - hourly rate *	D/D	95.00	95.00	0.0%
* previously billed by the Greater Manchester Regulatory Centre of Excellence, but now charged in-house.				

B) Environmental Protection	VAT (V) /Code	2023/24 £	2024/25 £	% change
Environmental Protection fees are set nationally by DEFRA and are announced annually in March.				
Authorised Processes - Application Fees				
Standard part B	M/M	1,650.00	1,650.00	0.0%
Part B - Reduced Activities	M/M	155.00	155.00	0.0%
Annual Subsistence Fees				
Standard Part B				
- Low Risk	M/M	772.00	772.00	0.0%
- Medium Risk	M/M	1,161.00	1,161.00	0.0%
- High Risk	M/M	1,747.00	1,747.00	0.0%
Part B - Reduced Activities				
- Medium Risk	M/M	158.00	158.00	0.0%
Vehicle Refinishers				
- Low Risk	M/M	228.00	228.00	0.0%
- Medium Risk	M/M	365.00	365.00	0.0%
- High Risk	M/M	548.00	548.00	0.0%
Mobile Screening and Crushing Plant				
- Low Risk	M/M	646.00	646.00	0.0%

Environmental Protection cont.	VAT (V) /Code	2023/24 £	2024/25 £	% change
Environmental Searches				
Basic environmental search (250m radius)	V M/D	£85 per hour	£95 Per Hour	11.8%
Extended basic environmental search (250-500m radius)	M/D	£85 per hour	£95 Per Hour	11.8%
Detailed environmental search	M/D	£85 per hour	£95 Per Hour	11.8%

C) Housing Standards	VAT (V) /Code	2023/24 £	2024/25 £	% change
Housing Inspection				
Immigration Inspections	V D/D	205.00	215.00	4.9%
Notices & Works in Default				
Service of Statutory Notice under Housing Act	D/D	574.00	602.00	4.9%
Administration charge for works in default	M/D	£85.00 per hour	£95.00 per hour	11.8%
* A new standard rate across AGMA has been calculated and agreed for this				
HMO Licensing (Housing Act 2004 part 2)				
Pre-HMO Licence Application Advice	D/D	375.00	394.00	5.1%
Maintenance of HMO register	D/D	60.00	63.00	5.0%
Per habitable room fee.	M/D	22.00	23.00	4.5%
Initial application (plus fee per habitable room over 6 rooms)	M/D	874.00	918.00	5.0%
Fee on granting of HMO licence	D/D	182.00	191.00	4.9%
Application to vary licence or licence conditions.	M/D	286.00	300.00	4.9%
Penalty Charges Under Smoke and Carbon Monoxide Alarm (England) Regulations 2015				
First breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	2,000.00	2,000.00	0.0%
For each subsequent breach to comply with a remedial notice (reduced by 50% if paid within 14 days).	D/D	5,000.00	5,000.00	0.0%
Fit & Proper Persons Tests (Mobile Homes)	M/D	N/A	205.00	N/A

D) Pest Control	VAT (V) /Code	2023/24 £	2024/25 £	% change
Dwelling Houses				
- Wasps & Bees (Single or first nest below gutter level)	V D/D	70.00	60.00	(14.3%)
- Wasps & Bees (Single or first nest above gutter level)	V D/D	90.00	80.00	(11.1%)
- Wasps & Bees (Second or subsequent nests treated at same time)	V D/D	35.00	35.00	0.0%
- Ants	V D/D	96.00	101.00	5.2%
- Rats or Mice (3 visits)	V D/D	93.00	98.00	5.4%
- Grey Squirrels (3 visits) *	V D/D	192.00	N/A	N/A
- Grey Squirrels (5 visits Monday to Friday)	V D/D	270.00	284.00	5.2%
- Rodent investigatory visit	V D/D	87.00	91.50	5.2%
- Insect investigatory visit	V D/D	N/A	91.50	N/A
- Fleas (up to 3 bedroom house)	V D/D	135.00	142.00	5.2%
- Fleas (> 3 bedrooms)	V D/D	N/A	213.00	N/A
- Fleas (respray within 14 days)	V D/D	67.00	71.00	6.0%
- Cockroaches	V D/D	200.00	213.00	6.5%
- Bedbugs (2 visits) 1 or 2 bedrooms treated	V D/D	231.00	243.00	5.2%
- Bedbugs additional rooms treated	V D/D	N/A	50.00	N/A
- Call out charge and missed appointments (all customers, all pests)	V D/D	42.00	44.00	4.8%
All other pests and insects in dwelling houses will be charged at an hourly rate of £142.00. The time charged would be a minimum of one hour for each visit and time in excess of one hour will be charged in rounded up thirty-minute periods.	V D/D	135.00	142.00	5.2%

* Service no longer offered

E) Works In Default	VAT (V) /Code	2023/24 £	2024/25 £	% change
Administration charge for works in default	D/D	£85 per hour	£95 per hour	11.8%

F) Stray Dogs	VAT (V) /Code	2023/24 £	2024/25 £	% change
Stray Dogs Charge [Note: This charge applies when a stray dog has been seized by the Dog Warden .Where a dog is returned directly to the owner by the Council's dog warden contractor, a lower fee is payable which will be in accordance with the contract. The current contract is with Salford Council, and the fee is £42.00 which is collected by them directly. Owners retrieving dogs from Manchester Dogs' Home are charged £95. Additional kennelling charges may also be applied by Manchester Dogs Home).	M/D	£42.00 / £95.00	£42.00 / £95.00	0.0%

Licensing

Licence Application Fees

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

1. Taxis – Private Hire & Hackney	VAT (V) /Code	2023/24 £	2024/25 £	% change
Taxi Licences – Vehicles & Drivers				
Grant or Renewal Private Hire Vehicle Licence	D/D	183.00	183.00	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (1 Year)	D/D	295.00	295.00	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (2 Years)	D/D	336.00	336.00	0.0%
Initial Grant of Hackney Carriage/Private Hire Driver (3 Years)	D/D	443.00	443.00	0.0%
Both Badges - additional charge	D/D	23.60	23.60	0.0%
Renewal (Hackney Carriage Driver) (1 Year)	D/D	113.00	113.00	0.0%
Renewal (Hackney Carriage Driver) (2 Years)	D/D	171.00	171.00	0.0%
Renewal (Hackney Carriage Driver) (3 Years)	D/D	274.00	274.00	0.0%
Renewal (Private Hire Driver) (1 Year)	D/D	113.00	113.00	0.0%
Renewal (Private Hire Driver) (2 Years)	D/D	171.00	171.00	0.0%
Renewal (Private Hire Driver) (3 Years)	D/D	274.00	274.00	0.0%
Vehicle Tests				
Test Fee S.68	D/D	53.00	53.00	0.0%
Retest Fee	D/D	50.00	50.00	0.0%
Partial Retest Fee	D/D	25.00	25.00	0.0%
Penalty – arriving late for vehicle test	D/D	28.00	28.00	0.0%
Accident damage check	D/D	25.00	25.00	0.0%
Meter Test	D/D	14.00	14.00	0.0%
Tint test (to check compliance with tinted glass policy)	D/D	13.20	13.20	0.0%
Exceptional Vehicle Condition Test	D/D	25.00	25.00	0.0%
Platforms	D/D	N/A	6.70	N/A
Tamper proof buttons	D/D	N/A	0.70	N/A
Plastic button set	D/D	N/A	1.90	N/A
Drivers Tests				
Taxi Driver Knowledge Test	D/D	95.00	95.00	0.0%
Taxi Driver Knowledge Test Re-sit	D/D	85.00	85.00	0.0%

Taxis cont.	VAT (V) /Code	2023/24 £	2024/25 £	% change
Taxi Operators Licence				
1 vehicle (1 Year)	D/D	218.00	218.00	0.0%
1 vehicle (5 Years)	D/D	800.00	800.00	0.0%
Additional vehicle 2-5: 1 Year	D/D	218.00	218.00	0.0%
Additional vehicle 2-5: 5 Year	D/D	800.00	800.00	0.0%
Plus per extra vehicle	D/D	41.00	41.00	0.0%
6-10 vehicles (1 Year)	D/D	495.00	495.00	0.0%
6 - 10 vehicles (5 Years)	D/D	2,080.00	2,080.00	0.0%
11 -29 vehicles (1 Year)	D/D	495.00	495.00	0.0%
11 - 29 vehicles (5 Years)	D/D	2,080.00	2,080.00	0.0%
30+ vehicles (1 Year)	D/D	683.00	683.00	0.0%
30+ vehicles (5 Years)	D/D	2,846.00	2,846.00	0.0%
Other Charges				
Duplicate Licence	D/D	15.00	15.00	0.0%
Duplicate Plate	D/D	26.00	26.00	0.0%
Front Plate	D/D	26.00	26.00	0.0%
Duplicate Badge	D/D	4.00	4.00	0.0%
Disclosure and Barring Service checks (was CRB)	M/M	53.00	53.00	0.0%
Change of Vehicle	D/D	37.00	37.00	0.0%
Owner Transfer of Vehicle	D/D	27.00	27.00	0.0%

2. Liquor & Entertainment Licensing	VAT (V) /Code	2023/24 £	2024/25 £	% change
Personal Licences	M/M	37.00	37.00	0.0%
<u>Premises Licences</u>				
Band A	M/D *	70.00	70.00	0.0%
Band B	M/D *	180.00	180.00	0.0%
Band C	M/D *	295.00	295.00	0.0%
Band D	M/D *	320.00	320.00	0.0%
Band E	M/D *	350.00	350.00	0.0%
Temporary Event Notices (Approx)	M/D *	21.00	21.00	0.0%
Change of Designated Premises Supervisor (Approx)	M/D *	23.00	23.00	0.0%
<u>Consultation fee for completion of application form (grant/variation of premises licence):</u>				
Pre- application advice - small application	V D/D	165.40	165.40	0.0%
Pre-application advice - medium application	V D/D	414.20	414.20	0.0%
Pre-application advice - large application	V D/D	1,409.65	1,409.65	0.0%
<u>Premises Licences for Concerts</u>				
30,000 to 39,999	M/D *	16,000.00	16,000.00	0.0%
40,000 to 49,999	M/D *	24,000.00	24,000.00	0.0%
50,000 to 59,999	M/D *	32,000.00	32,000.00	0.0%
<u>Variation of Premises Licence</u>				
Band A	M/D *	100.00	100.00	0.0%
Band B	M/D *	190.00	190.00	0.0%
Band C	M/D *	315.00	315.00	0.0%
Band D	M/D *	450.00	450.00	0.0%
Band E	M/D *	635.00	635.00	0.0%
<u>Other Charges</u>				
Theft, loss, etc. of premises licence or summary	M/M	10.50	10.50	0.0%
Application for a provisional statement where premises being built etc.	M/M	315.00	315.00	0.0%
Notification of change of name or address	M/M	10.50	10.50	0.0%
Application for transfer of premises licence	M/M	23.00	23.00	0.0%
Interim authority notice following death etc. of licence holder	M/M	23.00	23.00	0.0%
Theft, loss etc. of certificate or summary	M/M	10.50	10.50	0.0%
Notification of change of name or alteration of rules of club	M/M	10.50	10.50	0.0%
Change of relevant registered address of club	M/M	10.50	10.50	0.0%
Theft, loss etc. of temporary event notice	M/M	10.50	10.50	0.0%
Theft, loss etc. of personal licence	M/M	10.50	10.50	0.0%
Duty to notify change of name or address	M/M	10.50	10.50	0.0%
Right of freeholder etc. to be notified of licensing matters	M/M	21.00	21.00	0.0%
Hypnosis Consent	M/D	21.00	21.00	0.0%
* Discretionary up to a maximum limit. The current fees are at the statutory limit.				
3. Renewal of Annual Safety at Sports Ground Certificate	VAT (V) /Code	2023/24 £	2024/25 £	% change
Manchester United	D/D	33,830.00	41,230.00	21.9%
Altrincham Football Club	D/D	2,890.00	3,230.00	11.8%
Lancashire Cricket Club	D/D	10,795.00	12,065.00	11.8%
Sale Rugby Club	D/D	2,231.00	2,375.00	6.5%
4. Grant of a new Safety at Sports Ground Certificate	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Number of proposed Spectators:</u>				
5,000 to 9,999	D/D	1,874.00	1,968.00	5.0%
10,000 to 14,999	D/D	3,258.00	3,421.00	5.0%
15,000 to 19,999	D/D	6,516.00	6,842.00	5.0%
20,000 to 29,999	D/D	13,032.00	13,684.00	5.0%
30,000 to 39,999	D/D	26,063.00	27,366.00	5.0%
40,000 to 49,999	D/D	39,095.00	41,050.00	5.0%
50,000 to 59,999	D/D	52,126.00	54,732.00	5.0%
60,000 to 69,999	D/D	65,158.00	68,416.00	5.0%
70,000 to 79,999	D/D	78,189.00	82,098.00	5.0%
80,000 to 89,999	D/D	91,221.00	95,782.00	5.0%
90,000 and over	D/D	104,252.40	109,465.00	5.0%
5. Safety Certificate for a new Stand at a Sports Ground	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Number of proposed spectators:</u>				
up to 999	D/D	536.00	563.00	5.0%
1000 to 1999	D/D	803.00	843.00	5.0%
2000 to 2999	D/D	1,071.00	1,125.00	5.0%
3000 to 3999	D/D	1,339.00	1,406.00	5.0%
4000 to 4999	D/D	1,607.00	1,687.00	5.0%
6. Special Safety Certificates	VAT (V) /Code	2023/24 £	2024/25 £	% change
Capacity 0 -1,000	D/D	5,667.00	6,032.00	6.4%
Capacity 1,001 - 10,000	D/D	6,337.00	6,745.00	6.4%
Capacity > 10,000	D/D	16,915.00	18,905.00	11.8%
Additional night on concert > 10,000 (cost per additional night)	D/D	6,035.00	6,745.00	11.8%
Event other than concert or similar event	D/D	£85 per hour	£95 per hour	11.8%

7. Street Trading Provisions of Local Government (Miscellaneous Provisions) Act	VAT (V) /Code	2023/24 £	2024/25 £	% change
Street Trading Licences (Non MUFC)				
Consent Certificate – purchased April to June **	D/D	1,061.55	N/A	N/A
Consent Certificate – purchased July to September **	D/D	906.35	N/A	N/A
Consent Certificate – purchased October to December **	D/D	757.05	N/A	N/A
Consent Certificate – purchased January to March **	D/D	488.25	N/A	N/A
One day event licence (Including Special Events) - dedicated locations to be identified for each event (Max no's to be applied). Price on Application Arrangements to be introduced for one day event licences to reflect the varying nature and scale of events and associated costs. **	D/D	POA	N/A	N/A
Licensed Pitch MUFC				
Food - Premium zone **	D/D	3,315.20	N/A	N/A
Food - Non-premium zone **	D/D	2,395.70	N/A	N/A
Merchandise - Premium zone **	D/D	1,725.40	N/A	N/A
Merchandise - Non-premium zone **	D/D	1,465.20	N/A	N/A
Sale Town Centre				
Licensed Pitch **	D/D	1,805.90	N/A	N/A
Licensed Pitch (Non-Food) **	D/D	1,294.30	N/A	N/A
Duplicate Licence **	D/D	65.05	N/A	N/A
Cancellation Fee **	D/D	206.15	N/A	N/A
Zone A Licenced Pitch*				
Annual Licence	D/D	N/A	1,679.00	N/A
One Day Event Consent	D/D	N/A	POA	N/A
Zone B + C Consent Pitch*				
Annual Consent	D/D	N/A	1,076.00	N/A
One Day Event Consent	D/D	N/A	POA	N/A
Street Trading Consent Various Specified Streets*				
Annual Consent	D/D	N/A	857.00	N/A
One Day Event Consent	D/D	N/A	POA	N/A
Other Actions*				
Duplicate Licence or Consent	D/D	N/A	15.00	N/A
Cancellation Fee	D/D	N/A	37.00	N/A
*Agreed at Full Council 22nd November 2023. In effect from 1st January 2024				

** Services have been terminated following a review and replaced with the new services above

8. Other Licences	VAT (V) /Code	2023/24 £	2024/25 £	% change
Scrap Metal Dealers - Site Licence				
Grant - One Site	D/D	975.05	1,024.00	5.0%
Grant - Per additional site	D/D	760.70	799.00	5.0%
Renewal - One Site	D/D	664.90	698.00	5.0%
Renewal - Per Additional Site	D/D	495.25	520.00	5.0%
Minor Variation	D/D	184.70	194.00	5.0%
Major Variation	D/D	421.05	442.00	5.0%
Scrap Metal Dealers - Collector's Licence				
Grant	D/D	421.05	442.00	5.0%
Renewal	D/D	236.35	248.00	4.9%
Minor Variation	D/D	110.85	116.00	4.6%
Major Variation	D/D	975.05	1,024.00	5.0%
Marriage Act Approval	D/D	1,839.25	1,931.00	5.0%
Sex Establishment Licence	M/D	2,293.50	2,408.00	5.0%

Gaming Act Fees	VAT (V) /Code	2023/24 £	2024/25 £	% change
Application Type (New Application)				
New Small Casino	M/D *	8,000.00	8,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	3,500.00	3,500.00	0.0%
Betting Premises (excluding Tracks)	M/D *	3,000.00	3,000.00	0.0%
Tracks	M/D *	2,500.00	2,500.00	0.0%
Family Entertainment Centres	M/D *	2,000.00	2,000.00	0.0%
Adult Gaming Centre	M/D *	2,000.00	2,000.00	0.0%
Lottery Registration	M/M	40.00	40.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	200.00	200.00	0.0%
Club Gaming Permit or Club Gaming machine Permit *Excluding club premises certificate holders*	M/M	100.00	100.00	0.0%
Application Type (Annual Fee)				
New Small Casino	M/D *	5,000.00	5,000.00	0.0%
New Large Casino	M/D *	10,000.00	10,000.00	0.0%
Regional Casino	M/D *	15,000.00	15,000.00	0.0%
Bingo Club	M/D *	1,000.00	1,000.00	0.0%
Betting Premises (excluding Tracks)	M/D *	600.00	600.00	0.0%
Tracks	M/D *	1,000.00	1,000.00	0.0%
Family Entertainment Centres	M/D *	750.00	750.00	0.0%
Adult Gaming Centre	M/D *	1,000.00	1,000.00	0.0%
Lottery Registration	M/M	20.00	20.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit	M/M	50.00	50.00	0.0%
Club Gaming Permit or Club Gaming machine Permit *Excluding club premises certificate holders*	M/M	50.00	50.00	0.0%

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

Gaming Act Fees cont.	VAT (V) /Code	2023/24 £	2024/25 £	% change
New Small Casino				
Application to Vary	M/D *	4,000.00	4,000.00	0.0%
Application to Transfer	M/D *	1,800.00	1,800.00	0.0%
Application for Re-Instatement	M/D *	1,800.00	1,800.00	0.0%
Application for Provisional Statement	M/D *	8,000.00	8,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	3,000.00	3,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
New Large Casino				
Application to Vary	M/D *	5,000.00	5,000.00	0.0%
Application to Transfer	M/D *	2,150.00	2,150.00	0.0%
Application for Re-Instatement	M/D *	2,150.00	2,150.00	0.0%
Application for Provisional Statement	M/D *	10,000.00	10,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	5,000.00	5,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Regional Casino				
Application to Vary	M/D *	7,500.00	7,500.00	0.0%
Application to Transfer	M/D *	6,500.00	6,500.00	0.0%
Application for Re-Instatement	M/D *	6,500.00	6,500.00	0.0%
Application for Provisional Statement	M/D *	15,000.00	15,000.00	0.0%
Licence Application (provisional Statement holders)	M/D *	8,000.00	8,000.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Bingo Club				
Application to Vary	M/D *	1,750.00	1,750.00	0.0%
Application to Transfer	M/D *	1,200.00	1,200.00	0.0%
Application for Re-Instatement	M/D *	1,200.00	1,200.00	0.0%
Application for Provisional Statement	M/D *	3,500.00	3,500.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,200.00	1,200.00	0.0%
Copy Licence	M/D *	25.00	25.00	0.0%
Notification of Change	M/M	40.00	40.00	0.0%

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

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

Gaming Act Fees cont.				
	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Tracks				
Application to Vary	M/D *	1,220.00	1,220.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	2,434.00	2,434.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Temporary Use Notice	M/D *	500.00	500.00	0.0%
Family Entertainment Centres				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	922.00	922.00	0.0%
Application for Re-Instatement	M/D *	922.00	922.00	0.0%
Application for Provisional Statement	M/D *	1,947.00	1,947.00	0.0%
Licence Application (provisional Statement holders)	M/D *	922.00	922.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Adult Gaming Centres				
Application to Vary	M/D *	976.00	976.00	0.0%
Application to Transfer	M/D *	1,172.00	1,172.00	0.0%
Application for Re-Instatement	M/D *	1,172.00	1,172.00	0.0%
Application for Provisional Statement	M/D *	1,172.00	1,172.00	0.0%
Licence Application (provisional Statement holders)	M/D *	1,172.00	1,172.00	0.0%
Copy Licence	M/D *	23.50	23.50	0.0%
Notification of Change	M/M	40.00	40.00	0.0%
Club Gaming Permit or Club Gaming Machine Permit				
Application to Vary	M/M	100.00	100.00	0.0%
Copy Licence	M/M	15.00	15.00	0.0%

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

Trading Standards

Weights & Measures Fees				
	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
General				
The charges for examining, testing, certifying, stamping, authorising or reporting on any weighing or measuring equipment will be individually calculated by the local authority based upon a figure of per officer/hour. The time charged will include travel.	V M/D	£85 per hour	£95 per hour	11.8%
The charges for the provision of specialist advice in support of Primary Authority Partnership. Please note: Additional fees to be levied for the provision of tailored training events - price on application	M/D	£95 per hour	£95 per hour	0.0%
Charges for tailored business advice provided other than under an existing Primary Authority Partnership. This is a new fee that will apply not just to Trading Standards but across other teams in Regulatory Services, e.g. Environmental Health/Licensing.	M/D	£85 per hour	£95 per hour	11.8%
If a particular piece of work requires the presence of support staff then this will be charged in addition.	V M/D	52.20	54.70	4.8%
Additional charges will be levied if the council is required for example to hire in specialist equipment.	V M/D	£85 per hour	£95 per hour	11.8%

Community Safety

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Fixed penalty for failing to adhere to a Community Protection Notice	D/D*	100.00	100.00	0.0%
Fixed penalty for failing to adhere to a Public Space Protection Order	D/D*	100.00	100.00	0.0%

Abandoned Trolleys

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Collection per trolley	D/D	41.76	44.00	5.4%
Storage per trolley, per week	V D/D	5.84	6.00	2.7%
Return to owners' premises per trolley	V D/D	41.74	44.00	5.4%
Disposal per trolley if unclaimed	D/D	21.32	22.00	3.2%

Environmental Enforcement

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Fixed penalty for the offence of failing to remove dog faeces	D/D*	100.00	100.00	0.0%
Fixed penalty for the offence of leaving litter	D/D*	150.00	150.00	0.0%
Fixed penalty for the offence of abandoning a vehicle	D/D*	200.00	200.00	0.0%
Fixed penalty for nuisance parking offences	D/D*	100.00	100.00	0.0%
Fixed penalty for Waste receptacle offences	D/D*	80.00	100.00	25.0%
Fixed penalty for the offence of failure to produce authority	D/D*	300.00	300.00	0.0%
Fixed penalty for the offence of failure to furnish documentation	D/D*	400.00	400.00	0.0%
Fixed penalty for the offence of unauthorised distribution of literature	D/D*	150.00	150.00	0.0%
Fixed penalty for fly-tipping offences	D/D*	400.00	400.00	0.0%
Fixed penalty for household waste duty of care offences	D/D*	200.00	200.00	0.0%
* Fixed penalty fees are Discretionary but are contained within limits set by DEFRA				

CCTV

	VAT (V) /Code	2023/24 £	2024/25 £	% change
CCTV Request for footage	V D/D	200.00	210.00	5.0%

Emergency Planning

	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Application & Attendance to Safety Advisory Group (SAG) Multiagency Meetings</u>				
Event capacity (persons) 1-249	D/D	125.00	131.00	4.8%
250-499	D/D	250.00	263.00	5.2%
500+	D/D	500.00	525.00	5.0%

ECONOMIC GROWTH & PLANNING

Asset Management

Trafford Town Hall - Football Parking	VAT (V) /Code	2023/24 £	2024/25 £	% change
Season ticket	V D/D	220.00	231.00	5.0%
Single match	V D/D	10.00	10.50	5.0%
All Day Event	V D/D	16.00	17.00	6.3%

Planning and Building Control

Strategic Planning and Developments	VAT (V) /Code	2023/24 £	2024/25 £	% change
Trafford Revised Unitary Development Plan June 2006	D/D	81.00	85.00	4.9%
Written Statement only	D/D	48.00	50.00	4.2%
Proposals Maps - North/South sheet	D/D	40.00	42.00	5.0%
CD only	D/D	24.00	25.00	4.2%
Statement of Community Involvement (Adopted)	D/D	24.00	25.00	4.2%
<u>Trafford Borough Retail and Leisure Study November 2007</u>				
Written Study, including CD	D/D	407.00	427.00	4.9%
CD	D/D	325.00	341.00	4.9%
Main Report	D/D	81.00	85.00	4.9%
Appendix 1	D/D	162.00	170.00	4.9%
Appendix 2	D/D	162.00	170.00	4.9%
Planning and Research Studies	D/D	price on request	price on request	N/A
Housing Land Availability Schedule	D/D	31.00	32.00	3.2%
Planning Policy and Development Guidance Briefs	D/D	24.00	25.00	4.2%
Photocopying per side	V D/D	0.57	0.60	5.8%
Core Strategy Adopted Version	D/D	57.00	60.00	5.3%
Supplementary Planning Documents	D/D	16.30	17.00	4.3%
Adopted Civic Quarter Area Action Plan & evidence base documents	D/D	price on request	price on request	N/A
Greater Manchester Spatial Frameworks (all versions) & evidence base documents	D/D	price on request	price on request	N/A
Places for Everyone Joint Development Plan Document (all versions) & evidence base / supporting documents	D/D	price on request	price on request	N/A
Places for Everyone Joint Development Plan Document Examination documents	D/D	price on request	price on request	N/A
Planning Policy Evidence Base Documents	D/D	N/A	price on request	N/A

Building Control Fees	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	% change
		V M/M	See Note below	See Note below

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

New Building Regulation charges	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	% change
	Decision Notices and Completion Certificates - Duplicate Copies of Building Regulations Decision and completion certificates.	D/D	60.25	63.25
Copies of correspondence (excluding 1 above Notices) relating to B Regs applications (includes up to 10 A4 sides – if above 10 sides add 60p per A4 side)	V D/D	19.70	20.70	5.1%
Researching site histories or providing "search type" information from the Building Control records (Cost per hour or part hour) - Domestic properties	D/D	60.20	63.20	5.0%
Researching site histories or providing "search type" information from the Building Control records (Cost per hour or part hour) - Commercial properties	V D/D	100.70	105.75	5.0%
Administrative fee for processing refund or part refund of fees for cancelled B Regs applications (excludes electronic transactions – currently no charge)	D/D	60.20	63.20	5.0%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are less than 10 years old and have been inspected within 10 years from when the works were completed).	D/D	162.75	170.90	5.0%
For the issuing of completion certificates in connection with archived and dormant Building Regulations applications where a single site inspection is required when a completion certificate has not already been issued (for applications that are more than 10 years old and have not been inspected within 10 years from when the works were completed).	D/D	189.00	198.50	5.0%
Where more than one site inspection is required, additional inspections will be charged at a rate of £66.90 per inspection.	D/D	63.70	66.90	5.0%
Additional site inspection in connection with above, per inspection	D/D	67.45	N/A	N/A
Provision of written confirmation of exemption from the provisions of the Building Regulations	D/D	60.20	63.20	5.0%
Administrative processing cost for refunding of part of Building Regulation fees where fees have been paid but part of the work has not been carried out or cancelled	V D/D	39.40	41.40	5.1%
Provision of pre-submission consultancy advice after initial one hour for large schemes. (Fee refunded if application is deposited)	V D/D	92.60	97.25	5.0%
Pre-submission site visits where requested by owner or agent to maintain planning permission	V D/D	121.55	127.65	5.0%
The full withdrawal or cancellation of a submitted application that has been processed onto the database system.	D/D	60.20	63.20	5.0%

Planning Fees				
Business - pre-application advice	VAT (V) /Code	2023/24 £	2024/25 £	% change
Proposals comprising a single dwelling / floorspace of less than 100sqm / site area of less than 0.1ha.	V D/D	554.40	585.00	5.5%
Proposals comprising 2-5 dwellings / floorspace of between 100sqm and 499sqm / site area of between 0.1ha and 0.49ha.	V D/D	1,800.00	1,900.00	5.6%
Proposals comprising 6-10 dwellings / floorspace of between 500sqm and 999sqm / site area of between 0.5ha and 0.99ha.	V D/D	3,360.00	3,525.00	4.9%
Proposals comprising 11-20 dwellings / floorspace of between 1000sqm and 1999sqm / site area of between 1ha and 1.19ha.	V D/D	5,400.00	5,670.00	5.0%
Proposals comprising 21-50 dwellings / floorspace of between 2000sqm and 4999sqm / site area of between 1.2ha and 1.49ha.	V D/D	7,440.00	7,800.00	4.8%
Proposals comprising 51 and 99 dwellings / floorspace of between 5000sqm and 9,999sqm / site area between 1.5ha and 1.99ha.	V D/D	9,600.00	10,100.00	5.2%
Proposals comprising 100 or more dwellings / floorspace of more than 10,000sqm / site area of more than 2ha	V D/D	11,400.00	12,000.00	5.3%
1 hr Meeting with agreed minutes written by the applicant	V D/D	3,150.00	3,150.00	0.0%
2 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	5,040.00	5,040.00	0.0%
3 x 1 hr Meeting with agreed minutes written by the applicant	V D/D	6,300.00	6,300.00	0.0%
Heritage advice - relating to listed buildings, Conservation Areas and non designed heritage assets only (does not include planning matters) phone call 30 minutes (Queries relating to Householder Listed Building Consent Matters Exempt as are Charities and Community Groups)	V D/D	N/A	150.00	N/A
Heritage advice - relating to listed buildings, Conservation Areas and non designed heritage assets for non Major development only (does not include planning matters) Site Meeting 1 hr (Queries relating to Householder Listed Building Consent Matters Exempt as are Charities and Community Groups)	V D/D	N/A	250.00	N/A
Condition discharge application (no technical advice or site visit). Fee per Condition	V D/D	N/A	225.00	N/A
Condition discharge application Inclusive of technical advice. (No site visit) Fee per condition	V D/D	N/A	300.00	N/A
Condition discharge application site visit. Fee per visit and only in conjunction with either option above.	V D/D	N/A	100.00	N/A
Condition discharge application site visit. Fee per visit and only in conjunction with either option above.	V D/D	N/A	500.00	N/A
Pre-validation application check - householder application	V D/D	N/A	30.00	N/A
Pre-validation application check - non-major applications	V D/D	N/A	65.00	N/A
Pre-validation application check - major applications	V D/D	N/A	100.00	N/A

Householder Extensions - pre-application advice	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Householder extensions	V D/D	250.00	258.00	3.2%
Householder extensions (with Heritage advice)	V D/D	N/A	300.00	N/A
Please note: On subsequently submitting a planning application, a fee of £258 will also be payable and therefore you should first consider whether you wish to move straight to the submission of a formal planning application.				

Invalid planning applications	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Where an application remains invalid due to non-progression by the applicants any planning fee paid will be refunded minus a £42.85 administrative fee	V D/D	40.80	42.85	5.0%

Information and Documents	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Researching site histories or providing search type information from the planning records including copies of documentation. Per Hour	D/D	66.85	70.20	5.0%
Where we do not hold the information electronically there will be an additional charge to the above towards the costs of retrieving the files.	D/D	10.50	11.00	4.8%
(The above charges are for documents provided electronically via Public Access on our website. Printed documents incur an additional fee of 60p per side).	D/D	0.58	0.60	3.4%

Planning Fees - cont.	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Additional information requested from the planning records including copies of documentation. (SEARCH) Per Hour	D/D	66.85	70.20	5.0%
Where we do not hold the information electronically there will be an additional charge to the above towards the costs of retrieving the files.	D/D	10.50	11.00	4.8%
Planning guidelines & related documents - (Free to download) or copies at 60p per side	V D/D	0.58	0.60	3.4%
High Hedge fee	D/D	525.00	550.00	4.8%
Information research/retrieval from Building Control Files per hour	D/D	59.00	62.00	5.1%
(The above charges are for documents provided electronically via Public Access on our website. Printed documents incur an additional fee of 60p per side).	D/D	0.58	0.60	3.4%

Housing Services	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
<u>Housing Improvement Grants:</u> Technical and Professional Services fee - minimum charge (£233.00) or 15% of eligible expense (whichever is the greater).	M/D	222.00 or 15%	233.00 or 15%	5.0%

LEGAL & GOVERNANCE

	VAT (V) /Code	2023/24 £	2024/25 £	% change
Freedom of Information Act 2002 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.58	0.61	5.4%
Data Protection Act 1998 If substantial staff time is involved in providing information, an administration charge may be made. Photocopying - per sheet	V D/D	0.58	0.61	5.4%

Registration of Births, Deaths & Marriages

	VAT (V) /Code	2023/24 £	2024/25 £	% change	2025/26 £	% change
Marriage & Civil Partnership fees at Licensed venues including cost of certificate:						
Monday to Thursday	M/D	390.00	410.00	5.1%	425.00	3.7%
Friday	M/D	445.00	460.00	3.4%	475.00	3.3%
Saturday	M/D	445.00	460.00	3.4%	475.00	3.3%
Sunday / Bank Hol.	M/D	495.00	520.00	5.1%	540.00	3.8%
Baby naming, Renewal of vows & Commitment Ceremonies						
<u>Ceremonies at Register Office:</u>						
Monday to Thursday	V D/D	240.00	255.00	6.3%	265.00	3.9%
Friday & Saturday	V D/D	265.00	280.00	5.7%	290.00	3.6%
<u>Ceremonies at Approved Premises:</u>						
Monday to Thursday	V D/D	255.00	270.00	5.9%	280.00	3.7%
Friday	V D/D	290.00	305.00	5.2%	320.00	4.9%
Saturday	V D/D	290.00	305.00	5.2%	320.00	4.9%
Sunday / Bank Hol.	V D/D	330.00	350.00	6.1%	365.00	4.3%
<u>Ceremonies at Commercial Premises and Private Houses:</u>						
Monday to Thursday	V D/D	310.00	325.00	4.8%	340.00	4.6%
Friday	V D/D	345.00	365.00	5.8%	380.00	4.1%
Friday & Saturday	V D/D	345.00	365.00	5.8%	380.00	4.1%
Sunday / Bank Hol.	V D/D	375.00	395.00	5.3%	415.00	5.1%
Non Refundable Provisional Marriage & Civil Partnership Booking Fee	V D/D	32.00	35.00	9.4%	38.00	8.6%

Priority Service for certificate application	M/M	35.00	35.00	0.0%	35.00	0.0%
Standard Certificate application	M/M	N/A	11.00	N/A	11.00	0.0%

The fees for commercial premises and private houses include a non-refundable pre-ceremony inspection fee of £55 for 24/25 and £60 for 25/26.

	VAT (V) /Code	2023/24 £	2024/25 £	% change	2025/26 £	% change
Citizenship Ceremonies (non standard ceremonies)						
<u>Ceremonies at Register Office :</u>						
Per adult citizen Monday to Friday	D/D	85.00	90.00	5.9%	95.00	5.6%
Per adult citizen Saturday	D/D	85.00	90.00	5.9%	95.00	5.6%
<u>Ceremonies at Approved Premises :</u>						
Monday to Friday	D/D	335.00	352.00	5.1%	365.00	3.7%
Saturday	D/D	365.00	385.00	5.5%	400.00	3.9%
Sunday / Bank Hol.	D/D	425.00	447.00	5.2%	465.00	4.0%

		VAT (V) /Code	2023/24 £	2024/25 £	% change	2025/26 £	% change
Marriages & Civil Partnerships							
<u>Attending a marriage or civil partnership at Sale Town Hall</u>							
<u>Town Hall (inc. cert fee)</u>							
	Monday to Thursday	M/D	180.00	190.00	5.6%	195.00	2.6%
	Friday	M/D	260.00	270.00	3.8%	275.00	1.9%
	Saturday AM	M/D	260.00	270.00	3.8%	275.00	1.9%
	Saturday PM	M/D	340.00	355.00	4.4%	365.00	2.8%
<u>Council Chamber</u>							
	Sun/Bank Holidays	M/D	495.00	520.00	5.1%	540.00	3.8%
Attending a marriage or civil partnership at Waterside Plaza							
<u>Waterside Plaza (inc. certificate fees)</u>							
	Monday to Thursday	M/D	N/A	440.00	N/A	440.00	0.0%
	Friday	M/D	N/A	520.00	N/A	520.00	0.0%
	Saturday AM	M/D	N/A	520.00	N/A	520.00	0.0%
	Saturday PM	M/D	N/A	605.00	N/A	605.00	0.0%
<u>Trafford Register Office</u>							
	Tues - Thurs 9.30am & 10.00am	M/D	N/A	46.00	N/A	46.00	0.0%
Tailor made Weddings							
	Monday to Thursday	V D/D	600.00	600.00	0.0%	600.00	0.0%
	Friday & Saturday	V D/D	660.00	660.00	0.0%	660.00	0.0%
	Sunday / Bank Holiday	V D/D	710.00	710.00	0.0%	710.00	0.0%
Verification of Overseas Pension							
		V D/D	14.50	15.50	6.9%	16.00	3.2%

LIBRARIES

	VAT (V) /Code	2023/24 £	2024/25 £	% change
A) Fines				
Adults (over 16) - per book, per day *	D/D	Free	Free	N/A
Children (under 16) - per book per day *	D/D	Free	Free	N/A
Customers who are disabled *	D/D	Exempt	Exempt	N/A

* There is no fine for late returns. If books are never returned, a lost book charge will still apply. This is charged at the RRP of the lost item.

B) Reservation Fee				
In stock in Trafford	D/D	Free	Free	N/A
Not in stock in Trafford	D/D	7.00	7.50	7.1%
All Items requested from the British Library.**	D/D	14.30	POA	N/A
Lost British Library book **	M/M	194.80	POA	N/A
British Library renewal fee **	D/D	5.70	POA	N/A
** Prices are set by the British Library and actual costs will be passed on directly to the customer.				
C) Photocopying, printing and scanning				
Black and white per side (A4)	V D/D	0.10	0.10	0.0%
Black and white per side (A3)	V D/D	0.15	0.15	0.0%
Colour (A4)	V D/D	0.50	0.50	0.0%
Colour (A3)	V D/D	1.00	1.00	0.0%
Scanning	V D/D	0.20	0.20	0.0%
D) Local Studies				
Most Local Studies fees and charges are agreed by an AGMA group, lines agreed by AGMA marked with **				

Libraries cont.	VAT (V) /Code	2023/24 £	2024/25 £	% change
Research				
Right to Buy Research Fee (payable in advance)	V D/D	10.00	10.00	0.0%
Genealogical Research Fee - half hour (payable in advance)	V D/D	17.50**	17.50**	0.0%
Genealogical Research Fee - full hour (payable in advance)	V D/D	35.00**	35.00**	0.0%
Reprographics/ Research				
Minimum charge including 2 free A4 printouts	V D/D	5.00	5.00	0.0%
Additional sheets	V D/D	1.30	1.30	0.0%
Microfilm				
Microfiche/ film - A4 Copy	V D/D	0.80**	0.80**	0.0%
Microfiche/ film - A3 Copy	V D/D	1.60**	1.60**	0.0%
Photocopies - A4	V D/D	0.10	0.10	0.0%
Photocopies - A3	V D/D	0.15	0.15	0.0%
Photocopies - Maps	V D/D	0.50	0.50	0.0%
Photographs - superior quality	V D/D	10.00	10.00	0.0%
Digital Camera				
Supply of digital image	V D/D	10.00	10.00	0.0%
Self service photography permit - half day	V D/D	6.00**	6.00**	0.0%
Self service photography permit per day	V D/D	12.00**	12.00**	0.0%
Reproduction - Books periodicals, e-books, CD-Roms				
Publications - large print run - per image	V D/D	120.00**	120.00**	0.0%
Publications - small	V D/D	40.00	40.00	0.0%
Presentation and Internal Reports				
Internal organisation report	V D/D	10.00	10.00	0.0%
External organisation	V D/D	20.00	20.00	0.0%
Advertising in newspapers and periodicals				
All publications - per image	V D/D	120.00**	120.00**	0.0%
TV				
Broadcasting - per image for 10 years unlimited use	V D/D	600.00**	600.00**	0.0%
Exhibitions				
All publications - per image	V D/D	120.00**	120.00**	0.0%
Interior decoration of Commercial Premises				
Internal commercial decoration - per image	V D/D	300.00**	300.00**	0.0%
Web use				
Online, commercial publication - per image	V D/D	120.00**	120.00**	0.0%
Social media use (non commercial)	V D/D	0.00	0.00	0.0%
E) People's Network Charging				
ICT sessions	V D/D	FREE for the first hour, 50p per half hour (or part thereafter)	FREE for the first hour, 50p per half hour (or part thereafter)	0.0%

	VAT (V) /Code	2023/24 £	2024/25 £	% change
F) Musical Scores and Playsets				
Large groups (over 40 members)	D/D	Cost variable - direct cost of loan passed on to customer	Cost variable - direct cost of loan passed on to customer	N/A
Small groups (under 40 members)	D/D	Cost variable - direct cost of loan passed on to customer	Cost variable - direct cost of loan passed on to customer	N/A
Orchestral sets	D/D	see musical scores and playsets	see musical scores and playsets	N/A
G) Laminating				
A4	V D/D	2.00	2.50	25.0%
A3	V D/D	3.00	4.00	33.3%
H) Blue Badge Permits				
	M/D	10.00	10.00	0.0%
I) Room Hire Altrincham Library				
<u>Per room per hour</u>				
- Large meeting room (capacity over 20)	D/D	60.00	70.00	16.7%
- Medium meeting room (capacity up to 20)	D/D	35.00	40.00	14.3%
- Small meeting/interview room (capacity under 5)	D/D	15.00	15.00	0.0%
<u>Per room per hour (community groups and charities)</u>				
- Large meeting room (capacity over 20)	D/D	35.00	35.00	0.0%
- Medium meeting room (capacity up to 20)	D/D	20.00	20.00	0.0%
- Small meeting/interview room (capacity under 5)	D/D	10.00	10.00	0.0%

STRATEGY & RESOURCES AND TRADED SERVICES

Cemeteries & Crematorium	VAT (V) /Code	2023/24 £	2024/25 £	% change
A) Cemeteries				
<u>Exclusive right of burial in an earthen grave</u> Subject to availability at individual Cemeteries				
Exclusive Right Fee	D/D	1,640.00	1,650.00	0.6%
Resident Fee	D/D	955.00	975.00	2.1%
<u>Exclusive right of burial of cremated remains</u>				
Exclusive right of burial of cremated remains	D/D	890.00	900.00	1.1%
Resident Fee	D/D	530.00	545.00	2.8%
<u>Interment Fees</u>				
At all cemeteries including Dunham Lawn				
To depth of up to 3 metres - 18 years or over	D/D	1,450.00	1,460.00	0.7%
Child/Junior (Stillborn to 17 years of Age)	D/D	Free to Family	Free to Family	N/A
Child (Pre Stillbirth) Trafford resident only	D/D	N/A	Free to Family	N/A
Child (Pre Stillbirth)	D/D	N/A	545.00	N/A
Interment of cremated remains in grave	D/D	300.00	315.00	5.0%
Loose interment of cremated remains	D/D	120.00	130.00	8.3%
Interment of Body Parts	D/D	100.00	110.00	10.0%
Widening grave	D/D	175.00	185.00	5.7%
<u>Resident Fee</u>				
To depth of up to 3 metres - 18 years or over	D/D	965.00	975.00	1.0%
Child/Junior up to 17yrs of age	D/D	Free to Family	Free to Family	N/A
Interment of cremated remains in grave in casket	D/D	300.00	315.00	5.0%
Loose interment of cremated remains	D/D	130.00	130.00	0.0%
Interment of Body Parts	D/D	100.00	110.00	10.0%

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

A fee reduction of 50% of the full rate will apply for each additional interment (including cremated remains).

	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Interment of Public Grave</u>				
Child/Junior (Stillborn to 17 years of age)	D/D	Free to Family	Free to Family	N/A
Persons 18 years or over	D/D	965.00	975.00	1.0%

Cemeteries & Crematorium cont.	VAT (V) /Code	2023/24 £	2024/25 £	% change
<u>Headstones and Inscriptions</u>				
To erect a Headstone	D/D	155.00	155.00	0.0%
Subsequent Inscription Fee	V D/D	75.00	80.00	6.7%
Concrete Foundations	V D/D	140.00	140.00	0.0%
<u>Miscellaneous (All Cemeteries)</u>				
Transfer of Burial Rights – Statutory Declaration	D/D	125.00	125.00	0.0%
Transfer of Burial Rights – Assent/Add names.	D/D	75.00	75.00	0.0%
Transfer of Burial Rights – Assignment to non resident less than 10 years from purchase (inc. transfer & out of district extra charge)	D/D	800.00	800.00	0.0%

B) Crematorium	VAT (V) /Code	2023/24 £	2024/25 £	% change
Dunham Massey, Altrincham				
Crematorium of persons 18 years or over - Early time slot	D/D	580.00	594.00	2.4%
Crematorium of persons 18 years or over - Direct Cremation	D/D	425.00	439.00	3.3%
Crematorium of persons 18 years or over - 30 Minute time slot	D/D	715.00	729.00	2.0%
Crematorium of persons 18 years or over - 45 Minute time slot	D/D	815.00	829.00	1.7%
Child/Junior (Up to 17 years of Age)	D/D	Free to Family	Free to Family	N/A
Child (Pre Stillbirth) Trafford resident only	D/D	N/A	Free to Family	N/A
Child (Pre Stillbirth) 30 minute service	D/D	N/A	350.00	N/A
Child (Pre Stillbirth) 45 minute service	D/D	N/A	450.00	N/A
Medical Referee's Services	M/M	31.00	31.00	0.0%
Cremation of Body Parts	D/D	100.00	110.00	10.0%
Interment of cremated remains (to Witness or from other Crematoria).	D/D	115.00	120.00	4.3%
Crematoria Chapel 30 Minutes	V D/D	290.00	295.00	1.7%
Crematoria Chapel 45 Minutes	V D/D	390.00	395.00	1.3%
Memorial Service Crematoria Chapel 30 Minutes	V D/D	N/A	350.00	N/A
Memorial Service Crematoria Chapel 45 Minutes	V D/D	N/A	450.00	N/A
Environmental Surcharge	D/D	64.00	65.00	1.6%

FINANCE & SYSTEMS

Revenues and Benefits

	VAT (V) /Code	<u>2023/24</u> £	<u>2024/25</u> £	<u>% change</u>
Summons Costs				
Council Tax Liability Orders	M/D	92.50	92.50	0.0%
NNDR Liability Orders	M/D	132.50	132.50	0.0%
Committal to prison proceedings				
- Committal application (maximum)	M/M	305.00	305.00	0.0%
- Arrest warrant with bail (maximum)	M/M	145.00	145.00	0.0%
- Arrest warrant without bail (maximum)	M/M	145.00	145.00	0.0%
Prosecution Fines, Court Costs, Charging Orders, Insolvency proceedings and Enforcement costs are decided at the court hearing on an individual basis.				

TRAFFORD BOROUGH COUNCIL

Report to: Executive
Date: 21 February 2024
Report for: Decision
Report of: Executive Member for Finance, Change and Governance and the Director of Finance and Systems

Report Title

EXECUTIVE’S RESPONSE TO SCRUTINY COMMITTEE’S RECOMMENDATIONS TO THE BUDGET PROPOSALS FOR 2024/25

Summary

This report contains a detailed response to each of the points raised by the Scrutiny Committee in their report to the Executive of 29 January 2023

Recommendation(s)

That the Executive’s response to the Scrutiny Committee be approved.

Contact person for access to background papers and further information:

Name: Graeme Bentley
 Extension: 4884

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The Scrutiny review of the budget is a requirement of the budget policy framework. It is relevant to all corporate priorities.
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	All financial implications are contained in the body of the report.
Legal Implications:	The Scrutiny review of the budget is a requirement of the Council’s constitution.
Equality/Diversity Implications	There are none arising from this report.
Sustainability Implications	There are none arising from this report.
Carbon Reduction	There are none arising from this report.
Resource Implications e.g. Staffing / ICT / Assets	There are none arising from this report.
Risk Management Implications	There are none arising from this report.
Health and Wellbeing Implications	There are none arising from this report.
Health and Safety Implications	There are none arising from this report.

1.0 Executive's Response to Scrutiny Committee's Recommendations to the Budget Proposals for 2024/25

- 1.1 At the Executive meeting on the 29 January 2023 a report was presented by the Scrutiny Committee chair, setting out the Scrutiny Committee's comments and findings from the review of the Executive's draft budget proposals for 2024/25.
- 1.2 The Executive values the contribution that the Scrutiny Committee makes to the budget process and is committed to working with Scrutiny Committee during the forthcoming year as part of their planned work programme.
- 1.3 Appendix 1 of this report contains a detailed response to each of the points raised by the Scrutiny Committee in their report to the Executive of 29 January 2023

Other Options

Not Applicable

Consultation

There are no public consultation requirements in respect of this response to the Scrutiny Committee.

Reasons for Recommendation

The report provides a response to the review carried out by the Scrutiny Committee.

Key Decision

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

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

Legal Officer Clearance DS.....



DIRECTOR'S SIGNATURE

APPENDIX 1

BUDGET SCRUTINY ACTION PLAN

Area	Scrutiny Recommendation	Executive Response
Lobbying and Communications Strategy	That the Executive keep all Councillors informed of the Council's full lobbying plans and for Scrutiny to have input to those plans.	The lobbying and engagement strategy with both Government and specifically the Department for Levelling Up, Housing and Communities will continue throughout 2024 to help influence the funding position the Council is faced with. The Executive will work with Scrutiny during the year on the strategy.
	That the Executive Member for Finance, Change and Governance continue to lobby the Government over support to Local Authorities and where possible work with other local authorities in doing so.	See Above.
	That Scrutiny support the Executive producing a communications strategy which can inform residents of the financial restraints of the Council and reasons behind any service changes provided by the Council.	The Executive note this position and confirm that updates will be provided to Scrutiny during the year.
Savings Programme	That the Executive provide the Scrutiny Committee with further information on how the savings listed within the savings plan would be achieved and provide the plans that support their success.	The Executive note this request. All budget savings proposals for 2024/25 have been subject to a robustness review to ensure they can be achieved and support delivery of a balanced budget. Savings delivery is closely monitored with regular performance updates provided in the bi-monthly budget monitoring reports which are presented to Executive.

	That the Executive explores the closure of Trafford Town Hall once a week and provides Scrutiny with any negative impacts that are found from this change if they occur.	A review of the potential to do this has been undertaken and found that the level of financial saving is not as material as expected. In addition it would also impact on partnership working in a number of areas, particularly in health and social care.
Reserves Position	That the Executive continue to monitor reserves closely and inform the Scrutiny Committee if further concerns are raised around the Council's levels of reserves.	The Executive note this position and confirm that any concerns will be reported to Scrutiny – the reserves forecasts are reviewed by the Executive on a bi-monthly basis as part of the Council's overall budget monitoring.
Amey Contract	That the Executive be requested to continue to monitor increased income and opportunities for income generated through contract changes with Amey and keep Scrutiny updated on results of this.	The Executive note this position and confirm that updates will be provided to Scrutiny during the year.
Adults and Children's Social Care	That the Executive look to increase transparency on the service management process in both Children and Adults services and highlight these changes to a future meeting of Scrutiny for comment.	The Executive note this position and confirm that updates will be provided to Scrutiny during the year.