

## ***CABINET Agenda***

Date Monday 24 August 2020

Time 6.00 pm

Venue Virtual TEAMS meeting <https://www.oldham.gov.uk/live>

Notes

1. DECLARATIONS OF INTEREST- If a Member requires any advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Liz Drogan in advance of the meeting.
2. CONTACT OFFICER for this Agenda is Liz Drogan Tel. 0161 770 5151 or email [elizabeth.drogan@oldham.gov.uk](mailto:elizabeth.drogan@oldham.gov.uk)
3. PUBLIC QUESTIONS – Any member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the Contact officer by 12 Noon on Wednesday, 19 August 2020.
4. FILMING – This meeting will be recorded for live and/or subsequent broadcast on the Council’s website. The whole of the meeting will be recorded, except where there are confidential or exempt items and the footage will be on our website. This activity promotes democratic engagement in accordance with section 100A(9) of the Local Government Act 1972.  
Recording and reporting the Council’s meetings is subject to the law including the law of defamation, the Human Rights Act, the Data Protection Act and the law on public order offences.

### MEMBERSHIP OF THE CABINET IS AS FOLLOWS:

Councillors Brownridge, Chadderton, Chauhan, Fielding (Chair), Jabbar, Moores, Mushtaq, Roberts and Shah

### Item No

1 Apologies For Absence

2 Urgent Business

Urgent business, if any, introduced by the Chair

3 Declarations of Interest

To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.

- 4 Public Question Time  
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes of the Cabinet meeting held on 20th July 2020 (Pages 1 - 4)
- 6 Financial Update – Budget 2020/21 and 2021/22 (Pages 5 - 28)
- 7 Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020 (Pages 29 - 74)
- 8 Treasury Management Review 2019/20 (Pages 75 - 104)
- 9 Creating a Better Place (Pages 105 - 116)
- 10 Statement of Community Involvement 2020 (Pages 117 - 178)
- 11 GM Clean Air Plan - Approval to Commence Statutory Consultation on Key Measures (Pages 179 - 292)
- 12 Kingfisher School Expansion of PAN & Hydro Pool Replacement (Pages 293 - 296)
- 13 Oldham Community Leisure - Contract (Pages 297 - 300)
- 14 Extend The Unity Partnership Agreement with the Council (Pages 301 - 304)
- 15 Supply of Waste Containers (NC-05-20) (Pages 305 - 310)
- 16 Exclusion of the Press and Public  
That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.
- 17 Creating a Better Place (Pages 311 - 458)
- 18 Kingfisher School Expansion of PAN & Hydro Pool Replacement (Pages 459 - 464)
- 19 Oldham Community Leisure - Contract (Pages 465 - 500)
- 20 Extend The Unity Partnership Agreement with the Council (Pages 501 - 510)
- 21 Supply of Waste Containers (NC-05-20) (Pages 511 - 516)

**Present:** Councillor Fielding (Chair)  
Councillors Brownridge, Chadderton, Chauhan, Jabbar, Moores,  
Mushtaq, Roberts and Shah

1           **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2           **URGENT BUSINESS**

There were no items of urgent business received.

3           **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4           **PUBLIC QUESTION TIME**

There were no public questions received.

5           **MINUTES OF THE CABINET MEETINGS HELD ON 22ND  
JUNE 2020 AND 7TH JULY 2020**

RESOLVED – That the minutes of the Cabinet meetings held on  
22<sup>nd</sup> June 2020 and 7<sup>th</sup> July 2020 be agreed.

6           **GM CLEAN AIR UPDATE**

Consideration was given to a report of the Deputy Chief Executive which set out the progress that had been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside (OBC), and the implications of pandemic management policies (the extent of which were not yet fully understood) for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan and the link to taxi and private hire common minimum licensing standards (MLS).  
Options/alternatives  
N/A

RESOLVED – That:

1. The following be noted;
  - a) The progress of the Greater Manchester Clean Air Plan;
  - b) The progress in the development of the Clean Commercial Vehicle and Hardship funds;
  - c) The initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses;
  - d) The Government had accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but had requested further development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure.

- e) Transport for Greater Manchester was seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements;
  - f) The government would not support electric vehicle charging infrastructure through Clean Air monies but had committed to work with GM on securing funding from OLEV;
  - g) The implementation of a Greater Manchester Clean Air Zone was delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;
  - h) The Department for Transport's positioning paper "Decarbonising Transport – Setting the Challenge";
  - i) The assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and
  - j) The GM local Authorities intend to consult on GM's proposed MLS, alongside the Clean Air Plan consultation and agree the position for consultation, on when taxi/PHV fleets should be Zero Emission Capable.
2. The following be agreed:
- a) The position that the GM Local Authorities would move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;
  - b) The position that the GM Local Authorities' decision to commence a public consultation should be taken once there was a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;

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### **REQUEST FOR AN EXTENSION TO THE RIGHT START SERVICE CONTRACT PROVIDED BY BRIDGEWATER COMMUNITY HEALTHCARE NHS TRUST**

Consideration was given to a report of the Assistant Director, Commisising and Partnerships which sought approval to extend the current contract for Oldham's delivery of integrated early years offer – Right Start.

The early years period had a critical influence on future outcomes throughout life. The provision of high quality, effective services, which supported communities at this critical time was a priority particularly within the context of the COVID-19 pandemic. In recent years progress has been made in integrating public health and education services to provide a joined-up offer for families. As the Council further developed models of children's services provision in Oldham there were opportunities to consider how the Council could more effectively join up community, health and care services as part of a place-based model to create a more seamless offer for children and families.

The position had changed substantially as the current pandemic continued to pose unforeseen and unprecedented challenges to all particularly impacting on front line health, care and support services and the availability of the market place to engage in



new procurement exercises this financial year due to resilience planning and business recovery by health providers and therefore a request was made to extend the contract for a further year from 31 March 2021 up until 31 March 2022.

Options/alternatives  
Considered at Item 11 of the agenda.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 11 of the agenda.

8

## **HOLLINWOOD JUNCTION STRATEGIC PARTNERING AGREEMENT**

Consideration was given to a report of the Deputy Chief Executive which sought approval for the Council to vary the existing Strategic Partnering Agreement with Langtree Property Partners to enable development to continue at Hollinwood Junction.

Creating a Better Place' incorporated significant programmes of work that had been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough.

On the 20<sup>th</sup> June 2011, the Council entered into a Strategic Partnering Agreement (SPA) with Langtree Group Plc. The SPA was entered into following a competitive tender process advertised in OJEU, by which Langtree was selected as the Council's development partner for the delivery of high-quality business space through the redevelopment of sites and associated infrastructure on the Council owned land known as the Hollinwood Junction site.

Under the SPA, Langtree were appointed to carry out management services. These services consist of submitting the Council's development plans, assisting the Council with the disposal of property, dealing with development receipts and undertaking all necessary preparatory work on the site prior to development.

The SPA also required Langtree to enter into development agreements with the Council for individual phases of the Hollinwood Junction site.

A development agreement had been entered into by Langtree and the Council under which Langtree carried out a Euro Garages development on the former Roxy Cinema site. A highways contract has been agreed with a contractor for the construction of the phase 1 highway works. The phase 1 highway works will provide the access into the wider Hollinwood Junction employment area.

The gas holder which prevented development of the employment site, had now been dismantled and the remaining void in the ground partially infilled, and the site has been acquired from National Grid.

Options/Alternatives

Option One – Approve the variation of the existing Strategic Partnership Agreement with Langtree Property Partners to enable the development to continue at Hollinwood Junction.

Option Two – Do not approve the variation of the existing Strategic Partnership Agreement with Langtree Property Partners.

RESOLVED – That the Cabinet would consider the commercially sensitive information detailed at Item 10 before making a decision.

9 **EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

10 **HOLLINWOOD JUNCTION STRATEGIC PARTNERING AGREEMENT**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 8 - Hollinwood Junction Strategic Partnering Agreement.

RESOLVED – That the recommendations as detailed within the report be agreed.

11 **REQUEST FOR AN EXTENSION TO THE RIGHT START SERVICE CONTRACT PROVIDED BY BRIDGEWATER COMMUNITY HEALTHCARE NHS TRUST**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 7 - Request for an extension to the Right Start service contract provided by Bridgewater Community Healthcare NHS Trust.

RESOLVED – That the recommendations as detailed within the report be approved.

The meeting started at 6.00pm and finished at 6.24pm

## Report to Cabinet

### Financial Update – Budget 2020/21 and 2021/22

**Portfolio Holder:** Councillor Abdul Jabbar MBE – Deputy Leader and Cabinet Member for Finance and Green

**Officer Contact:** Anne Ryans – Director of Finance  
Ext. 4902

**Report Author:** Anne Ryans – Director of Finance

**24 August 2020**

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#### Reason for Decision

The report is presented to provide an update on the deployment of additional capital and revenue grants received in 2020/21 since the report to Cabinet of 23 April 2020 and to advise of the estimated financial challenge for the Council arising from the COVID-19 pandemic.

#### Executive Summary

The World Health Organisation has classed the outbreak of COVID-19 across the world as a pandemic. In the United Kingdom the COVID-19 outbreak continues to place further unprecedented pressure on services provided by both the Council and the NHS.

The Government has in response allocated a number of significant grants to provide support in relation to the COVID-19 pandemic. A report was considered by Cabinet on 23 April 2020 which presented a range of grant support received towards the end of 2019/20 and early 2020/21. This report outlines the additional grant funding that has been received since the Cabinet meeting.

In addition, the report advises of the financial information that the Council provides to the Ministry of Housing, Communities and Local Government (MHCLG) on a monthly basis which informs the Government of costs being incurred/income lost by the Council as a

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result of the pandemic. The information included in the returns highlights the financial challenge that the Council is facing in 2020/21 although additional Government grant funding is expected. Members are also advised of the on-going impact of COVID-19 on the financial position of the Council in future years, with the provisional budget reduction requirement for 2021/22 increasing to £30m.

The Financial Monitoring reports presented to Cabinet during 2020/21 (the report for month 3 is included elsewhere on this agenda) will provide information about the impact of COVID-19 on the financial position of the Council as it develops throughout the year. The reports will also advise of the use of the grants, both COVID and non-COVID related, detailed in this report.

### **Recommendations**

It is recommended Cabinet:

- a) Approves the adjustments to the budget of the Council to reflect the additional unringfenced and ringfenced revenue grant funding received since Cabinet considered its last financial update report at its 23 April 2020 meeting.
- b) Notes the additional capital grant funding that the Council has received.
- c) Notes the estimated extent of the financial challenge that the Council is facing in 2020/21 as a result of the COVID-19 pandemic.
- d) Confirms support for the measures that have been introduced to reduce the call on Council resources in year.
- e) Notes that financial planning for 2021/22 and future years is extremely challenging due to the uncertainty about the impact of the pandemic and the level of Government funding that will be received.
- f) Agrees that the provisional budget reduction requirement for 2021/22 has increased to £30m.

**1 Background**

- 1.1 Members will recall that the Cabinet meeting of 23 April 2020 considered and approved a report which provided a financial update and outlined a range of grants that had been received from Central Government as follows:
- Those grants received at the end of 2019/20 for use in that financial year which were not included within the 2019/20 Month 9 Financial Monitoring approved at Cabinet on 23 March 2020
  - An unringfenced grant of £7.641m received in 2019/20 to support the response to COVID-19 (included in 2019/20 year end reserves)
  - A grant of £11.233m relating to 2020/21 but received in 2019/20 to support cash flow (treated as a receipt in advance within the 2019/20 accounts)
  - Small business grant funding and retail, leisure and hospitality grant funding totalling £54.783m received on 3 April 2020 (although the funding total has not changed, the Government scheme has been subsequently been extended to cover a discretionary fund)
  - Hardship grant funding of £3.015m received on 3 April 2020 (this was the subject of a separate report also approved at the Cabinet meeting of 23 April 2020)
  - The receipt of additional Public Health Grant funding of £0.606m in 2020/21
- 1.2 Members were also advised that the Government had introduced extended Business Rates reliefs giving a 100% discount in respect of retail, leisure, hospitality and nursery properties and that the Council would be fully compensated for this by means of grant awarded under Section 31 of the Local Government Act 2003. It is currently anticipated that the grant received will total £23.446m. However, due to the accounting arrangements relating to Business Rates, the Section 31 grants will be accounted for in 2020/21 but will need to be transferred to the business rates reserve to meet the resultant collection fund deficit that would otherwise be included in the 2021/22 budget.
- 1.3 The report advised of the identification of £2.359m of reserves to be added to the £7.641m of Government resources to create a fund of £10m to support the Council's response to COVID-19. It was intended that this £2.359m of reserves could be used to finance increased expenditure pressures but also, for example, offset reductions in parking charges and general fees and charges and introduce other measures to support the Oldham economy including businesses not eligible to take advantage of Government assistance schemes.
- 1.4 Since that report in April, several new revenue and capital grants have been announced including a further package of support for Local Government. The key issues in relation to the grants are set out at Sections 2.2 to 2.7.
- 1.5 It is also important to advise Cabinet of the requirement to provide financial information in the form of a monthly return to the Ministry of Housing, Communities and Local Government (MHCLG). This return informs the Government of costs being incurred/income lost as a result of the pandemic and is to enable an assessment of the additional level of grant needed by Councils to support the continued provision of services. The information included in the returns highlights the financial challenge that the Council is facing in 2020/21 and provides an indication of the on-going impact of COVID-19 on the financial position of the Council in future years. The key issues in this regard are set out at Section 2.8.

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## 2 Current Position

2.1 Since the Cabinet meeting of 23 April 2020, the Council has received a range of revenue grants, some specifically to support expenditure linked to COVID-19 and some grants to support business as usual activities. These grants are presented as follows and the report therefore seeks approval to revise the budget of the Council accordingly.

### 2.2 COVID-19 Related Unringfenced Grant

#### Second Tranche of General Grant

2.2.1 On 18 April 2020, as part of its response to the coronavirus pandemic, the Government announced its second tranche of general grant funding totalling £1.6bn. On 28 April 2020, the grant allocations were notified with a different method of distribution than the first tranche resulting in grant for the Council of £6.531m. This was £1.110m lower than the £7.641m received in the first tranche of funding. This grant will increase the net revenue budget of the Council.

2.2.2 The second tranche was allocated on a per capita basis, using the latest ONS population projections and was intended to support all Authorities with the additional cost pressures from the extra work and the specific tasks required as a result of the pandemic but particularly social care – both adult and children’s, public health services, shielding the most vulnerable, homelessness and rough sleeping, supporting the NHS and managing excess deaths. It was also recognised that income losses were having an impact and that these were more likely to affect District Councils. As a result, the allocations were based on a 65:35 split in allocations between Counties and Districts in two-tier areas and designed to provide significantly more funding to District Councils than the first wave of funding. The letter advising of the funding allocation is included at Appendix 1.

#### Third Tranche of General Grant

2.2.3 On 2 July 2020 the Government announced a further funding package (the letter advising of this is included at Appendix 2). This was comprised of:

- A further £500m of unringfenced funding to cover Local Authority spending pressures
- A co-payment mechanism for irrecoverable Sales, Fees and Charges income, with the Government covering 75% of losses beyond 5% of planned income
- Phased repayment of Collection Fund deficits over the next 3 years
- A commitment to determine the support needed to help Councils meet the pressures of irrecoverable tax income at the Spending Review

2.2.4 Allocations with regards to the £500m were announced on 16 July 2020. Of this £500m, £6m was allocated separately for Unaccompanied Asylum Seeking children, leaving £494m to be distributed using data drawn from the second and third rounds of financial monitoring of COVID-19 expenditure pressures. The methodology used is comparable to that proposed for the Relative Needs and Resources Formula included as part of the Fair Funding Review. Oldham’s allocation for this tranche is £2.466m and will increase the net revenue budget of the Council.

2.2.5 Taking the three tranches of funding together the Council has to date received £16.638m of unringfenced grant. Further detail is awaited with regard to the other funding elements announced on 2 July 2020 and until this is received it will be impossible to be confident about the level of Government financial support that the Council will receive as:

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- The operating arrangement for the co-payment scheme for compensating for income losses has not been announced. Of particular concern is that this does not include compensation for commercial income losses and the payment of grant compensation may be based on actual losses which it may not be possible to calculate for some time.
  - By deferring the Comprehensive Spending Review, the detail as to how Councils will be compensated for Business Rates and Council Tax losses has been delayed, and the uncertainty is heightened.
  - The spreading of Collection Fund deficits (losses arising from the inability to collect Council Tax and Business Rates as planned) is welcomed but until there is clarification of the detail of the compensation referred to at the point above, the financial implications cannot be determined.

#### Unringfenced COVID Related New Burdens Funding

2.2.6 On 29 May 2020 the Council was notified of an allocation of £0.002m to support additional costs of implementing Local Housing Allowance changes. This grant will increase the net revenue budget of the Council and will be passported to the service administering Local Housing Allowance changes.

2.2.7 On 7 July 2020 the Council received £0.170m to support the costs of implementing the Government's initiatives to support business in the form of the small business grant, retail hospitality and leisure grant and discretionary grant schemes. This resource, which will increase the net revenue budget of the Council is being used to support the Council's costs incurred in the administration of the business support schemes. Should there be any excess funding once the grant schemes have closed, the resources will be used to support the overall financial position of the Council.

### 2.3 COVID Related Ringfenced Grant

2.3.1 The Council has been notified of two COVID related ringfenced grants as follows:

#### a) Infection Control Fund Grant

On 13 May 2020 the Government announced an allocation of £600m to support social care providers through a new adult social care infection control. The Council was notified on 15 May 2020 that its share of the national allocation was £2.317m.

The purpose of the grant is to provide support to adult social care providers to reduce the rate of COVID transmission in and between care homes and support wider workforce resilience. Guidance about the use of the grant was issued on 15 May and supplemented on 22 May 2020. This guidance was focused on how to prevent and control COVID-19 in all registered care homes.

The funding has been allocated according to the number of care home beds, with an adjustment to reflect the costs of operating in each area. It was paid in 2 equal instalments (tranche 1 was received on 29 May 2020 with tranche 2 being received on 29 July 2020). The Government required that 75% of the funding allocation be passed straight to care homes in 2 equal instalments for use on infection control measures, including to care homes with whom the Council does not have existing contracts. The second instalment of grant to the Council, and hence the second payment to care homes, was contingent on the first being used for infection control.

The Council has followed the Government guidance with regard to payments and has been able to demonstrate compliance with Government reporting requirements.



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With regard to the use of the remaining 25% of grant, this must also be used for infection control measures but can be allocated on the basis of need. The Council has put processes in place to fully deploy this resource.

The Council has complied with the Government guidance and anticipates (in line with Government expectations) that the grant will be fully spent within 2 months of the authority receiving the second instalment i.e. by end of September 2020.

**b) Local Authority Test and Trace Service Support Grant**

The Government announced that Local Authorities would be central to supporting the test, track and trace service across England, with a funding package of £300m. On 11 June the Council was notified of its allocation of Local Authority Test and Trace Service Support Grant at a value of £1.560m. The grant was received in full by the Council on 23 June 2020.

The Council is using this funding allocation in accordance with Government guidance, to prevent the occurrence and transmission of COVID by maximising access to testing to identify cases, trace contacts and take action to prevent onwards transmission. In this regard key areas of expenditure are being focussed on:

- Providing rapid access to testing to those who develop symptoms, prioritising the most vulnerable and key workers and ensuring the testing and contact tracing offer meets the needs of the local population and local system
- Having clear end to end pathways and data collection for testing and contact tracing
- Providing regular 'screening' for those most likely to come into contact with COVID through their work, and for the most vulnerable
- Establishing systems to identify contacts of those with symptoms of, or testing positive for, COVID, and provide advice on infection prevention and control, testing and isolation
- Maximising local capacity to deliver the test, track and trace function by making use of national offers and resources where these fit with our local system and meet the needs of our residents

The Chief Executive and Head of Corporate Governance (Chief Internal Auditor) are required to sign and return a declaration to the Department of Health and Social Care that confirms that the funding has been used in line with Government intentions. This should not present a challenge.

**c) Local Authority Emergency Assistance Grant for Food and Essential Supplies**

On 10 June 2020 the Government announced £63m of new funding for Local Authorities to help those struggling financially as a result of coronavirus. Allocations were notified on 10 July 2020 with Oldham being awarded £0.361m (received on 28 July 2020).

The Government has allocated this grant and expects that the funding is used from July onwards to meet the immediate need and help those who are struggling to afford food and essentials due to COVID-19. Although the grant is for use in 2020/21, it is expected that this grant will be spent within 12 weeks of receipt. The Council is currently finalising its approach to the most effective deployment of this resource in alignment with the Government's expectations.

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Government monitoring of this grant will include a short online survey to be completed at the end of October 2020. This survey will ask for information such as:

- The type of support provided
- The criteria used to assess claims
- The percentage of funds used to support administration of the scheme (it is anticipated that this is kept to a minimum)
- The level of demand for support compared to before the lockdown
- The processes used to maintain equality and reduce fraud

#### **d) Coronavirus (COVID-19) Rough Sleepers Contingency Fund**

This Fund was initially announced in March 2020 as a £3.2m national allocation, to assist Local Authorities to provide accommodation and support to people who were at high risk or who had been diagnosed with coronavirus. The Government has targeted this support at those who are rough sleepers or in accommodation where bedrooms are shared or there is a dormitory style provision and where, as a result guidance on self-isolation could not be followed. The Council was able to submit a claim in May for its share of the funding (£0.002m).

### **2.4 Other Unringfenced Grant Funding**

#### School Improvement Monitoring and Brokerage Grant

- 2.4.1 The school improvement monitoring and brokering grant of £50 million per academic year was announced on 30 November 2016. The grant has been allocated to Local Authorities since September 2017 to allow them to continue to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. On 27 April 2020 the Council was notified of an allocation of £0.104m to cover the period April 2020 to August 2020. Although this grant is unringfenced, it will be passported to the service in line with Government intentions.

#### Extended Rights to Home to School Travel

- 2.4.2 On 20 May 2020 the Council was notified that its allocation of funding for the financial year 2020/21 in respect of extended rights to home to school travel and the general duty to promote sustainable travel, was £0.038m. The allocations have been calculated using estimates of the number of pupils eligible to extended rights using data collected in the January 2019 census. Although this grant is unringfenced, it will be passported to the service in line with Government intentions. This is a service area experiencing financial pressures during 2020/21.

#### Verify Earnings and Pension Service

- 2.4.3 The Verify Earnings and Pensions Alerts Service aims to provide Local Authorities with the capability to prevent Housing Benefit fraud and error through real time identification of changes in income. The Government provides resources to support this activity and the Verify Earnings and Pensions Alerts service grant payment was received on 22 May 2020. The Council's share was part of the £12.777m funding package made available to Local Authorities to manage the service in 2020/21. The allocation for Oldham is £0.030m. Whilst this grant is unringfenced, the Government sets out an expectation for its use. It will therefore be passported to the Revenues and Benefits service area that is responsible for administering the payment of Housing Benefit in line with the practice in previous years.

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## Transport Grant

- 2.4.4 On 8 July 2020, the Council received £0.009m Transport Grant for 2020/21. This unringfenced grant will be passported to the home to school transport service for use in 2020/21. This is a service area experiencing financial pressures during 2020/21.

## SEND Regional Coordinator Grant

- 2.4.5 The Council has now been notified of its allocation for the Special Educational Needs and Disability (SEND) Regional Coordinator grant in 2020/21. The total grant of £0.024m will be received in two instalments; one in August 2020 and the other in February 2021. Whilst the grant is unringfenced it is intended that this funding is used to support Local Authorities in their implementation of SEND Reforms from April 2020 and is it is therefore intended to passport this to the service. The aspiration of the Department for Education is that the funding should be used to:

- Improve the quality of services for children and young people with SEN and disabilities, whether in education, health or social care
- Ensure a strong spirit of co-production with parents and young people, and ensuring individual children, young people and their parents are at the heart of decisions made about the provision they receive
- Build relationships between local authorities and their health and social care partners
- Build relationships across educational institutions, including early years settings, mainstream and special schools, Further Education colleges and independent or non-maintained providers

Although an unringfenced grant, it will be passported to the service as this is a service area experiencing financial pressures during 2020/21.

## 2.5 Other Ringfenced Grant Funding

### Reopening High Streets Safely Fund Grant

- 2.5.1 The Government has allocated £50m of additional funding to support the safe reopening of high streets and other commercial areas. The Council has been allocated £0.210m. This money will allow additional measures to establish a safe trading environment for businesses and customers, particularly in high streets, through measures that extend to the end of March 2021.

- 2.5.2 Expenditure for reimbursement under this grant was eligible from 1 June 2020. The detail of the requirements of this European Regional Development Fund grant will be covered in a Funding Agreement which the Government hoped to have agreed with all Local Authorities by the end of June, however this has been delayed. The Council is currently working on this Agreement. Once this is in place then claims for reimbursement for expenditure incurred from when the agreement has been signed can begin to be made. The grant awards will be available to access up until the end of March 2021. The costs of administering this grant will also be eligible for reimbursement of up to 4% of the total grant value. This 4% would be taken from the grant itself.

- 2.5.3 The Fund will support 4 main strands of activity:

- The development of an action plan for how Councils can begin to safely reopen their local economies
- Communications and public information activity to ensure that reopening of local economies can be managed successfully and safely

- Business-facing awareness raising activities to ensure that reopening of local economies can be managed successfully and safely
- Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely

#### Learning Disability and Autism Community Grant

2.5.4 The Council will receive on behalf of Greater Manchester, an allocation of the Learning Disability and Autism Community Grant, from the Department of Health Social Care amounting to £0.957m for 2020/21. Authorities in England will receive a total of £62m over three years (£20m in 2020/21) to speed up the discharge of individuals with learning disabilities or autism into the community from mental health inpatient care in England. Oldham has agreed to receive and administer the grant on behalf of all the Greater Manchester Authorities. Once a basis of allocation has been agreed the grant will be passported to those Authorities. The Council's share will be allocated to Community Health and Adult Social Care Services.

## 2.6 Summary of Grants Received Since the Cabinet meeting of 23 April 2020

2.6.1 The table below summarises the various grants received by the Council since the Cabinet meeting of 23 April 2020. The above mentioned funding allocations total £14.781m.

Grant	2020/21 £000
<u>Covid-19 Related Unringfenced Grant</u>	
Second Tranche of General Grant	6,531
Third Tranche of General Grant	2,466
<u>Unringfenced Covid-19 Related New Burdens Funding</u>	
Local Housing Allowance Changes	2
Government Initiatives to Support Business	170
<u>Covid-19 Related Ringfenced Grants</u>	
Infection Control Fund Grant	2,317
Local Authority Test and Trace Service Support Grant	1,560
Local Authority Emergency Assistance Grant - Food & Essential Supplies	361
Coronavirus (COVID-19) Rough Sleepers Contingency Fund	2
<u>Other Unringfenced Grant Funding</u>	
School Improvement Monitoring and Brokerage Grant	104
Extended Rights to Home to School Travel	38
Verify Earnings and Pension Service	30
Transport Grant	9
SEND Regional Coordinator Grant	24
<u>Other Ringfenced Grant Funding</u>	
Reopening High Streets Safely Fund Grant	210
Learning Disability and Autism Community Grant*	957
<b>Total</b>	<b>14,781</b>

\*Full Greater Manchester allocation – basis of allocation to be agreed

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## 2.7 Capital Grants

2.7.1 Since the Capital Strategy/Programme was agreed on 26 February 2020, the Council has been notified of the following funding allocations from Central Government. Some of these grants had already been anticipated within the approved capital programme, albeit that some of the confirmed allocations are slightly different as follows:

a) Highways and Transport Funding

The Council has been notified of £19.046m of additional funding for Highways and Transport schemes. This includes £1.833m from the Pothole and Challenge Fund, £0.062m of additional highway maintenance funding, £11.836m from the Mayor's Cycling and Walking Challenge Fund (£9.794m will be received in 2021/22), £0.232m of Growth Deal 3 monies for bus stop enhancements, £0.411m of incentive funding and £4.172m from the Highway Maintenance Challenge Fund.

The Council has also received confirmation from the Greater Manchester Mayor's Cycling and Walking Safe Streets Fund of a grant of £0.500m to maintain higher levels of cycling and walking as lockdown restrictions are eased and businesses begin to re-open their premises.

b) Schools Funding

In mid-April 2020, the Department for Education confirmed School Condition allocations and funding for Devolved Formula Capital for 2020/21. Oldham's allocations are £1.291m for School Condition and £0.316m for Devolved Formula Capital.

In May 2020, Oldham's Basic Needs Allocation for 2021/22 was confirmed as being £6.833m.

The Council has received notification from the Department of Education of a School Nurseries Capital Fund Grant of £0.274m at Northmoor Academy School Nursery. The grant will create 24 new FTE two-year-old places, 30 wraparound places, and 30 holiday places through a new build on an underused part of the existing site.

c) Other Funding Allocations

In May 2020, MHCLG confirmed Local Authority allocations of Disabled Facilities Grant (DFG) for 2020/21. Oldham's allocation is £2.065m (£0.065m higher than anticipated) and will be spent in line with the guidance issued. In addition, there has been £0.015m in private contributions towards DFG works.

On 20 June 2020, the Government announced the bringing forward of £5bn of capital investment project funding to support and accelerate the economic recovery from the COVID-19 pandemic. On 1 July 2020, the MHCLG notified Oldham of an allocation of £1.000m of Towns Fund Grant to finance capital projects that can be delivered in this financial year. The Towns Fund forms a key aspect of Government plans to 'build back better' to support the economic recovery and is central to the Government's ambition to enable towns like Oldham to benefit from significant investment through the delivery of transformation projects. The Council has prepared a submission to enable it to access the resources available. This £1.000m is in addition to the £25m Towns Fund allocation Oldham has already received.

The Council has also received £0.010m from The Big Local for a Parks and Open spaces capital scheme.

The above-mentioned funding allocations totalling £30.850m are summarised in the table below.

Grant	2020/21 £000	2021/22 £000	Total £000
<u>Highways</u>			
Pothole & Challenge Fund	1,320	513	1,833
Highways Maintenance (additional)	62		62
Mayors Cycling & Walking Challenge Fund	2,042	9,794	11,836
Growth Deal 3	232		232
Incentive Fund	411		411
Highways Maintenance Challenge Fund	4,172		4,172
Greater Manchester Mayor's Cycling and Walking Safe Streets Fund	500		500
<u>Schools</u>			
School Condition Allowance*	1,291		1,291
Devolved Formula Capital*	316		316
Basic Need		6,833	6,833
Department of Education - School Nurseries Capital Fund Grant	274		274
<u>Other Allocations</u>			
Disabled Facilities Grant*	2,065		2,065
Disabled Facilities Grant – Private Contributions	15		15
Towns Fund	1,000		1,000
Big Local	10		10
<b>Total</b>	<b>13,710</b>	<b>17,140</b>	<b>30,850</b>

\*The external grants which had already been anticipated within the 5 year capital programme approved at Budget Council in February 2020.

d) Regional Funding Allocations

The following grants were announced on 30 June 2020 and awarded to Greater Manchester to take forward a regional programme of investment:

- £81m of Brownfield Fund allocation (from a national £360m) to support the development of housing on brownfield sites;
- £54.2m Getting Building Fund allocation (from a national £900m) to support the delivery of 'shovel-ready' projects intended to provide stimulus to local economies.

The methodology for allocating this funding to Districts within GM has yet to be determined.

Members are also advised that the Council is in the process of preparing bids to access a number of funding streams. Bids for significant resources are being



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developed to access funding from both the Towns Fund and Future High Streets Fund in accordance with earlier announcements.

## **2.8 Impact of COVID-19 on the Financial Position of the Council**

- 2.8.1 The 2020/21 Revenue Budget and Capital Strategy/Programme were both approved at the Council meeting on 26 February 2020. The revenue budget was prepared to support Council priorities. The Capital Programme was framed around the ambitions of Creating a Better Place strategy with the 2020/21 to 2024/25 revenue budget aligned accordingly. The level of reserves and balances was considered sufficient to support the 2020/21 budget and the Medium Term Financial Strategy.
- 2.8.2 At the time of the Council meeting, the rationale behind the assumptions supporting budget setting for 2020/21 seemed sound. Those expenditure and income pressures that were known had been addressed. Council Tax and Business Rates assumptions were prudent. Gains from the piloting of Business Rates Retention in Greater Manchester were anticipated as a one-off resource, a year in arrears. The implications of COVID-19 were not foreseen and in view of subsequent events, some of the key strands that underpinned the budget are no longer valid.
- 2.8.3 The finances of the Council have been significantly impacted by the COVID-19 pandemic. The financial pressures have been experienced since the middle of March but especially since the lockdown was announced on 23 March 2020. This has required the Council to incur additional expenditure to support the residents of Oldham during these extraordinary times. The Council has also lost income from sales, fees and charges including commercial income from its investments and trading activities.
- 2.8.4 The Council is of course reviewing and monitoring the impact of COVID-19 and has been required to submit information to the MHCLG to inform the Government of pressures being experienced by all Local Authorities. The returns outline to Government the costs being incurred/income lost as a result of the pandemic and enables an assessment of the additional level of grant needed by Councils to support the continued provision of services. The first return was completed on 15 April, with further returns in May and June. The most recent return was submitted on 31 July 2020. Each of the returns has been completed in response to revised guidance as, each time, the MHCLG has refined its information gathering processes. It is expected that monthly reporting to the MHCLG will continue for the immediate future.
- 2.8.5 The completion of the returns and forecasting of the likely impact of the pandemic on the Council's budget is based on both actual expenditure/income loss detail but also relies on a series of assumptions, particularly about how long the effects of the pandemic are likely to last, the phasing of the impact and what the new normal will look like. The base assumption is that all other spending remains the same and that the reporting relates to the extra burdens associated with COVID-19. The in-year position will, however, become clearer as more detailed financial monitoring takes place on non-COVID related activities. The month 3 financial monitoring report elsewhere on the agenda shows the overall projected financial position including financial pressures that do not relate specifically to COVID related activity. Ultimately, the financial impact will depend on the final level of Government support that is received and on measures the Council can take to control net expenditure.
- 2.8.6 The table below shows the financial projections included in each of the MHCLG returns and highlights that the position has moved each month. The July 2020 MHCLG return showed an overall full year impact of £55.2m with increased expenditure pressures of £32.2m and reduced income of £23.0m (including £7.1m in relation to lost Council Tax and Business Rates). As the budgetary impact of lost Council Tax and Business Rates will occur in 2021/22 (although there will be a cash impact in 2020/21), the adjusted



potential shortfall is £48.1m. After offsetting £7.3m of ringfenced grant for specific purposes (Hardship Fund Grant of £3.0m, Infection Control Grant of £2.3m and Test, Track and Trace Grant of £1.6m and the Emergency Assistance Grant for Food and Essential Supplies of £0.4m) together with funds that can be recharged to the NHS for Adult Social Care related costs and the £16.6m of unringfenced Government grant that has so far been notified, there is a potential in year shortfall of £17.1m as shown in the table below.

Pressure	April 2020	May 2020	June 2020	July 2020
	Estimated Costs in a full year £m	Estimated Costs in a full year £m	Estimated Costs in a full year £m	Estimated Costs in a full year £m
Increased Expenditure	19.2	17.2	30.7	32.2
Reduced Income	27.0	25.9	25.7	23.0
<b>TOTAL ANTICIPATED IMPACT</b>	<b>46.2</b>	<b>43.1</b>	<b>56.4</b>	<b>55.2</b>
Exclude Council Tax and Business Rates	-8.0	-9.6	-9.3	-7.1
<b>Financing Available - Government Funding</b>				
- Unringfenced Grant	-14.2	-14.2	-14.2	-16.6
- Hardship Grant Funding	0	0	-3.0	-3.0
- Infection Control Grant	0	0	-2.3	-2.3
- Test Track and Trace Grant	0	0	-1.6	-1.6
- Local Authority Emergency Assistance Grant for Food & Essential Supplies				-0.4
Anticipated Recharge to NHS funding via Oldham CCG	0	0	-5.2	-7.1
<b>Potential Shortfall in Year</b>	<b>24.0</b>	<b>19.3</b>	<b>20.8</b>	<b>17.1</b>

2.8.7 There will be further grant compensation as outlined at 2.2.5 but the financial position will continue to change given the unpredictable impact of COVID-19. It is disappointing that Government is expecting Local Government to “share the burden” as clearly at this stage, there is no intention to provide funding for all income losses. Indeed, the overall level of support remains unclear.

2.8.8 It is evident that a major challenge still remains in relation to budget setting for 2021/22 and future years. It is inevitable that COVID-19 will have a significant impact on the financial position. Members will recall that there was an already challenging budget reduction target of £23.3m for 2021/22 as presented within the reports approved at Budget Council on 26 February 2020. The Council and the Local Government sector urgently needs the Government to announce its funding intentions for 2021/22 and future years, in addition to the clarity which is required on the additional funding announced for 2020/21.

2.8.9 Once there is more detailed information upon which to base estimates, the projected budget shortfall for 2020/21 will be recalculated and revised estimates will be prepared for 2021/22 and future years. In the meantime, the Council is planning for budget reductions of £30m which it aims to address via programmes of activity based around three themes:

- Property and Assets
- Workforce Redesign
- Transformation of Service Provision

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Budget proposals to achieve the target of £30m will be prepared over the coming weeks and months. This will include considering options for reducing the size of the workforce in line with the Workforce Redesign theme. The Council's reserves will be available to provide the necessary financial support whilst the proposals are finalised and then during the delivery period as there will inevitably be a lead-in time whilst changes are implemented.

2.8.10 As the development of detailed budget reductions is taking place, the Council is introducing a number of measures to support its in-year financial position. These include:

- A full review of the capital schemes within the Creating a Better Place programme to ensure that the schemes are focussed on maximising the benefit to the Borough whilst minimising the revenue impact (a report is elsewhere on this agenda)
- Implementing expenditure controls to stop the commissioning of goods and services not deemed essential to the operation of the Council at a time of emergency – both revenue and capital items
- Tightening recruitment controls and reviewing the use of agency/temporary staff. A Recruitment Panel is already in place to take forward this initiative
- Reviewing all revenue budgets to assess if there is an excess resource that can be reallocated to offset the financial challenge presented by COVID-19
- More rigorously enforcing budget holder accountability, especially on all overspending budgets via task and finish meetings with officers and the Cabinet Members with responsibility for the relevant budgets
- Stopping the introduction of new initiatives unless they are essential (such as a response to a Government initiative) which will enable resources (staffing and financial) to be focussed on existing priorities
- Introducing stringent controls on the use of any reserves in order to minimise the call down of reserves. The Reserves Policy covering the outturn position for 2019/20 and the reserves available in 2020/21 was presented to the Audit Committee on 22 July 2020
- Undertaking a complete review of all reserves with a view to decommissioning those deemed to be no longer supporting a priority initiative so they are available to underpin the financial position of the Council.

2.8.11 It is anticipated that such measures will reduce spending in this year to at least partly offset the impact of COVID-19 and the associated pressures not covered by Government grant and also support the 2021/22 budget setting process.

2.8.12 Members should note that if the above actions are unsuccessful in reducing the in-year pressure, then any gap remaining will have to be addressed by the use of reserves. Whilst the Council holds sufficient levels of reserves to cover such a gap, the utilisation of reserves will reduce the Council's financial resilience. A significant reduction in reserves will also limit the ability of the Council to support the implementation of programmes of service transformation and the setting of future years' budgets.

## **2.9 Summer Statement 2020**

2.9.1 On 8 July 2020, The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer presented to Parliament, the Summer Statement – A Plan for Jobs 2020.

2.9.2 The Statement was centred on a plan to rejuvenate the economy through measures to support, protect and create jobs and encourage spending through a range of tax cuts / incentives.

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- 2.9.3 The Statement provided no specific or additional information regarding the outlook for Local Government Finances in the medium term but advised that this detail would emerge as part of the Budget and Spending Review in Autumn 2020.

## **2.10 Other Government Announcements**

### Business Rates Revaluation

- 2.10.1 In May 2020, the Government announced a postponement to the planned Business Rates revaluation to provide greater certainty for firms affected by the impacts of COVID-19. Under current legislation, this revaluation should have taken effect on 1 April 2022 based on pre-COVID19 property values as of 1 April 2019.
- 2.10.2 On 21 July 2020, the Government announced that the next revaluation of non-domestic property in England will instead take effect on 1 April 2023. To better reflect the impact of COVID19, it will be based on property values as of 1 April 2021. This change to the anticipated revaluation of Business Rates, creates further uncertainties and forecasting issues for the financial planning process especially as it crosses the period covered by the Comprehensive Spending Review as highlighted below.

### Comprehensive Spending Review

- 2.10.3 Also on 21 July 2020, the Government launched the 2020 Comprehensive Spending Review (CSR). The CSR, which will conclude in the Autumn, will set UK Government departments' resource budgets for the years 2021/22 to 2023/24 and capital budgets for the years 2021/22 until 2024/25. Due to unprecedented uncertainty, the Chancellor did not fix a set spending envelope, but confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period and that the Government will deliver on the commitments made at Budget to level up and invest in the priorities of the British people.
- 2.10.4 Given the impact COVID-19 has had on the economy, the Chancellor was clear there will need be tough choices in other areas of spending at the review. As part of their preparations for the CSR departments have been asked to identify opportunities to reprioritise and deliver savings.
- 2.10.5 Until the outcome of the CSR is announced, financial projections will continue to be made on the basis of best estimates and only concentrate on 2020/21 and 2021/22.

## **2.11 Summary**

- 2.11.1 In summary, the Council is facing an unprecedented financial challenge, both in-year and in future financial years. It is evident that the Government support will fall short of that required to address all COVID related pressures and that consequently the net spending of the Council will have to be reduced. However, in such a rapidly changing and unpredictable environment it is essential that the action being taken to control spending in year and prepare for a £30m budget reduction is prioritised.

## **3 Options/Alternatives**

- 3.1 There are two options presented for consideration:

Option 1 - Cabinet approves the adjustments to the budget of the Council to reflect the additional grant funding received during 2020/21 as outlined in this report, confirms its support for actions being taken to address the financial challenge and notes the updated financial forecasts.

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Option 2 - Cabinet does not approve the adjustments to the budget of the Council to reflect the additional grant funding received during 2020/21 as outlined in this report, suggests alternative action to address the financial challenge and does not agree to note the updated financial forecasts .

#### **4 Preferred Option**

4.1 The preferred option is Option 1, that Cabinet approves the adjustments to the budget of the Council to reflect the additional grant funding received during 2020/21, confirms its support for being actions taken to address the financial challenge and notes the updated financial forecasts.

#### **5 Consultation**

5.1 There has been consultation of Members and officers on the content of this report and detailed briefings for the Cabinet Member for Finance and Green.

#### **6 Financial Implications**

6.1 The exact financial implications for the Council on the COVID-19 pandemic are currently unclear however all relevant information in this regard is included in the body of the report.

6.2 The Financial Monitoring reports presented to Cabinet during 2020/21 will provide continued information about the impact of COVID-19 on the financial position of the Council and the use of the grants discussed in this report. (Anne Ryans)

#### **7 Legal Services Comments**

7.1 Legal issues are addressed in the body of the report. The preferred option would regularise the adjustments to the Council's budget having regard to the funding received and immediate requirement to fund Covid-19 related expenditure. (Colin Brittain)

#### **8 Co-operative Agenda**

8.1 Addressing the emergency pandemic and providing the best support to all our residents is a key priority for the Council. The administration of Government funding in accordance with guidance and allocation of supplementary resources in this emergency is consistent with this principle.

#### **9 Human Resources Comments**

9.1 There are no direct Human Resource implications arising from this report.

#### **10 Risk Assessments**

10.1 The allocation additional resources by Central Government supports the overall financial position of the Council. There remains a risk to the future financial resilience of the Council if the gap between resources available and anticipated spending is not reduced. (Mark Stenson)

#### **11 IT Implications**

11.1 There are no IT implications arising from this report.

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**12 Property Implications**

12.1 There are no property implications arising from this report.

**13 Procurement Implications**

13.1 There are no procurement implications arising from this report.

**14 Environmental and Health & Safety Implications**

14.1 There are no environmental and health and safety implications arising directly from this report.

**15 Equality, community cohesion and crime implications**

15.1 None.

**16 Equality Impact Assessment Completed?**

16.1 No.

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 FG-06-20

**19 Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are contained within Appendices 1 & 2  
Officer Name: Anne Ryans  
Contact No: 0161 770 4902

**20 Appendices**

20.1 Appendix 1 - COVID Funding Distribution – Letter to Local Authority Leaders from the Secretary of State for Housing, Communities and Local Government

Appendix 2 – Support Package for Local Authorities – COVID-19 – Letter to Leaders and Chief Executives from the Minister for Regional Growth and Local Government

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**Rt Hon Robert Jenrick MP**

*Secretary of State for Housing, Communities  
and Local Government*

**Ministry of Housing, Communities and Local  
Government**

4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

Tel: 0303 444 3450

Email: [robert.jenrick@communities.gov.uk](mailto:robert.jenrick@communities.gov.uk)

To: All Council Leaders in England

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

30 April 2020

Local government is playing an essential role in the nation's response to covid-19. You have mobilised to help us protect the NHS, deliver social care, care for and shield the vulnerable, get rough sleepers off the street, and provide other vital public services for your communities.

On 18 April I announced a further £1.6 billion in funding to support local authorities during the covid-19 pandemic, and on 28 April I announced the allocations to individual local authorities for this funding. You can access the allocations online here:

<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>.

In the past few weeks, I have spoken to many of you about the challenges your areas are facing. I want to thank everyone who has submitted financial monitoring returns to us in recent weeks – the data you have provided is crucial to building an accurate picture of what is happening on the front-line. I know you will keep engaging with us on this.

The allocations I announced on 28 April are based on our latest and best assessment of the distribution of additional covid-19 pressures. In the face of a national emergency, I have decided to allocate this funding across the country on a per capita basis, using the latest ONS population projections. This reflects our latest understanding of the distribution of additional covid-related pressures, which are likely to be distributed in a way that is different from pre-existing needs.

I have made a commitment to support all authorities with the additional cost pressures from the extra work and the specific tasks we have asked you to carry out as a result of the epidemic, in particular, in relation to social care – both adult and children's, public health services, shielding the most vulnerable, homelessness and rough sleeping, supporting the NHS and managing excess deaths. We expect you to prioritise spending in those areas, while also continuing to achieve value for money.

In particular, given the spread of the virus in care homes and the pressure which social care providers are currently under, and given councils' existing role in sustaining the local market for social care provision, it is vital that councils use funding where necessary to provide immediate support to providers who need help with covid-related costs. This could include funding for those providers with whom the council does not currently have contracts if their finances are under strain. I know that many councils have already worked speedily to take these actions, and I am grateful to them.



However, we are concerned that in some cases money is not flowing through to social care providers quickly enough and that some councils are taking too long to agree covid-related increases in funding for providers. This is putting significant pressure on providers. We need to ensure that funds are flowing through to providers freely. We would expect this to be done through: temporary additional funding of up to 10% where this is necessary, advance payments and support 'in kind', with the balance depending on the circumstances. It could also include streamlined administrative arrangements - for instance, taking immediate action to avoid the risk of a provider failing, with a more detailed reconciliation of costs to follow. In doing so, you will of course need to safeguard value for money, which the LGA/ADASS suggestion of an 'open book' approach between commissioners and providers would achieve. We expect local authorities to draw on the helpful guidance issued by the LGA and ADASS on how to support providers.

Care providers are already implementing measures on infection control, working closely with the CQC, NHS and PHE. The government is also working hard to ensure that social care staff have access to testing and PPE. As evidence is improving on how to prevent and address outbreaks in care homes, there will be further guidance.

We expect that every local authority should have a plan for the resilience of care homes, covering all of their local care market, and we will set out further detail on what plans should cover shortly. Local authorities also have a role in ensuring that - in particular - small providers are aware of the support and advice available to them and are acting on it.

Yesterday, the NHS wrote to every CCG setting out their continuing role in supporting care providers. This includes support from CCG infection control nurses on infection prevention and control training, and health professional returnees supporting care homes, as well as primary and community support.

At the same time, I am aware of the impact on some authorities' income, resulting from our communities doing the right thing at the moment and staying at home. I have provided cashflow support by delaying the payment of the central share of business rates and bringing forward grant social care payments, in part to mitigate the impact of temporary delays in tax payments. I also recognise there may be some longer-term impact on revenues. This may include a reduction in annual council tax and business rates receipts and includes a more immediate reduction in receipts of sales, fees and charges. These impacts are likely to particularly affect district councils. The 65:35 split in allocations between counties and districts in two-tier areas is designed to reflect this and provides significantly more funding to district councils than the first wave of funding. Across both waves of funding, almost 70% of district councils will receive £1 million or more in support.

We have now committed over £3.2 billion in covid-specific funding for local government, an unprecedented level of additional financial support. Across Government we have mobilised even further, from support to run bus services from the Department for Transport, to bringing forward grant payments to Fire authorities from the Home Office, to grants to help local businesses from BEIS. In total so far, we have committed to over £16 billion of support for local areas, as well as billions more in cashflow measures. If any local authority has serious concerns about its financial sustainability please do approach us.

This is both a local and a national challenge and it is vital that we work together to use available resources as wisely as possible. This might include redeploying staff or bringing in volunteers, or prudent use of financial reserves, recognising that there are many calls on these at this time. I recognise that all tiers of government have been working collaboratively to provide support where it is most needed and I encourage principal authorities to discuss this funding with parish councils where parishes are performing covid-related services.

Beyond the coming weeks, the covid-19 pandemic will have impacts on financial planning for this year and next. In response, yesterday the Government confirmed that the Review of Relative Needs and Resources and 75% business rates retention will no longer be implemented in 2021-22. Councils have told me they simply do not have the capacity to work on fundamental reforms of this nature at present. The Government will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth and the approach to the 2021-22 local government finance settlement. In the longer-term, the Government remains committed to reform and we want to take time to work with local authorities to make sure that our approach is right.

I hope you agree that this package of financial support demonstrates our strong commitment to local government. At the outset of the emergency I said I would give councils the resources they need to respond and I meant it. I am grateful for all your efforts thus far and look forward to working together in the days and weeks ahead.

A handwritten signature in black ink that reads "Robert Jenrick." The signature is written in a cursive style. Below the signature is a single horizontal line.

**RT HON ROBERT JENRICK MP**

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Ministry of Housing,  
Communities &  
Local Government

To all Leaders and Chief Executives in England

**Simon Clarke MP**

*Minister for Regional Growth and Local Government*

**Ministry of Housing, Communities and Local  
Government**

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[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

17 July 2020

Dear Colleague,

## **SUPPORT PACKAGE FOR LOCAL AUTHORITIES – COVID-19**

The Government has committed to helping councils face the continuing pressures of the pandemic. We therefore provided £3.8 billion of grant funding, including a £600m Infection Control Fund, and over £5 billion of cashflow support. On 2 July, the Secretary of State announced a new set of support measures, including:

- A new scheme to reimburse councils for lost income from sales, fees, and charges;
- Changes enabling local authorities to spread their tax deficits over three years rather than the usual one;
- A further £500m of un-ringfenced funding to respond to spending pressures.

We have now set out more detail about these measures and have confirmed the distribution for the £500 million of new funding, including individual local authority allocations. The Director of Local Government Finance, Alex Skinner, will also be writing to Finance Directors shortly with further technical details.

Recognising the impact the pandemic has had on income from sales, fees and charges, we have introduced a co-payment scheme to compensate councils for relevant unforeseen losses that are irrecoverable. Councils will absorb the first 5% of all relevant irrecoverable losses compared to their original plans, with the Government compensating councils for 75 pence in every pound of loss thereafter. By introducing a 5% deductible, the Government is accounting for an acceptable level of volatility, whilst shielding councils from significant losses.

We have also confirmed that we will extend the period over which councils must manage shortfalls in local tax income relating to 2020-21, from 1 to 3 years. This will ease immediate pressures on councils when budget setting for 2021-22, protecting their ability to deliver essential local services. The details of this will be set out in regulations which we expect to lay later this year.

The additional funding of £500 million for expenditure demonstrates Government's continued commitment to make sure councils have the resources they need. This award follows two previous rounds of grant allocations, the first primarily focused on getting emergency support into Adult Social Care and the second on addressing both expenditure pressures and income shortfalls. Our scheme to compensate for income losses means that the original £3.2bn grant funding, and this new £500m, can now predominantly be used to cover the majority of your expenditure pressures.

The department has been asking local authorities to complete another monthly financial monitoring exercise and we have received an excellent response from councils so far. We are extremely grateful for your collaboration and this has enabled us to understand pressures at a national and local level.

The first tranche of funding was primarily focussed on getting emergency support into Adult Social Care. The second round, distributed on a per capita basis, addressed both expenditure pressures and income shortfalls across all councils. Our income guarantee scheme will compensate councils for relevant irrecoverable losses over and above what they could have reasonably planned for, and so with the benefit of data from our monitoring returns, we have now created a new formula to distribute the additional funding to meet expenditure pressures. This formula reflects the factors which the data returns have told us correlate most closely with front-line expenditure - population, deprivation and the way that service costs vary across the country - and ensures funding is targeted to where it's most needed.

Individual allocations can now be found online. We have also published a technical note on the methodology for allocating the additional £500m, as well as further details on the income guarantee scheme and collection fund deficit repayments. These can be found at <https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>

In recognition of the acute cost pressures that a small number of local authorities are facing with regard to Unaccompanied Asylum Seeking Children, DfE will use £6 million of the £500 million to provide targeted support to a small number of councils. Further details will follow in due course.

These new allocations, combined with the income scheme and cashflow support, show how this Government will continue to stand shoulder to shoulder with councils and communities as we recover from this pandemic and renew our commitment to unite and level up the country.

I recognise this is a fast-evolving landscape and as we progress through the next phase of recovery I look forward to continuing to work with you to support our communities.

Yours ever,

A handwritten signature in black ink that reads "Simon Clarke". The signature is written in a cursive style and is positioned above a horizontal line.

**SIMON CLARKE MP**



## Report to Cabinet

# Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance & Green

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Anne Ryans, Director of Finance  
**Ext.** 4902

**24 August 2020**

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### Reason for Decision

The report provides Cabinet with an update on the Council's 2020/21 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 30 June 2020 (Quarter 1) together with the revised capital programme 2020/25, as outlined in section two of the report at Annex 2.

### Executive Summary

#### Revenue Position

The current forecast outturn position for 2020/21 is a projected deficit variance of £21.299m after allowing for approved and pending transfers to and from reserves.

The position also includes additional costs and pressures that have been identified by the Authority in this financial year as a direct result of the Government's lockdown arrangements to mitigate the spread of COVID-19 commencing on 23 March 2020. The additional pressures include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic.

The pandemic has affected nearly all aspects of Council service delivery; however, the most significant areas of concern are the People and Place, Children's Services and Community Health & Adult Social Care Portfolios. Action is being taken and will continue for the remainder of the financial year to address variances and take mitigating action as detailed in the report.

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The overall corporate position is partly being offset by the application of the £16.638m unringfenced Government COVID related grant funding received to date. In Appendix 1 to the report, the full Government grant is presented as a single sum so that it highlights the level of variation across all Council budgets, given that there is insufficient resource to offset the adverse variance. However, this summary report presents the position after applying the Government grant across Portfolio areas. As further General Fund grant is expected in respect of lost income for sales, fees and charges, both the overall financial position and the application of Government grant will therefore change during the course of the financial year. An update on the major issues driving the projections are detailed within Annex 1, Section 2.

As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the potential year end position if no action is taken to reduce net expenditure where possible. However, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. Although, the effect of this action has yet to take full effect, it is anticipated that by the year end, the outturn position deficit should be reduced and this should start to be demonstrated in the monthly update reports which will be presented to Cabinet.

Information on the Quarter 1 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, is forecasting an in-year deficit of £5.315m directly as a result of COVID-19. This will have a budgetary impact in 2021/22. The DSG continues to be an area which is facing a financial challenge with a projected deficit increase in 2020/21. Action is being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

### **Capital Position**

The report outlines the most up to date capital spending position for 2020/25 for approved schemes. The revised capital programme budget for 2020/21 is £143.711m at the close of Quarter 1, a net decrease of £3.921m from the original budget of £147.632m. Actual expenditure to 30 June 2020 was £18.214m (12.67% of the forecast outturn).

It is probable that the forecast position will continue to change before the year end with additional re-profiling into future years.

### **Recommendations**

That Cabinet approves the:

1. Forecast revenue outturn for 2020/21 at Quarter 1 being a £21.299m adverse variance having regard to the action being taken to manage expenditure
2. Forecast positions for both the HRA and Collection Fund
3. Use of reserves as detailed in Appendix 1 to Annex 1
4. Revised capital programme for 2020/2024 as at Quarter 1.



**Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020****1 Background**

- 1.1 The Authority's 2020/21 revenue budget and capital programme was approved by Council on 26 February 2020. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. Reporting to Cabinet in the past has been on a quarterly basis, however, as a result of the impact of COVID-19 and the significant change and challenge to the financial position of the Council, financial monitoring reports will be presented to Cabinet on a monthly basis. .
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions. Due to the requirement to report to the Ministry of Housing, Communities and Local Government (MHCLG) about the financial pressures relating to COVID-19, the opportunity has been taken to update forecasts for month 3 with the most up to date information (the most recent return to the MHCLG used forecasts prepared for July).
  - b) The capital programme forecast has been based notified revisions to the approved 2020/21 position including new grant announcements and anticipating the impact of the review of the Creating a Better Place programme as outlined in a report elsewhere on the agenda.
- 1.3 As the year progresses the outturn projections reflect the evolving position of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any additional support that the Government may give with regard to additional funding to address the financial challenge created as a result of the pandemic.

**2. Current position**

- 2.1 The forecast revenue outturn for 2020/21 is an adverse variance of £21.299m. Further details of the current revenue budget position and a full description of this forecast can be found in Annex 1. The pressures relating to COVID-19 total £33.750m, this reduces to £17.112m with the application of the £16.638m unringfenced Government COVID related grant funding received to date. The non-COVID related pressures are £4.187m primarily in Community Health and Adult Social Services (£2.252m) and Children's Services (£1.999m).
- 2.2 The total Portfolio variances are £37.937m as detailed in Annex 1 at Tables 2 and 3 including COVID (£33.750m) and non COVID (£4.187m) pressures. This is comprised of People and Place reporting an adverse variance of £7.999m (£8.121m COVID related), Community Health and Adult Social Care reporting a pressure of £8.130m (£5.878m COVID related) and Children's Services reporting an adverse variance of £7.591m (£5.592m COVID related). The Services within Reform and Commissioning are similarly reporting adverse variances of £2.643m (£2.666m COVID related) and

£0.821m (£0.741m COVID related) respectively. There is a further small adverse variance of £0.325m within Chief Executive. Capital, Treasury and Corporate Accounting is reporting a pressure of £10.428m, all of which is fully COVID related. This highlights the impact of COVID related pressures across the Council.

- 2.3 However, taking an approach to allocating the grant so far received against the costs incurred and using the information in Tables 2 and 3 of Annex 1 shows the net impact across all Portfolio areas as presented below.

Portfolio Area	Gross Costs - COVID-19 Response £000	Apportionment Grant Funding £000	COVID costs Net of Funding £000	Business as Usual £000	Total Variance £000
People and Place	8,121	(1,299)	6,822	(122)	6,700
Community Health and Adult Social Care	5,878	(5,878)	0	2,252	2,252
Children's Services	5,592	(2,704)	2,888	1,999	4,887
Communities and Reform	2,666	(1,117)	1,549	(22)	1,527
Commissioning	741	(369)	372	80	452
Chief Executive	325	(83)	242	0	242
Capital, Treasury and Corporate Accounting	10,428	(5,189)	5,239	0	5,239
<b>Total</b>	<b>33,750</b>	<b>(16,638)</b>	<b>17,112</b>	<b>4,187</b>	<b>21,299</b>

- 2.4 The projected adverse variance is of concern and as a result management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. Robust measures are required to further address and mitigate the impact of COVID-19 on all the Council services.
- 2.5 The current forecasts represent an initial 'worst case' position and in relation to COVID there is an element of estimation as there can be no certainty about the easing back of lockdown measures and the timeline for the course of the pandemic. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit. The Government has already provided initial funding support of £16.638m which has been used to offset the overall pressure arising from the pandemic. In addition, a new scheme will reimburse Councils for lost income and allow Council Tax and Business Rates deficits to be repaid over 3 years instead of one. Details of this compensation arrangement are awaited.
- 2.6 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the position if no corrective action is taken, particularly on those activities that are not related to the COVID response. It is evident that there is time for the financial position to improve and this should start to be demonstrated in the monthly reports which will be presented to Cabinet. It is also anticipated that the additional funding mentioned in para 2.5 will help to reduce the deficit on both the General Fund for main Council services and Collection Fund (Council Tax and Business Rates) once the relevant guidance and instructions have been received from Government.

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2.7 The original approved capital programme for 2020/21 totalled £147.632m. The revised capital programme as at Quarter 1 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £143.711m. Actual expenditure at Quarter 1 was £18.214m (12.67% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

### **3 Options/Alternatives**

3.1 The options that Cabinet might consider in relation to the contents of this report are;

- a) to approve the forecast revenue and capital positions presented in the report including proposed changes
- b) to approve some of the forecasts and changes included in the report
- c) not to approve any of the forecasts and changes included in the report

### **4 Preferred Option**

4.1 The preferred option is that Cabinet approves all forecasts and changes within this report; option (a) at 3.1.

### **5 Consultation**

5.1 Consultation with the services within the Council and the Director of Finance.

### **6 Financial Implications**

6.1 The full financial implications are detailed in the report.

### **7 Legal Services Comments**

7.1 There are no legal issues at this time.

### **8 Co-operative Agenda**

8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the co-operative ethos of the Council.

8.2 The revenue budget and capital strategy/ programme have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that enhance the aims, objectives and co-operative ethos of the Council. Ongoing budget monitoring is key to ensuring this objective is met.

### **9 Human Resources Comments**

9.1 There are no Human Resource implications.

### **10 Risk Assessments**

10.1 The risk is that the proposed management actions are not achieved in full. Should this be the case then alternatives will be sought and implemented.

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## **11 IT Implications**

11.1 There are no IT implications.

## **12 Property Implications**

12.1 There are no Property implications.

## **13 Procurement Implications**

13.1 There are no Procurement implications.

## **14 Environmental and Health & Safety Implications**

14.1 There are no Environmental and Health and Safety implications.

## **15 Equality, Community Cohesion and Crime Implications**

15.1 There are no Equality, Community Cohesion and Crime implications.

## **16 Equality Impact Assessment Completed**

16.1 Not Applicable.

## **17 Key Decision**

17.1 Yes

## **18 Key Decision Reference**

18.1 FG - 15 - 20

## **19 Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1,2 and 3

Officer Name: Andy Cooper

Contact No: 0161 770 4925

File Ref: Capital Background Papers are contained in Annex 2 including Appendix A

Officer Name: Lee Walsh

Contact No: 0161 770 6608

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**20 Appendices**

**Annex 1 Revenue Budget Monitoring Report 2020/21 Quarter 1 - June 2020**

Appendix 1 Quarter 1- Planned Transfers to/ from Reserves  
Appendix 2 Financing of the 2020/21 Budget at Quarter 1  
Appendix 3 DSG Funding Blocks

**Annex 2 Capital Investment Programme Report 2020/21 Quarter 1 – June 2020**

Appendix A SUMMARY – Quarter 1 - Corporate Services  
Appendix B SUMMARY – Quarter 1 - Children’s Services  
Appendix C SUMMARY – Quarter 1 - Communities and Reform  
Appendix D SUMMARY – Quarter 1 - Community Health & Adult Social Care  
Appendix E SUMMARY – Quarter 1 - Housing Revenue Account (HRA)  
Appendix F SUMMARY – Quarter 1 - People and Place  
Appendix G SUMMARY – Quarter 1 - Proposed Variations

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**REVENUE BUDGET MONITORING REPORT 2020/21****Quarter 1 - June 2020****1 Background**

1.1 The Authority's 2020/21 revenue budget was approved by Council on 26 February 2020 at a sum of £233.524m incorporating:

- £3.011m of budget reductions approved within the 2020/21 Budget (and £1.776m approved within the 2019/20 Budget)
- £10.008m use of corporate and specific reserves
- £5.150m of other one off financing measures.

1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year, as part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions. Due to the requirement to report to the Ministry of Housing, Communities and Local Government (MHCLG) about the financial pressures relating to COVID-19, the opportunity has been taken to update forecasts for month 3 with the most up to date information (the most recent return to the MHCLG used forecasts prepared for July).

1.3 In considering the projections included in the MHCLG return and therefore included in this report, it is important to note that there is a degree of estimation about the impact of COVID-19. The completion of the returns and forecasting of the likely impact of the pandemic on the Council's budget is based on both actual expenditure/income loss detail but also relies on a series of assumptions, particularly about how long the effects of the pandemic are likely to last, the phasing of the impact and what the new normal will look like. The estimates are therefore expected to change throughout the financial year.

**2 Current Position**

2.1 The current net revenue budget of £243.509m represents a £9.985m increase from the originally approved budget as a range of additional unringfenced Government grants have been received since the Budget was approved as follows:

- The Local Government Finance Settlement provided indicative Public Health Grant allocations at 2019/20 levels pending confirmation of the final 2020/21 settlement. The Department of Health has now formally notified the Council of its allocation for 2020/21 which is £0.606m higher than the indicative amount. Under the Greater Manchester 100% Business Rates Retention Pilot Scheme this increases the Business Rates Top Up Grant by £0.606m which, for Oldham Council, is then passported in full to Public Health service budgets.
- A further £0.380m is as a result of receiving a small number of additional, relatively low value un-ringfenced grants as shown in the table below.



- The major increase to funding is the receipt of unringfenced Government grant to support the Councils response to COVID-19. This funding has been received in year in 2 tranches (£6.531m and £2.466m).

A full funding analysis of net revenue expenditure is shown at Appendix 2.

**Table 1 – Changes to Funding**

<b>Additional Government Grants</b>	<b>£000</b>
Business Rates Top-up Grant	606
Verify earnings and Pensions service	30
School Improvement Monitoring & Brokerage Grant	105
Extended Rights to Free Travel	38
Transport Grant	9
SEND Regional Co-ordinator	24
Local Authority New Burdens Funding	172
Capital Grants	3
Unringfenced COVID-19 Grants	8,997
<b>Total Additional Government Grants</b>	<b>9,985</b>

2.2 The current position for 2020/21 at month 3 is an initial projected overspend £21.229m. A forecast of the year-end position has been prepared by all services, it is based on a comparison of profiled budgets to the actual position as at the end of month 3 together with known commitments, issues and planned management actions and enhanced by further projections to align to the MHCLG return. The table below shows the year-end forecast position against budget for each Portfolio including the additional costs anticipated as a result of the COVID-19 pandemic.

**Table 2 - Summary Forecast Revenue Outturn**

<b>Portfolio</b>	<b>Budget</b>	<b>Forecast</b>	<b>In Year Net Use of Reserves</b>	<b>Variance Month 3</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
People and Place	61,904	69,819	84	7,999
Community Health and Adult Social Care	62,810	70,940	0	8,130
Children's Services	44,407	51,998	0	7,591
Communities and Reform	33,026	36,008	(338)	2,643
Commissioning	8,916	11,782	(2,047)	820
Chief Executive	7,606	7,930	0	325
Capital, Treasury and Corporate Accounting	15,844	26,272	0	10,428
COVID-19 Funding	8,997		(7,641)	(16,638)
<b>NET EXPENDITURE</b>	<b>243,509</b>	<b>274,750</b>	<b>(9,942)</b>	<b>21,299</b>
<b>FINANCED BY:</b>	<b>(243,509)</b>	<b>(243,509)</b>		
<b>NET FORECAST VARIANCE</b>	<b>0</b>	<b>31,241</b>	<b>(9,942)</b>	<b>21,299</b>

- 2.3 The forecast outturn to the end of the year, after a predicted and proposed (net) in-year use of reserves totalling £9.942m, is an adverse variance of £21.299m. A detailed list of the approved and planned use of reserves at Quarter 1 can be found at Appendix 1. The planned use of reserves of £9.942m includes £7.641m that is unringfenced COVID-19 funding received from Central Government at the end of 2019/20 which was transferred into an Earmarked Reserve at the year-end pending release to offset expenditure in 2020/21. This funding, together with the £8.997m received in year brings the total Government unringfenced COVID support to £16.638m.
- 2.4 There are significant variances contained within the projected net overspend. As previously mentioned, the position includes a forecast of all the additional pressures being incurred by the Authority as part of its on-going response to the COVID-19 pandemic, as a direct result of the governments lockdown arrangements to mitigate the spread of COVID-19 commencing on 23 March 2020. The additional in-year pressures, totalling £17.112m include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic and are as reported to MHCLG on the July COVID return submitted on 31 July 2020. Table 3 below analyses the variance between COVID-19 and 'business as usual' operational variances

**Table 3 - Analysis of Variances**

Portfolio	Variance Month 3 £000	COVID 19 Costs included in forecasts £000	Business as Usual £000
People and Place	7,999	8,121	(122)
Community Health and Adult Social Care	8,130	5,878	2,252
Children's Services	7,591	5,592	1,999
Communities and Reform	2,643	2,666	(22)
Commissioning	820	741	79
Chief Executive	325	325	0
Capital, Treasury and Corporate Accounting	10,428	10,428	0
COVID-19 Funding	(16,638)	(16,638)	0
<b>Total</b>	<b>21,299</b>	<b>17,112</b>	<b>4,187</b>

- 2.5 The People and Place Portfolio has a reported a pressure of £7.999m, of which £8.121m relates to COVID-19, leaving a small residual underspend of £0.122m from other activities. The largest area of overspend is Economic Development which is currently forecasting a pressure of £5.987m, in the main consisting of costs relating to the pandemic (£5.327m). Enterprise and Skills (£0.750m), Environmental Services (£0.740m) and ICT (£0.552) are all predicting smaller adverse net outturns, all this overspending is as a result of pressures arising from COVID19.
- 2.6 Community Health and Adult Social Care (CHASC) is reporting an overspend of £8.130m, predominantly linked to the rising cost and demand for Community Care. The adverse variance includes £5.878m of COVID-19 related expenditure.

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- 2.7 Children's Services is forecasting an adverse variance of £7.591m, of which £5.592m is related to COVID-19. There are pressures within the two main service areas: Education, Skills and Early Years; at £1.848m and Children's Social Care; at £5.743m.
- 2.8 The Commissioning Portfolio is reporting an overall adverse variance of £0.820m, of which £0.741m is related to COVID-19. The total variance comprises a projected pressure of £0.477m in Commissioning and Procurement and an adverse variance of £0.343m in Finance.
- 2.9 Adverse variances, all relating to COVID-19 are also reported within Chief Executive (£0.325m) and Communities and Reform (£2.643m) and most significantly Capital, Treasury and Corporate Accounting which is showing an adverse position of £10.428m. Government funding received so far of £16.638m has helped reduce the overall deficit situation and further funding is expected which will reduce the in-year deficit further. A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.10 It is important to note that as a result of COVID-19 the following 2020/21 approved budget reductions are currently forecast not to be achieved
- Treasury Management (Capital and Treasury) - £1.000m
  - The Direct Payment Review (CHASC) - £0.150m
  - Property Savings and Accommodation Review (People and Place) - £0.163m (part of an approved £0.261m)
  - Service efficiencies approved in 2019/20 of £1.776m including Children's Services at £1.660m

All of the above pressures are included within the forecasts.

- 2.11 Clearly, in view of the projected adverse variance at Quarter 1, management action is being initiated across all service areas to review and challenge planned expenditure and to maximise income. It is important to note that the recruitment of staff to vacant posts and significant items of expenditure is already monitored via a corporate process. Such service and corporate action will continue with the aim of bringing expenditure nearer to the resources available. In addition, further measures are being implemented to ensure non-essential expenditure is avoided unless there is an exceptional business case to support it.
- 2.12 The effectiveness of management action will be closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders. It is therefore anticipated that by the year end, the outturn position will reflect a lower overall adverse position. The Government on 2 July announced a further package of support to address spending pressures (£2.466m of unringfenced grant has already been received) and recognised the impact of lost income. The mechanism to reimburse Councils for lost income has not yet been finalised (this includes the determination of compensation for lost Council Tax and Business Rates in year as reflected in the Collection Fund). In addition to the management action, the further Government grant to compensate for income losses will further improve the financial position.
- 2.13 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the position if no corrective action is taken. A report elsewhere on the agenda outlines the full range of measures that are being introduced

to control expenditure as the financial position and operating environment is unprecedented. It is evident that there is time for the financial position to improve and management action to be effective. This should be demonstrated in the coming months and regular updates will be presented to cabinet on a monthly basis.

## Portfolio Summaries

### People and Place

- 2.14 The following table shows the forecast position after the approved and planned use of transfer to reserves for the Portfolio.

**Table 4 – People and Place - Forecast Outturn**

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Customer Services	1,336	1,336	0	0
Economic Development	1,985	7,942	0	5,957
Education and Early Years	0	0	0	0
Enterprise and Skills	773	1,523	0	750
Environmental Services	53,691	54,348	84	740
ICT	4,076	4,628	0	552
Strategic Relationship Management	42	42	0	0
<b>Grand Total</b>	<b>61,904</b>	<b>69,819</b>	<b>84</b>	<b>7,999</b>

### Summary

- 2.15 The forecast outturn at Quarter 1 for the People and Place portfolio, including all pressures associated with COVID-19, is an overspend of £7.999m.

### Economic Development

- 2.16 Economic Development is currently forecasting a pressure pressures of £5.957m; £2.288m relating to the Catering and Cleaning services the principal reason being loss of income in relation to school meals as a result of COVID-19. There is a £1.483m pressure in the Car Parking budget also relating to loss of income as a result of COVID-19. The Corporate Landlord/Investment Estate is projecting a £1.526m pressure of which £0.788m is estimated to relate to COVID-19 impacts with the remainder relating to pre-existing issues in the area. The Strategic Housing service is projecting a pressure of £0.605m relating to additional accommodation costs as a result of COVID-19. The Planning department is projecting a minor pressure of £0.053m relating to agency staffing costs.
- 2.17 There is also a requirement to progress work associated with the Greater Manchester Spatial Framework, the Local Plan and the Creating a Better Place Strategy. The 2020/21 Revenue Budget and Medium Term Financial Strategy was prepared on the basis this work would be financed from revenue reserves. The financial challenges created by COVID-19 mean it is now necessary to reduce the potential call on reserves

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wherever possible. The service will therefore seek to manage these costs within the existing service and directorate budget.

### Enterprise and Skills

- 2.18 The Town Centre area, which includes the Market Service is currently forecasting an overall loss for the financial year of £0.750m which includes an anticipated loss of some rental income due to COVID-19.

### Environmental Services

- 2.19 The Environmental Services area is forecasting a £0.740m overspend, mainly due to the financial impact of COVID-19 and addressing the issues of lockdown arrangements.

- Environmental Management - £0.235m (£0.203m relating to COVID-19)
- Waste Management - £0.012m, a net adverse variance due to £0.205m of costs relating to COVID-19.
- The Highways Operations - Council £0.107m (all relating to lost income as a result of COVID-19)
- Waste levy - £0.645m additional costs incurred in relation to COVID-19 due to both the cancellation of managed weekly collections at the start of the financial year and a general increase in the level of household waste during the lockdown although discussions are taking place with the Greater Manchester Combined Authority (GMCA) to mitigate this potential charge.
- Building Control (£0.130m) all as a result of COVID-19

- 2.20 These overspends are offset with 'business as usual' underspends in the Highways Operations - Unity Service area of £0.230m (S38/S278 inspection fees) and the Street Lighting service area of £0.277m.

### ICT, Customer Services, and Strategic Relationship Management

- 2.21 ICT is forecasting an overspend of £0.552m, £0.674m of which is attributable to COVID. There is an emerging pressure relating to Microsoft licenses which is offset by a forecast staffing underspend arising from vacancies. Customer Services and Strategic Relationship Management areas are both reporting a forecast balanced position.

### Achievement of Budget Reductions

- 2.22 There is a £0.261m Budget Reduction in place as part of the Creating a Better Place strategy; however, given the effects of the current COVID-19 pandemic it is anticipated that £0.163m of the saving will not be fully achieved in year. The impact of this is included in the figures above.

### Community Health and Adult Social Care

- 2.23 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services.

**Table 5 –Community Health and Adult Social Care- Forecast Outturn**

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Adult Social Care - COVID 19	0	5,878		5,878
Commissioning	21,120	21,068		(52)
Community Business Services	1,688	1,625		(64)
Community Health & Social Care	28,888	27,814		(1,074)
Director Adult Social Care	(8,733)	(9,233)		(500)
Learning Disability	11,599	14,782		3,183
Mental Health	7,587	8,383		796
Safeguarding	660	622		(38)
<b>Grand Total</b>	<b>62,810</b>	<b>70,940</b>	<b>0</b>	<b>8,130</b>

### Summary

- 2.24 The pandemic is having a significant impact on the Portfolio, with a projected budget pressure of £5.878m. This excludes costs to support hospital discharge which are being recharged to the NHS via the CCG (in accordance with NHS guidance). The costs remaining with the Council are predominantly measures to support the care provider market including a premium to the uplift in care fees, support for community enablement, and investment to maintain a sustainable level of bed based occupancy. Other charges include an unachievable budget reduction, the inability to undertake planned transformational change and loss of income from client contributions and other cost recoveries. The expenditure is net of the Infection Control Grant highlighted later in the report.

#### Commissioning & Community Business Services

- 2.25 Commissioning is forecasting an underspend of £0.052m due to slippage from managed staff vacancies, likewise Community Business Services is forecasting a £0.064m underspend for the year also due to vacant posts.

#### Community Health & Social Care

- 2.26 This area is forecasting an underspend of £1.074m. Whilst care costs for people with a physical disability, sensory and memory & cognitive need present financial challenges, there has been a favourable swing in the projected costs in the early part of the financial year. Notwithstanding COVID-19, this highlights the volatile nature of the care market and whilst client numbers have fallen moderately, the major factor is that several higher cost packages of care have become fully funded by Continuing Health Care NHS resources due to increased clinical needs.

#### Director of Adult Social Care

- 2.27 Director Adult Social Care is forecasting a favourable variance of £0.500m due to the anticipated uplift in the Better Care Fund allocation, consistent with previous years agreements.

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2.28 The Council has received Learning Disability and Autism Community Grant, from the Department of Health Social Care amounting to £0.956m. The funding will be provided over the next three years to speed up the discharge of individuals with learning disabilities or autism into the community from mental health inpatient care in England. Oldham has agreed to receive and administer the grant on behalf of all the Greater Manchester Authorities. Once a basis of allocation has been agreed the grant will be passported to those Authorities, the Councils share will be allocated to this service.

#### Learning Disability

2.29 Learning Disability is forecasting an overspend of £3.183m related entirely to increases in care costs, both in terms of client numbers and to a greater extent the complexity of care. The Transforming Care Programme continues to present considerable financial challenge and in the absence of adequate patient funding, will continue to be a pressure for the Oldham Cares economy. The cost to provide care for people already discharged back into Oldham is almost £1.000m for 2020/21 and could potentially double if the prospective number of patients currently awaiting discharge materialises.

2.30 The Direct Payment and Supported Living care markets are key areas where costs continue to increase. Supported Living alone has seen costs triple over the last 5 years where client numbers have broadly remained unchanged. The service is working with finance and other partners to look at ways of optimising the care provision available to ensure needs, quality and value are considered in proportionate measure.

2.31 The COVID-19 pandemic has stalled progress on Holly Bank admissions and will therefore defer any potential reductions in high cost care packages until later in the year. Finance will carefully monitor the implications as the year unfolds.

#### Mental Health

2.32 Mental Health is forecasting an overspend of £0.796m. With the general population living longer and surviving other illnesses the number of people developing dementia is increasing and therefore attracting the dementia premium when placed in care homes with expenditure forecast to overspend by £0.367m. A working group has been created to optimise the purchasing of care packages, particularly the higher cost and/or out of borough placements.

#### Safeguarding

2.33 Safeguarding, after undergoing a restructure is in the final phase of appointing to newly created posts and as such do not yet reflect a fully committed establishment, subsequently projecting an underspend of £0.038m.

#### Achievement of Budget Reductions

2.34 There is one Budget Reduction for the Portfolio in 2020/21; £0.150m relating to a review of Direct Payments, as previously mentioned this is currently forecast to be unachievable as a result of COVID-19 and the impact of this is reflected in the information presented above.



## Progress against Locality Plans

- 2.35 A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the joint vision of Council and Oldham Clinical Commissioning Group (CCG) for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2021. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other.
- 2.36 The financial performance against the latest version of the 2020/21 Locality Plan, as reported to the GM Health and Social Care Partnership, is shown in the table below:

**Table 6 – Locality Plan**

	Revised Budget £000	Forecast £000	Variance £000
Community Health and Adult Social Care	62,810	70,939	8,130
Public Health	18,114	18,114	0
Children and Families	38,290	44,033	5,743
<b>Total</b>	<b>119,214</b>	<b>133,086</b>	<b>13,872</b>

- 2.37 Although the headings in the Locality Plan do not completely align with the Council's Directorate reporting arrangements, the reasons for the variances against budget are consistent with those reported within Community Health and Adult Social Care, Public Health and Children's Social Care. This includes forecast overspends that are a result of additional activity due to COVID-19. At this stage this shows the gross cost before the allocation of a share of the Government grant that has been paid to compensate the Council for COVID-19.

### Children's Services

- 2.38 The following table shows the forecast position. There is currently no planned use of reserves for the Directorate.

**Table 7 – Children's Services**

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Schools	(39)	(39)	0	0
Education, Skills & Early Years	6,156	8,004	0	1,848
Children's Social Care	35,940	41,683	0	5,743
Preventative Services	2,350	2,350		0
<b>Grand Total</b>	<b>44,407</b>	<b>51,998</b>	<b>0</b>	<b>7,591</b>

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## Summary

- 2.39 The Directorate has a projected overspend of £7.591m which includes additional costs that are related to the impact of COVID-19. The principal underlying reasons are detailed below.

### Education, Skills and Early Years

- 2.40 The Directorate is estimating a £1.848m overspend which includes £1.389m of costs associated with COVID-19; the main contributing factors in relation to which are as follows:

- £0.541m - Home to School Transport budget anticipated impact from September 2020 due to social distancing measures
- £0.093m - Out of Borough half term opening costs related to COVID-19
- £0.300m - SEND additional staffing required for Social, Emotional Mental Health Needs/ home schooling and Early Years sustainability
- £0.455m – Loss of Income; Service Level Agreement (SLA) Income to QEST service, Post16 parental fines and Get Oldham Working.

Further additional pressures in relation to 'business as usual' total £0.488m and include

- £0.166m as a result of underachievement of traded income within the QEST/ Educational Psychology service;
- £0.090m relating to additional expenditure in SEND Reform;
- £0.199m relating to staffing pressures across the directorate.

### Children's Social Care

- 2.41 This area is projecting a £5.743m overspend which includes an anticipated additional cost related to COVID-19 of approximately £2.543m in the main relating to the provision of in-house residential care, placements and staffing pressures, plus a further £1.660m of unachievable savings.
- 2.42 There are other additional overspends included within the forecasts, one off pressures in relation to restructuring costs and the anticipated loss of contractual income account for £0.466m of the adverse variance.
- 2.43 There is a further forecast operational deficit of £1.074m as a result of increased costs in relation to social care placements including Out of Borough (£0.799m), staffing (£0.245m) and interpreter services (£0.030m).

### Preventative Services

- 2.44 Preventative Services includes Early Help, Targeted Youth, Tackling Troubled Families and the Multi Agency Safeguarding Hub and is predicting an overall balanced position for the year.

### Achievement of Budget Reductions

- 2.45 The Budget Reductions for Children's Services are solely in relation to the Portfolio's target of achieving efficiencies, linked to previous allocated resources for a new

operating model; £1.660m in total all of which is currently forecast to be unachievable as a result of COVID-19 and is included as part of the overall pressure above.

## Communities and Reform

- 2.46 The following table shows the forecast position for the Communities and Reform Portfolio after the approved and planned use of reserves and includes additional costs for COVID-19.

**Table 8 – Communities and Reform – Forecast Outturn**

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
People	2,453	2,333	0	(120)
Public Health & HLA	23,523	24,176	(338)	315
Youth, Leisure & Communities	5,367	7,504	0	2,137
Transformation and Reform	0	273	0	273
Communications and Research	889	896	0	6
Policy	40	72	0	32
Strategy and Performance	755	754	0	(0)
<b>Grand Total</b>	<b>33,026</b>	<b>36,008</b>	<b>(338)</b>	<b>2,643</b>

- 2.47 The forecast outturn at Quarter 1 is an over spend of £2.643m of which £2.666m relates to COVID. This is after the proposed use of £0.338m reserves. Without COVID, the Portfolio would be showing a £0.022m underspend. The paragraphs below outline the main movements within the Portfolio.
- 2.48 Public Health and Heritage, Libraries and Arts (HLA) services are together showing overspends of £0.0315m as at month 3. There are income pressures for Libraries and the Music Service due to COVID-19 and reduced service provision (£0.452m), which is offset in part with underspends on staffing and non-pay costs.
- 2.49 Youth, Leisure and Communities is showing an overall overspend of £2.137m. There are income pressures within Sports Development and Outdoor Education due to COVID-19 and reduced service provision which is in part offset against vacancies within Community Safety and District Partnerships. The main pressure relates to the Leisure contract and the requirement for centre closures due to COVID-19.
- 2.50 Transformation and Reform is reporting an adverse variance of £0.273m being project expenditure which will be funded from wider Directorate underspends.
- 2.51 There are several low value variances, as follows:
- People Services is showing a favourable variance of £0.120m which relates to underspends on staffing costs. The service is currently undertaking a restructure which is in the implementation stages
  - Communications and Research is forecasting a minor adverse variance of £0.006m

- Policy is showing an overspend of £0.032m - there are pressures on income and supplies and services offset in part with vacant posts.
- Strategy and Performance is showing a balanced position at quarter 1

#### Achievement of Budget Reductions

2.52 There are no approved budget reductions in this area for 2020/21.

#### Commissioning

2.53 The table below shows the forecast position after the approved and planned use of reserves for the Portfolio.

**Table 9 - Commissioning - Forecast Outturn**

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning and Procurement	283	760	0	477
Finance	8,632	11,022	(2,047)	343
<b>Grand Total</b>	<b>8,916</b>	<b>11,782</b>	<b>(2,047)</b>	<b>820</b>

#### Summary

2.54 The forecast outturn position at Quarter 1 is an overspend of £0.820m, after a £2.047m use of reserves. A sum of £0.741m of the adverse variance is attributable to the pandemic.

#### Commissioning and Procurement

2.55 Commissioning and Procurement is reporting an overspend of £0.477m. The service is continuing to experience difficulties in recruiting to permanent posts, resulting in a more expensive temporary staffing solution. The service is also reporting a pressure of £0.237m against the Early Payment scheme which is in part due to Government guidance in response to COVID19 in that suppliers move to immediate payment terms (£0.081m).

2.56 Finance is showing an overspend of £0.343m which is due to the temporary suspension of reclaiming benefits overpayments as instructed by the Government in relation to COVID-19 which is in part offset by vacancies in the service.

#### Achievement of Budget Reductions

2.57 The 2020/21 Budget Reductions for the Commissioning portfolio of £0.400m are forecast to be fully achieved.

#### Chief Executive

2.58 The table below shows the forecast position including additional cost associated with COVID-19.

**Table 10 – Chief Executive**

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive	2,257	2,371	0	113
Chief Executive Management	1,554	1,554	0	0
Legal Services	3,211	3,422	0	211
Executive Office	583	583	0	0
<b>Grand Total</b>	<b>7,606</b>	<b>7,930</b>	<b>0</b>	<b>325</b>

## Summary

- 2.59 The Portfolio is showing an overspend of £0.325m all of which it is estimated is due to the impact of COVID-19.

## Chief Executive

- 2.60 Chief Executive is reporting an overspend of £0.113m at month 3. There are additional mortuary costs due to COVID-19 which is in part offset by a reduction to contributions for regionally provided services in 2020/21.

## Legal Services

- 2.61 The service is reporting an overspend of £0.211m at month 3. This is predominantly due to the impact of COVID-19 with an anticipated reduction in income in Registrars and Land Charges and the recovery of court costs. There are staffing pressures due to COVID-19 as external expertise is required regarding contractual issues and to deal with the backlog of schools' admission appeals. This is in part being offset by an anticipated underspend within the Elections budget due to the postponement of the local election in May 2020.

## Achievement of Budget Reductions

- 2.62 There are no Budget Reductions for the Chief Executive Portfolio in 2020/21.

**Capital, Treasury and Corporate Accounting**

- 2.63 The following table shows the forecast position, without the use of any reserves.

**Table 11 – Capital, Treasury and Corporate Accounting – Forecast Outturn**

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital Treasury and Technical Accounting	15,844	26,272	0	10,428
<b>Grand Total</b>	<b>15,844</b>	<b>26,272</b>	<b>0</b>	<b>10,428</b>

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## Summary

### Capital, Treasury and Corporate Accounting

- 2.64 The Portfolio includes the budgets associated with the Council's Treasury Management activities including interest payable on loans and interest receivable on investments. It also includes the revenue budgets associated with technical accounting entries. As at Month 3, the projected adverse variance is £10.428m, all of which is as a result of COVID-19.
- 2.65 The adverse variance within the Capital and Treasury service area is £10.428m and is as a result of the anticipated loss of income from approved treasury management investment activities and rental income as a result of the global pandemic.

### Housing Benefits

- 2.66 The service is anticipating an overspend of £0.280m due to the temporary suspension of not recovering benefits overpayments as per Local Government Association (LGA) bulletin 6.4 as part of the Government's response to the COVID-19 outbreak.

### Achievement of Budget Reductions

- 2.67 The 2020/21 Budget Reductions for Capital, Treasury and Corporate Accounting total £2.200m. Within this is £1.000m for Treasury Management which will not be achieved due to global pandemic and is included within the £10.428m pressure noted above.

### Ringfenced Grants

- 2.67 In addition to the unringfenced grants highlighted in the report, including the COVID-19 funding of £16.638m that has already been received and increase the net revenue budget of the Council, the Government has provided a range of ringfenced grants to support the response to COVID-19. Whilst these are included in the budget, the increased expenditure is offset by grant within the relevant service area. These are set out as follows:

a) Hardship Fund Grant

Grant of £500m for English Authorities has been provided to support economically vulnerable people and households in their local area. On 3 April 2020 the Council received a share of this Hardship Fund Grant totalling £3.015m. At its meeting on 23 April 2020, Cabinet approved the approach to allocating this resource. The increased expenditure offset by grant is included in the budget of the Commissioning Portfolio.

b) Infection Control Fund Grant

On 13 May 2020 the Government announced an allocation of £600m adult social care Infection Control Grant. The Council's share of the national allocation was £2.317m. The increased expenditure offset by grant income is included within the budget of the Community Health and Adult Social Care Portfolio. The grant is to give support to adult social care providers to reduce the rate of COVID transmission in and between care homes and support wider workforce resilience.

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c) Local Authority Test and Trace Service Support Grant

The Government announced a funding package of £300m to Local Authorities to support the test, track and trace service across England. On 11 June the Council was notified of its allocation of Local Authority Test and Trace Service Support Grant at a value of £1.560m. The grant was received in full by the Council on 23 June 2020. This increased expenditure offset by the grant is included with the Public Health Service budget within the Communities and Reform Directorate.

d) Local Authority Emergency Assistance Grant for Food and Essential Supplies

On 10 June 2020 the Government announced £63m of new funding for Local Authorities to help individuals struggling financially as a result of coronavirus. Allocations were notified on 10 July 2020 with Oldham being awarded £0.361m (received on 28 July 2020). The Council is currently finalising its approach to the most effective deployment of this resource in alignment with the Government's expectations and in the meantime the resources are being held within Capital, Treasury and Corporate Accounting budgets.

e) Coronavirus (COVID-19) Rough Sleepers Contingency Fund

This Fund was initially announced in March 2020 as a £3.2m national allocation for Local Authorities targeted at support for rough sleepers or those in accommodation where bedrooms are shared or there is a dormitory style provision and where, as a result, guidance on self-isolation could not be followed. The Council was able to submit a claim in May for its share of the funding (£0.002m).

f) Other Grants

A further grant of £0.210m relating to the Reopening High Streets Safely Fund will be included in future monitoring report once the Council has finalised its Funding Agreement with Government.

Members will also recall that Cabinet of 23 April was advised that the Council had been awarded grant funding of £54.873m to provide support for small businesses and those in the retail, hospitality and leisure sectors in the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RLHGF). The Government subsequently announced that this funding allocation would also provide discretionary grant support for those businesses not qualifying for the other categories of grant.

The funding has been ringfenced but in accordance with accounting guidance, as the Council is acting as an agent in the administration of the SBGF and RLHGF grant regimes, these payments will be netted off the grant received and are not required to be shown gross in the budget. The Local Authority Discretionary Grants Fund is required to be included in the 2020/21 revenue budget as additional external funding matched by expenditure.

It is important to note that the grant schemes are of course being administered in accordance with Government guidance and following all appropriate protocols. The Government has recently announced that all schemes will close on 28 August and



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final payments must be made by 30 September 2020, at which time a reconciliation will be undertaken to facilitate final budget adjustments.

## **Schools**

2. 68 The Council's expenditure on schools is funded primarily by grant provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance (England) Regulations 2020. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school.
2. 69 Members will recall the DSG is made up of the following 4 blocks of funding of which further detail is presented at Appendix 3;
- Schools
  - High Needs
  - Early Years
  - Central Schools Services
- 2.70 Members will also recall that there is considerable pressure on the DSG, particularly the High Needs block. The pressure in the High Needs area is due to expenditure exceeding the High Needs budget available each year with key contributors being the:
- Increasing high needs population, such as special school places and resourced provision,
  - Increasing number of Education Health Care Plans requiring high needs top up funding within mainstream schools
  - Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role.
  - High cost of external placements

As a consequence, the Schools Forum has historically agreed transfers between Schools Block and High Needs Blocks in 2018/19 (1%) and 2019/20 (0.84%). A further 0.5% has been agreed for the current financial year (£1.009m).

2. 71 With the continued support from the Schools Block, the High Needs Block has a slight in year deficit of £0.002m. This contributes to a cumulative deficit forecast of £14.879m as at 31 March 2021. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £4.918m (as illustrated in the table below). This in turn is a significant element of the overall deficit on the DSG.

**Table 12 – DSG High Needs Block**

<b>DSG Key Issues</b>	<b>£000</b>
Original Budget Allocation including adjustment for imports/exports	39,190
Contribution from Schools Block (Schools Forum approval)	1,009
<b>2020/21 Total Budget Available</b>	<b>40,199</b>
Estimated Expenditure	(40,201)
<b>Projected in Year Deficit</b>	<b>(2)</b>
Deficit Brought Forward 01/04/2020	(14,879)
<b>Cumulative Deficit</b>	<b>(14,881)</b>
Offset by;	
- Virement from Schools Block- 2016/17 to 2019/20	6,237
- Savings in Schools and Early Years Block- 2015/16 to 2019/20	3,726
<b>Projected Deficit 31/03/2021</b>	<b>(4,918)</b>

**Overall DSG Position and Recovery Plan**

- 2.72 There is a requirement that the DSG is brought back into balance and a DSG Financial Recovery Plan was submitted to the Department for Education in 2019. As previously reported to Members the financial elements of the recovery plan have been continuously updated to take account of estimated additional cost pressures, formal notification of additional funding and the agreed funding methodology for 2020/21 (including the reduced 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2020/21) that was approved by Cabinet on 16 December 2019.
- 2.73 A report was presented to Schools Forum on 1 July 2020 showing the current projected deficit for 2020/21 as £5.635m. Further pressures and increased funding in 2021/22 show a forecast deficit at the end of 2021/22 of £2.464m. It should be noted that the recovery plan is predicated on a further 1% transfer in 2021/22, for which both Schools Forum and Secretary of State approval would be required under the current regulations. The revised Recovery Plan is summarised in the table below and shows a revised deficit if the 1% transfer is not sought:

**Table 13 - Overall DSG Position**

	<b>2020/21 £000</b>	<b>2021/22 £000</b>
<b>Balance/ Variance Brought Forward</b>	<b>(4,916)</b>	<b>(5,635)</b>
Movements Per Original Plan	1,048	5,081
<b>Revised Forecast Variance</b>	<b>(3,868)</b>	<b>(554)</b>
Estimated additional pressures	(1,767)	(5,510)
Additional Funding		3,600
<b>Revised Net Forecast Variance</b>	<b>(5,635)</b>	<b>(2,464)</b>
If the 1% movement is not agreed		1,894
<b>Revised Net Forecast Variance</b>	<b>(5,635)</b>	<b>(4,358)</b>

2.74 The new 2020 Regulations mean that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the DfE will focus on those Authorities requiring help through a more measured and targeted approach. As the current recovery plan has been agreed with the Schools Forum, and it is appropriate to present information in this format at this time, it is proposed that the Authority will continue to use the recovery plan arrangements as an effective means of monitoring the DSG position and returning the deficit to a surplus and will continue to liaise with the Schools Forum accordingly with a further update scheduled for 16 September 2020. The projected deficit for 2021/22 will change as a result of the announcement on 20 July of funding allocations for 2021/22. The information is being examined and future projections will reflect the revising level of funding. However, there is clearly some work to do to manage the DSG deficit over a realistic timeframe.

### Housing Revenue Account (HRA)

2.75 Table 13 compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2019/20 at £21.795m was £0.045m more than the estimate of £21.750m. The original HRA forecast was for a planned in-year decrease in balances of £3.520m, mainly to support housing related expenditure in the Capital Programme. The revised forecast is for a decrease of £3.656m, a movement of £0.136m. The variance is mostly attributable to additional anticipated expenditure on dwellings for disabled and other essential adaptations.

**Table 14 - Housing Revenue Account Forecast Position**

HRA Income & Expenditure Account	Original Budget £000	Latest Forecast £000	Variance to Budget £000
HRA Balances Brought forward	(21,750)	(21,795)	(45)
Deficit on HRA Services	3,520	3,656	136
<b>HRA Balances Carried Forward</b>	<b>(18,230)</b>	<b>(18,139)</b>	<b>91</b>

### Collection Fund

2.76 The tables below show the forecast outturn position for the Collection Fund and the forecast position in relation to the share of balances.

**Table 15 - Collection Fund Forecast Position**

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	(185)	(3,110)	(3,295)
Surplus Released In Year	410	1,060	1,470
(Surplus)/ Deficit for the Year	4,140	26,446	30,586
<b>Additional Section 31 Grant **</b>	<b>0</b>	<b>(23,446)</b>	<b>(23,446)</b>
<b>Balance Carried Forward</b>	<b>4,365</b>	<b>950</b>	<b>5,315</b>

\*\*Compensatory Section 31 Grant for the extension of 100% business rates reliefs to retail, hospitality and leisure businesses; paid to the Council in 2020/21 to offset the Collection Fund deficit created by the reliefs given to business. The grant will be paid in to the Council's General Fund in 2020/21 and will be held in reserves to be released to reimburse corresponding element of the Collection Fund deficit in 2021/22.

**Table 16 - Collection Fund – Share of Balances; Forecast Position**

<b>Collection Fund Balance</b>	<b>Council Tax £000</b>	<b>NDR £000</b>	<b>Total £000</b>
Share - Oldham Council	3,703	940	<b>4,643</b>
Share - Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	460	-	<b>460</b>
Share - Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	202	10	<b>212</b>
<b>Total (Surplus)/Deficit</b>	<b>4,365</b>	<b>950</b>	<b>5,315</b>

- 2.77 Council Tax and Business Rates remain a significant source of funding for Council services. However, these areas can be volatile, particularly for the 2020/21 financial year with the impact of COVID-19, as such the financial position of the Collection Fund is under constant review. The Greater Manchester 100% Business Rates Retention Pilot has continued into 2020/21. As with previous years the additional benefit from the pilot will be shared with GMCA who receive a maximum of 50% of the benefit in line with the original pilot agreement.
- 2.78 After discounting the Business Rates loss due to the extension of 100% reliefs to retail, hospitality and leisure businesses which will be fully compensated by Government grant, there is a forecast Collection Fund in-year deficit of £7.140m. This position is after excluding the in-year release of the prior year Council Tax surplus of £0.410m, and Business Rates release of £1.060m. This means that the projected year-end Collection Fund position (incorporating both Council Tax and Business Rates) is a deficit of £5.315m of which the share for the Council is £4.365m.
- 2.79 The Secretary for State for Housing, Communities and Local Government recently announced a new support package for local government, which includes the ability to spread collection fund deficits over three years rather than one.
- 2.80 The potential spreading over a period of time of the impact of elements of the rates retention scheme is something that has been used before, specifically with regard to the backdated appeals provision from 2013/14 when the scheme was first introduced. A similar approach is expected to be applied to both Council Tax and non-domestic rates and is expected to be incorporated into the regulatory process of estimating the collection fund deficits in January 2021. This will mean that 2020/21 collection fund deficits will still be recovered but over a longer time frame than the existing regulations require and reduce the impact on the 2021/21 budget setting process.

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### **3 Use of Reserves**

- 3.1 Members will recall that at the Council budget meeting of 26 February 2020, it was agreed that Earmarked Reserves of £10.008m be used to support the 2020/21 budget.
- 3.2 At the end of the 2019/20 financial year, funding was received from Central Government to support the Council in its response to COVID-19. This funding was at a value of £7.641m. Due to the timing of the receipt of these funds, it was deemed appropriate to hold these resources in a specific Earmarked Reserve to fund the additional expenditure to be incurred in 2020/21 in this regard. Hence this reserve is required to underpin the budget in 2020/21.
- 3.3 Within the Council's approved Reserves Policy for 2019/20 to 2020/21, it details the requirements for a specific Earmarked Reserve to hold any Business Rates gains that have been generated through the Business Rates Retention Pilot and that are required to be transferred to the GMCA. For 2020/21, the amount to be passported to GMCA is £2.047m. The Business Rates Retention Piloting agreement requires the Council to pay the GMCA the £2.047m in 2020/21
- 3.4 Included within the Month 3 monitor is an anticipated transfer to Earmarked Reserves of £0.084m to support the upgrading of crematorium equipment in line with approved plans and the use of £0.338m of the Growing Oldham Feeding Ambition Revenue Grant reserve used to take forward projects agreed with the grant provider, the University of Manchester (this grant will have to be returned to the provider if it is not used as intended).
- 3.5 Therefore, the total planned use of reserves as at Month 3 is £10.026m (excluding the £0.084m transfer to reserves). When this is added to the £10.008m which underpinned the 2020/21 budget, reserves of £20.034m which were brought forward into 2020/21 have been used already this financial year. The 2019/20 accounts were closed with £79.360m of earmarked reserves and £7.934m Revenue Grant reserves. Current levels are £59.664m and £7.596m although there are some commitments against the reserves.
- 3.6 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council. Only those reserves supporting essential business will be utilised this year.

### **4 Flexible Use of Capital Receipts**

- 4.1 Members will recall that at the Council meeting of 26 February 2020, it was approved that up to £3.750m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016.
- 4.2 A number of schemes in support of the transformation programme were identified which met the qualifying expenditure requirements as detailed within the statutory guidance issued by the MHCLG. It is currently estimated that due to the pandemic and the revision of service priorities, up to £1.9m of the anticipated transformational work cannot be

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delivered in year in accordance with the original timescales and is reflected in the financial monitoring position reported above. There is an on-going review of the programme and there is the potential for some work to be brought back on stream and alternative projects to be undertaken thus reducing the adverse impact. The position is being closely monitored and is expected to change in future reports.

## **5 Conclusion**

- 5.1 The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures, is an overall significant corporate overspend; with the non-COVID related forecast over spending within Community Health and Adult Social Care and the Children's Services Portfolios a cause for concern. As outlined in Section 2, management action is being taken to control expenditure in all areas, particularly those that are not subject to demand changes, in order to offset expenditure over which the Council has little control – especially in attempting to mitigate the impact of COVID-19 on the day to day operations of the Council.
- 5.2 It is anticipated that the month on month financial monitoring reports will begin to reflect the outcome of such activities and show an improved financial forecast for 2020/21. The Director of Finance is putting in place appropriate measures to attempt to reduce the impact of the overspend which will include detailed reviews of all revenue and capital budgets.
- 5.3 In relation to demand led pressures; work, in the form of mitigations and alternative delivery solutions is on-going, there will, however, be an inevitable lead in time for these benefits to be realised. The implications arising from the 2020/21 in year position will be factored into financial planning estimates for 2021/22 and future years as appropriate.
- 5.4 Members should note that any unaddressed in-year pressure will have to be balanced by the use of reserves. Whilst, as outlined above, the Council holds sufficient levels of reserves to cover such a gap, the utilisation of reserves will reduce the Council's financial resilience. A significant reduction in reserves will also limit the ability of the Council to support the implementation of programmes of service transformation and the setting of future years' budgets

## Planned Use of Reserves 2020/21 - Quarter 1

Reserve Name	Balance as at 01 April 2020 £000	Forecast use of reserves 2020/21 £000	Anticipated Closing Balance 31 March 2021	Reason for Use of Reserve
<b>Earmarked Reserves</b>				
<b>Directorate Reserves</b>				
Mercury Emissions	0	(84)	(84)	The transfer of a contribution made by via each cremation for the purchase of new Mercury abatement equipment
<b>Fiscal Mitigation</b>				
COVID-19	(10,000)	7,641	(2,359)	This funding was provided by Government to support Local Authorities with additional costs incurred as part of the COVID-19 pandemic
Business Rates	(2,617)	2,047	(570)	Detailed within the Reserves Policy for 2019/20 to 2020/21 is the requirement to transfer an element of the Business Rates gains across to the GMCA as part of the Business Rates Retention pilot agreement. The amount to be transferred across in 2020/21 which relates to 2019/20 is £2.047m
<b>Sub Total</b>	<b>(12,617)</b>	<b>9,604</b>	<b>(3,013)</b>	
<b>Balancing Budget Reserve</b>				
Corporate Reserve to balance budget	(4,182)	4,182	0	As agreed by Council on 26 February 2020, £10.008m of Earmarked Reserves are required to support the 2020/21 budget
Waste Levy Refund 2019/20	(3,113)	3,113	0	
2019/20 Business Rates Pilot Scheme Gain	(1,413)	1,413	0	
Business Rates Retention Returned Funding	(1,300)	1,300	0	
<b>Sub Total Balancing Budget Reserve</b>	<b>(10,008)</b>	<b>10,008</b>	<b>0</b>	
<b>Total Planned use/creation of Earmarked Reserves 2020/21</b>	<b>(22,625)</b>	<b>19,612</b>	<b>(3,013)</b>	
<b>Revenue Grant Reserves</b>				
Growing Oldham Feeding Ambition	(338)	338	0	To continue the Growing Oldham Feeding Ambition project in 2020/21
<b>Total Planned use of Revenue Grant Reserves 2020/21</b>	<b>(338)</b>	<b>338</b>	<b>0</b>	
<b>NET Use of Reserves Earmarked and Grant Reserves</b>	<b>(22,963)</b>	<b>19,950</b>	<b>(3,013)</b>	
Represented by:				
<b>Increase to Reserves</b>	<b>0</b>	<b>(84)</b>	<b>(84)</b>	
<b>Total Use of/ Change to Reserves Earmarked and Grant Reserves</b>	<b>(22,963)</b>	<b>20,034</b>	<b>(2,929)</b>	



<b>FINANCING OF THE 2020/21 BUDGET AT MONTH 3</b>	<b>Original Budget</b>	<b>Additions to M2</b>	<b>Additions to M3</b>	<b>Revised Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net Expenditure Budget</b>	<b>(233,524)</b>			<b>(233,524)</b>
<b>Financed by:</b>				
Business Rates Top-up Grant	(41,048)	(606)		(41,654)
Grants in Lieu of Business Rates	(11,230)			(11,230)
Improved Better Care Fund Grant	(10,858)			(10,858)
Independent Living Fund Grant	(2,580)			(2,580)
Adult Social Care Support Grant	(6,954)			(6,954)
Housing Benefit & Council Tax Administration Grant	(1,138)			(1,138)
New Homes Bonus Grant	(598)			(598)
Flexible Homelessness Support Grant	(194)			(194)
Homeless Reduction Grant	(164)			(164)
Rough Sleeping Initiative Grant	(37)			(37)
Lead Local Flood authority grant	(12)			(12)
Department for Works and Pensions (DWP) New Burdens	(122)			(122)
Verify earnings and Pensions service		(30)		(30)
School Improvement Monitoring & Brokerage Grant		(104)		(104)
Capital grants			(3)	(3)
Extended rights to Free Travel			(38)	(38)
Transport Grant			(9)	(9)
SEND Regional Co-ordinator			(24)	(24)
Local authority discretionary fund			(172)	(172)
COVID-19 Funding (Unringfenced)			(8,997)	(8,997)
				0
<b>Total Government Grant Funding</b>	<b>(74,935)</b>	<b>(741)</b>	<b>(9,244)</b>	<b>(84,920)</b>
Council Tax Income - General	(88,078)			(88,078)
Council Tax Income - Adult Social Care Precept	(8,679)			(8,679)
Collection Fund Surplus	(1,400)			(1,400)
Retained Business Rates	(50,424)			(50,424)
<b>Total Locally Generated Income</b>	<b>(148,581)</b>	<b>0</b>	<b>0</b>	<b>(148,581)</b>
<b>Total Grant and Income</b>	<b>(223,516)</b>	<b>(741)</b>	<b>(9,244)</b>	<b>(233,501)</b>
Balance to be addressed by Use of Reserves	(10,008)			(10,008)
<b>Total Financing</b>	<b>(233,524)</b>	<b>(741)</b>	<b>(9,244)</b>	<b>(243,509)</b>

## DSG Funding Blocks

There are four DSG funding blocks as explained below:

- Schools
- High Needs
- Early Years
- Central Schools Services

The **Schools block** covers funding for:

- a) Individual mainstream schools and academies
- b) Growth Funding for planned growth by the LA in schools

The **High Needs block** covers funding for the education of pupils subject to Education, Health and Care Plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and Council centrally retained expenditure for High Needs.

The **Early Years block** covers:

- a) Two Year Old Funding
- b) Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI's)
- c) Centrally retained expenditure for under 5's

The **Central Schools Services block** covers:

- a) Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which has been discontinued from 2018/19
- b) Central school services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service and School Improvement
- c) School Licenses
- d) Statutory and Regulatory duties

## CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

### Quarter 1 - June 2020

#### 1 Background

- 1.1 The original capital programme for 2020/21 reflects the priorities outlined in the capital strategy as approved at Cabinet on 10 February 2020 and confirmed at the Council meeting on the 26 February 2020.
- 1.2 The position as at 30 June 2020 is highlighted in this report but as the year progresses the outturn projections will reflect the evolving position.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

#### 2 Current Position

- 2.1 The approved capital programme summary position for the five financial years 2020/21 to 2024/25, approved by Council on 26 February 2020 is summarised in Table 1 and shows capital programme expenditure of £147.632m in 2020/21.

**Table 1 : Original Budget - Capital Programme 2020/21 to 2024/25**

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
147,632	131,467	102,510	40,999	56,973	479,581

- 2.2 The 2019/20 Month 9 report approved at Cabinet on 23 March 2020 projected an outturn position of £52.048m. However, the actual outturn was £54.383m, a variance of £2.335m, which required resources being accelerated from 2020/2021 and this is detailed in Table 2 and Appendices A-F.
- 2.3 Table 2 shows the original capital programme forecast spend for 2020/21 at £147.632m. Following the approval of the 2020-2025 Capital Strategy and Capital Programme at Council 26 February 2020, a virement of £11.897m (an increase to the 2020/21 budget) was approved. This revised the 2019/20 capital programme to £52.048m and the 2020/21 programme to £159.529m. The 2019/20 outturn position (variance of £2.335m) required a further realignment of the programme to revised planned spending in 2020/21 to £157.194m.
- 2.4 However, there was then further approved rephasing into future years (£3.668m) the receipt of the additional grants and contributions of £12.219m, and a further proposed variation (£0.073m) to give the projected revised expenditure of £165.672m.
- 2.5 Elsewhere on the agenda is a report summarising the impact of a strategic review of the Creating a Better Place programme. Anticipating approval of the strategic review and its impact on the allocations and profiling of individual schemes that fall

within the scope of Creating a Better Place, the capital programme revised budget and forecast spending have been reduced by in total by £90m of which of which £21.961m relates to 2020/21, revising the 2020/21 capital programme to £143.711m.

- 2.6 Actual expenditure to 30 June 2020 was £18.214m (12.67% of forecast outturn). This spending profile is in line with previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

**Table 2 – 2020/21 Capital Programme**

Directorate	Original Budget 2020/21 £000	Outturn Position Revision £000	Further Budget changes £000	Revised Budget 2020/21 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000	Forecast £000	Variance £000
Corporate Services	9,450	1	16,560	26,011	-	26,011	26,011	0
Children's Services	15,590	(1,624)	8,004	21,970	-	21,970	21,970	0
Communities and Reform	346	3	(89)	260	-	260	260	0
Community Health & Adult Social Care	3,400	(365)	95	3,130	-	3,130	3,130	0
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	0
People and Place	113,309	(251)	(26,380)	86,678	(73)	86,605	86,605	0
<b>Overall Total</b>	<b>147,632</b>	<b>(2,335)</b>	<b>(1,513)</b>	<b>143,784</b>	<b>(73)</b>	<b>143,711</b>	<b>143,711</b>	<b>0</b>

(subject to rounding – tolerance +/- £1k)

- 2.7 As advised above, the £2.335m rephasing is the net acceleration of 2020/21 approved budget to support the outturn for the 2019/20 capital programme. Along with the respective financing this initially reduced the 2020/21 capital programme.
- 2.8 The net budget change of £1.513m represents reprofiling of expenditure since the approval of the Capital Strategy and capital programme at Budget Council on 26 February 2020. It also includes £12.219m of new funding encompassing the Mayor's Challenge Fund grant and some smaller sums including, £0.062m of additional Highways Maintenance Grant, £0.065m of additional Disabled Facilities Grant, £0.014m from private contributions for Disabled Facilities Grant funded schemes and £0.010m from The Big Local Fund. The balance, a net of £8.229m represents the acceleration of funding from 2021/22 and future years to support projects realigned to 2020/21 together with the impact of the strategic review of the Creating a Better Place programme. As can be seen in the table above and at Appendix F, there is significant in year change in the People and Place programme, in relation to Strategic Acquisitions and Town Centre Developments in particular.
- 2.9 The proposed net changes of £0.073m reflect anticipated virements and further rephasing of spending as detailed in Appendix G.

2.10 Due to the COVID-19 pandemic, there remains an element of uncertainty about the forecast position and it is inevitable that this will change in the remaining months; that said the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F and the detailed breakdown of proposed virement/rephasing, both expenditure and financing, is shown in Appendix G.

### Re-profiling of the Capital Programme

2.11 The revised capital programme for 2020/21 to 2024/25, taking into account all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

**Table 3 – 2020/2025 Capital Programme**

Directorate Budget	Revised Budget 2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	26,011	442	4,200	3,200	10,330	44,184
Children's Services	21,970	15,989	5,000	0	0	42,959
Communities and Reform	260	1	0	0	0	260
Community Health & Adult Social Care	3,130	703	400	400	400	5,033
Housing Revenue Account	5,736	3,922	3,800	2,835	0	16,293
People and Place	86,605	51,602	92,386	48,938	24,573	304,103
<b>Grand Total</b>	<b>143,711</b>	<b>72,659</b>	<b>105,786</b>	<b>55,373</b>	<b>35,303</b>	<b>412,832</b>

(subject to rounding – tolerance +/- £1k)

Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Grant & Other Contributions	(30,911)	(38,733)	(4,452)	(1,973)	(1,973)	(78,042)
Prudential Borrowing	(95,493)	(26,218)	(84,706)	(41,716)	(31,565)	(279,698)
Revenue	(5,741)	(3,922)	(6,200)	(7,735)	-	(23,598)
Capital Receipts	(11,566)	(3,786)	(10,428)	(3,949)	(1,765)	(31,494)
<b>Grand Total</b>	<b>(143,711)</b>	<b>(72,659)</b>	<b>(105,786)</b>	<b>(55,373)</b>	<b>(35,303)</b>	<b>(412,832)</b>

(subject to rounding – tolerance +/- £1k)

2.12 The revised Provision for Emerging Priorities for 2020/21 to 2024/25, taking into account all the above amendments is contained within the Corporate Services budget and is as follows:

**Table 4 - Provision for Emerging Priorities**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Provision for Emerging Priorities	1,301	442	4,200	3,200	10,330	19,473

## Capital Receipts

2.13 The revised capital programme requires the availability of £11.566m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £0.304m.

2.14 The capital receipts position as at 30 June 2020 is as follows:

**Table 5 – Capital Receipts 2020/21**

	£000	£000
Capital Receipts Financing Requirement		11,566
Usable Capital Receipt b/fwd.	0	
Actual received to date	(304)	
<b>Further Required/(Surplus) in 2020/21</b>		<b>11,262</b>

(subject to rounding – tolerance +/- £1k)

2.15 Given the significant amount of receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. This is monitored at the monthly Capital Receipts meeting and will be subject to on-going review throughout the year. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging.

2.16 The Capital Strategy and Capital Programme 2020/25 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. The position as at 30 June 2020 is illustrated in the table below:

**Table 6 – Capital Receipts 2020/25**

Capital Receipts	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Receipts Carried Forward	-	6,960	(98)	8,623	12,322
Estimated Capital Receipts	(4,302)	(10,844)	(1,707)	(250)	(1,074)
Received in year	(304)				
<b>Total Receipts</b>	<b>(4,606)</b>	<b>(3,884)</b>	<b>(1,805)</b>	<b>8,373</b>	<b>11,248</b>
Capital Receipts Financing Requirement	11,566	3,786	10,428	3,949	1,765
<b>Over/(Under) programming</b>	<b>6,960</b>	<b>(98)</b>	<b>8,623</b>	<b>12,322</b>	<b>13,013</b>

(subject to rounding – tolerance +/- £1k)

2.17 As shown above, the most recent projection indicates a potential shortfall in later years of the programme. However, until a thorough review of the asset disposal programme has taken place, it is prudent to retain the current programme and review during the course of the current year.

## Annual Review of the Capital Programme

2.18 In accordance with previous practice, there will once again be a review of the capital programme over the summer months (the Summer Review). This will examine any further opportunities to reallocate, decommission or reprofile

resources. It will also include an in-depth analysis of capital receipts which may lead to opportunities to increase resource levels to support new projects or provide an alternative to prudential borrowing.

### **New Funding**

- 2.19 Since 30 June 2020 the Council has been notified of additional grant funding which has not yet been incorporated within financial tables presented above, including £4.172m from the Highway Maintenance Challenge Fund.
- 2.20 In addition, the Council has received notification from the Department of Education of a School Nurseries Capital Fund Grant of £0.274m at Northmoor Academy School Nursery. The grant will create 24 new FTE two-year-old places, 30 wraparound places, and 30 holiday places through a new build on an underused part of the existing site.
- 2.21 The MHCLG notified Oldham of an allocation of £1.000m of Towns Fund Grant to finance capital projects that can be delivered in this financial year. The Towns Fund forms a key aspect of Government plans to 'build back better' to support the economic recovery and central to the government's ambition to enable towns like Oldham to benefit from significant investment through the delivery of transformation projects. The Council has prepared a grant submission so it can access the resources available. This £1.000m is in addition to the £25m Towns fund allocation Oldham has already received.

### **Regional Funding Allocations**

- 2.22 The following grants were announced on 30 June 2020 and awarded to Greater Manchester to take forward a regional programme of investment
- £81m of Brownfield Fund allocation (from a national £360m) to support the development of housing on brownfield sites;
  - £54.2m Getting Building Fund allocation (from a national £900m) to support the delivery of 'shovel-ready' projects intended to provide stimulus to local economies.
- 2.23 Once the Council's share of these grant funding streams has been determined they will be included within the capital programme.

## **3 Conclusion**

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. Whilst the Creating a Better Place review has recently concluded, it is likely that there will be some further rephrasing across all years to reflect the current developments of individual projects/schemes.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

## 4 **Appendices**

- 4.1 Appendix A - SUMMARY – Quarter 1 - Corporate Services
- Appendix B - SUMMARY – Quarter 1 - Children’s Services
- Appendix C - SUMMARY – Quarter 1 - Communities and Reform
- Appendix D - SUMMARY – Quarter 1 - Community Services & Adult Social Care
- Appendix E - SUMMARY – Quarter 1 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Quarter 1 - People and Place
- Appendix G - SUMMARY – Quarter 1 - Proposed Variations



**SUMMARY – Quarter 1 – Corporate Services**

<b>Service area</b>	<b>Original Budget £000</b>	<b>2019/20 Rephasing/ Acceleration £000</b>	<b>Approved Changes /Virements £000</b>	<b>Revised Budget 2020/21 £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget M03 £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Corporate	9,450	1	16,165	25,616	-	25,616	25,616	-
General Services	-	-	396	396	-	396	396	-
	<b>9,450</b>	<b>1</b>	<b>16,560</b>	<b>26,011</b>	<b>-</b>	<b>26,011</b>	<b>26,011</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - Children’s Services**

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Children, Young People & Families	50	102	27	179	-	179	179	-
Schools – General Provision	507	(51)	256	712	-	712	712	-
Schools – Primary	4,368	(587)	1,997	5,778	-	5,778	5,778	-
Schools – Secondary	8,582	(686)	(3,483)	4,413	-	4,413	4,413	-
Schools – Special	680	(322)	299	657	-	657	657	-
Schools – New Build	1,403	(80)	8,908	10,231	-	10,231	10,231	-
	<b>15,590</b>	<b>(1,624)</b>	<b>8,004</b>	<b>21,970</b>	-	<b>21,970</b>	<b>21,970</b>	-

(subject to rounding – tolerance +/- £1k)

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - Communities and Reform**

<b>Service area</b>	<b>Original Budget £000</b>	<b>2019/20 Rephasing/ Acceleration £000</b>	<b>Approved Changes/ Virements £000</b>	<b>Revised Budget 2020/21 £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
District Investment Fund	346	3	(89)	260	-	260	260	-
	<b>346</b>	<b>3</b>	<b>(89)</b>	<b>260</b>	<b>-</b>	<b>260</b>	<b>260</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - Community Services & Adult Social Care**

<b>Service area</b>	<b>Original Budget £000</b>	<b>2019/20 Rephasing/ Acceleration £000</b>	<b>Approved Changes /Virements £000</b>	<b>Revised Budget 2020/21 £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Adult Services	3,400	(365)	95	3,130	-	3,130	3,130	-
	<b>3,400</b>	<b>(365)</b>	<b>95</b>	<b>3,130</b>	<b>-</b>	<b>3,130</b>	<b>3,130</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - Housing Revenue Account (HRA)**

<b>Service area</b>	<b>Original Budget £000</b>	<b>2019/20 Rephasing/ Acceleration £000</b>	<b>Approved Changes/ Virements £000</b>	<b>Revised Budget 2020/21 £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	-
<b>Reform Total</b>	<b>5,537</b>	<b>(99)</b>	<b>297</b>	<b>5,735</b>	<b>-</b>	<b>5,735</b>	<b>5,735</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - People and Place**

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Asset Management	1,240	(167)	2,247	3,320		3,320	3,320	-
Asset Mgt - Education Premises	2,877	14	1,359	4,250		4,250	4,250	-
Boroughwide Developments	18,450	(7)	(1,905)	16,538		16,538	16,538	-
Development		(26)	294	268		268	268	-
District Partnership – Boroughwide	178	(14)	93	257		257	257	-
Environment – Countryside	100	(169)	71	2		2	2	-
Environment – Parks	-	(36)	292	256		256	256	-
Env - Playing Fields & Facilities	-	(33)	45	12		12	12	-
ICT	4,439	29	623	5,091		5,091	5,091	-
Parks & Playing Fields	-	-	23	23		23	23	-
Private Housing – HMRF	265	4	91	360	(110)	250	250	-
Private Housing	800	-	-	800		800	800	-
Public Realm	-	49	128	177		177	177	-
Schools – Special	-		3	3		3	3	-
Schools – New Build	-		9,500	9,500		9,500	9,500	-
Strategic Acquisitions	7,795	-	(7,795)	-		-	-	-
Town Centre Developments	63,947	(131)	(35,066)	28,750		28,750	28,750	-
Transport - Accident Reduction	120	137	417	674		674	674	-
Transport - Bridges & Structures	1,522	28	2,016	3,566		3,566	3,566	-
Transport - Fleet Management	1,000	(30)	31	1,001		1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	9,988	91	261	10,340	(463)	9,877	9,877	-
Transport – Metrolink	-	(6)	6	-		-	-	-
Transport - Minor Works	497	2	441	940	500	1,440	1,440	-
Transport – Miscellaneous	90	14	420	524		524	524	-

APPENDIX F

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Transport - Street Lighting	-	-	26	26		26	26	-
	<b>113,309</b>	<b>(251)</b>	<b>(26,380)</b>	<b>86,678</b>	<b>(73)</b>	<b>86,605</b>	<b>86,605</b>	<b>-</b>

(subject to rounding – tolerance +/- £1k)

**SUMMARY – Quarter 1 - People and Place** Cont'd

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Quarter 1 - Proposed Variations**

<b>EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2020</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Comments</b>
<b>Directorate / Scheme</b>	<b>£000</b>	<b>£000</b>	
<b>People and Place</b>			
Equity Homes Loans	(110)	110	Rephase to Future Years
Transport Investment	(125)	463	Realign & Rephase to Future Years
A640 Huddersfield Road (Phase 1)	(22)		Realign & Rephase to Future Years
A635 Manchester Road	(49)		Realign & Rephase to Future Years
Incentive Fund 2017/18	(175)		Realign & Rephase to Future Years
2019/20 HIP Schemes - Amber	(684)		Realign within Service
2019/20 HIP Schemes - Red	(11)		Realign within Service
C19454 Stannybrook Road (Daisy Nook Farm to Boundary)	(6)		Realign & Rephase to Future Years
A672 Ripponden Road (Dumfries Avenue to Boundary)	(87)		Realign & Rephase to Future Years
2020/21 HIP Schemes - Red	695		Realign within Service
Safe streets response measures: Cycling and walking	501		New Grant
<b>People and Place TOTAL</b>	<b>(73)</b>	<b>573</b>	
<b>TOTAL</b>	<b>(73)</b>	<b>573</b>	

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<b>FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2019</b>	<b>2020/21</b>	<b>2021/22</b>	
<b>Fund Source</b>	<b>£000</b>	<b>£000</b>	
Grants and Contributions	4,098	(4,598)	
Prudential Borrowing	(4,025)	4,025	
Revenue Contribution	-	-	
Capital Receipts	-	-	
<b>TOTAL</b>	<b>73</b>	<b>(573)</b>	



## Report to Cabinet

# Treasury Management Review 2019/20

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green

**Officer Contact:** Anne Ryans, Director of Finance

**Report Author:** Lee Walsh, Finance Manager

**Ext.** 6608

**24 August 2020**

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## Reason for Decision

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2019/20 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (approved 27 February 2019)
- a mid-year (minimum) treasury update report (approved 8 January 2020)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

The Council confirms that it has complied with the requirements under the Code to give prior scrutiny to the treasury strategy and the mid-year update. The Audit Committee is charged with the scrutiny of treasury management activities in Oldham and reviewed the content of this annual report at its meeting of 21 July 2020 prior to its consideration by Cabinet. The Committee was content to commend the report to Cabinet (to ensure full compliance with the Code for 2019/20).

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## Executive Summary

During 2019/20, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2018/19 Actual £'000	2019/20 Revised £'000	2019/20 Actual £'000
Actual capital expenditure	48,564	63,945	54,383
Total Capital Financing Requirement:	493,880	491,011	472,377
Gross borrowing	147,846	167,843	167,843
External debt	394,456	403,338	403,709
Investments			
· Longer than 1 year	15,000	15,000	15,000
· Under 1 year	69,900	52,000	103,120
· Total	<b>84,900</b>	<b>67,000</b>	<b>118,120</b>
<b>Net Borrowing (Gross borrowing less investments)</b>	<b>62,946</b>	<b>100,843</b>	<b>49,723</b>

As can be seen in the table above, actual capital expenditure was less than the revised budget estimate for 2019/20 presented within the 2020/21 Treasury Management Strategy report considered at the Council meeting of 26 February 2020. The outturn position was significantly less than the £84.332m original capital budget for 2019/20 as approved at Budget Council on 27 February 2019.

During the course of the year the Capital Programme saw substantial rephasing. A number of major schemes including a number of schools' schemes in the Children's Service Directorate were rephased. The Asset Management (Education) Essential Condition Works provision was realigned into future years to align with other works being undertaken at schools. Housing Revenue Account (HRA) schemes were re-phased into 2020/21 to align with the latest HRA Strategy. In addition, the 'Creating a Better Place' Strategy required a number of existing regeneration projects to be reviewed and rephased to align to the long-term vision of the strategy. Also, during the year, the Information Technology (IT) Capital Strategy, the Strategic Roadmap was reviewed. The outcome was a rephasing of resources to ensure that the Council's future IT offer takes account of new innovations in IT and creates efficiencies that will complement future ways of working.

Borrowing of £20m was undertaken during the year. Member training on treasury management issues was undertaken on 1 October 2019 in order to support Members and senior members of staff in their scrutiny role.

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Other prudential and treasury indicators are to be found in the main body of this report.

The Director of Finance confirms that the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2019/20 continued the challenging investment environment of previous years, namely low investment returns.

### **Recommendations**

Cabinet is recommended to:

- 1) Approve the actual 2019/20 prudential and treasury indicators presented in this report
- 2) Approve the annual treasury management report for 2019/20
- 3) Commend this report to Council

## Treasury Management Review 2019/20

### 1 Background

1.1 The Council has adopted the Revised Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2017. The primary requirements of the code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions. In Oldham, this responsibility is delegated to the Section 151 Officer (Director of Finance).
- Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. In Oldham, the delegated body is the Audit Committee.

Treasury management in this context is defined 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.”*

1.2 The report therefore summarises the following the:-

- Council’s capital expenditure and financing during the year;
- Impact of this activity on the Council’s underlying indebtedness (the Capital Financing Requirement);
- Actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity

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## 2 Current Position

### 2.1 The Council's Capital Expenditure and Financing during 2019/20

2.1.1 The Council incurs capital expenditure when it invests in or acquires long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- Financed by borrowing if insufficient immediate financing is available, or a decision is taken not to apply available resources, the capital expenditure gives rise to a borrowing need.

2.1.2 The actual capital expenditure forms one of the required prudential indicators (these indicators are all summarised in Appendix 1). The table below shows the actual level of capital expenditure and how this was financed. As can be seen in the table below, actual capital expenditure in 2019/20 was less than the revised budget estimate. The revised budget estimate is based on the month 8 2019/20 reported position to align with the Annual Treasury Management Strategy 2020/21 report, and not the latest reported position (March 2020). All prudential indicators in the 2019/20 strategy are based on this revised budget. Capital expenditure was less in year due to re-phasing of some IT projects, property related schemes, HRA schemes and education schemes that were expected to progress during the year. In addition, the 'Creating a Better Place' Strategy required a number of existing regeneration projects to be reviewed and rephased to align to the long-term vision of the strategy.

	2018/19 Actual £'000	2019/20 Revised £'000	2019/20 Actual £'000
Non-HRA capital expenditure	46,318	62,091	52,249
HRA capital expenditure	2,246	1,854	2,134
<b>Total capital expenditure</b>	<b>48,564</b>	<b>63,945</b>	<b>54,383</b>
Resourced by:			
• Capital receipts	14,919	13,143	9,914
• Capital grants	25,522	29,975	42,091
• HRA	851	6	2,134
• Revenue	7,272	1,854	244
<b>Unfinanced capital expenditure</b>	<b>0</b>	<b>18,967</b>	<b>0</b>

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## 2.2 The Council's Overall Borrowing Need

2.2.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2019/20 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

2.2.2 Part of the Council's treasury activity is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets) or utilising temporary cash resources within the Council.

### Reducing the CFR

2.2.3 The Council's (non-Housing Revenue Account [HRA]) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non- HRA borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

2.2.4 The total CFR can also be reduced by:

- The application of additional capital financing resources (such as unapplied capital receipts); or
- Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

2.2.5 The Council's 2019/20 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy report for 2019/20 on 27 February 2019.

2.2.6 The Council's CFR for the year is shown in the table below and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. In 2019/20 the Council had seven PFI schemes in operation; however, no borrowing is actually required against these schemes as a borrowing facility is included within each contract.

Capital Financing Requirement	2018/19 Actual £'000	2019/20 Revised £'000	2019/20 Actual £'000
Opening balance	505,049	493,880	493,880
Add unfinanced capital expenditure	0	18,967	0
Add adjustment for the inclusion of on-balance sheet PFI and leasing schemes (if applicable)	450	0	525
Less MRP/VRP*	(2,944)	(2,742)	(2,742)
Less PFI & finance lease repayments	(8,675)	(19,094)	(19,286)
Closing balance	493,880	491,011	472,377

\* Includes voluntary application of capital receipts and revenue resources

2.2.7 Borrowing activity is constrained by prudential indicators for net borrowing, the CFR and by the authorised limit.

#### Gross borrowing and the CFR

2.2.8 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2019/20) plus the estimates of any additional capital financing requirement for the current (2020/21) and next two financial years.

2.2.9 This essentially means that the Council is not borrowing to support revenue expenditure.

2.2.10 This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20 if so required. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	2018/19 Actual £'000	2019/20 Revised £'000	2019/20 Actual £'000
Gross borrowing position	394,456	403,338	403,709
CFR - including PFI / Finance Leases	493,880	491,011	472,377
Under / (Over) funding of the CFR	99,424	87,673	68,668

The table above shows the position as at 31 March 2020 for the Council's gross borrowing position and CFR. This shows, compared to the revised budget position:

- Movement in the gross borrowing position, reflecting the fact that additional borrowing of £20m of long term borrowing had been taken out during the year which has been offset by repayment of transferred debt, PFI and finance leases.

- A reduction in the CFR, predominantly due to the slippage in the capital programme and financing of capital through revenue resources.

### The Authorised Limit

2.2.11 The authorised limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 and was set at £512m. Once this has been set, the Council does not have the power to borrow above this level.

### The Operational Boundary

2.2.12 The operational boundary is the expected borrowing position of the Council during the year and was set at £495m. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2019/20 Actual £'000
Authorised Limit	512,000
Operational Boundary	495,000

### Actual financing costs as a proportion of net revenue stream

2.2.13 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream and is within expected levels.

	2019/20 Actual £'000
External Debt	167,843
PFI / Finance leases	235,867
<b>Actual External Debt (Gross Borrowing) (rounded)</b>	<b>403,710</b>
Financing costs as a proportion of net revenue stream (General Fund)	13.41%

2.2.14 The table above splits the gross borrowing position of the Council between actual external debt (loans) and PFI / Finance lease debt. As can be seen above the gross borrowing position is well within the Authorised Limit and Operational Boundary. The difference between the two reflects the Council’s under borrowed position.



## 2.3 The Council's Debt and Investment Position

2.3.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

2.3.2 At the end of 2019/20 the Council's treasury position was as follows:

	31 March 2019 Principal £'000	Average Rate/ Return	Average Life years	31 March 2020 Principal £'000	Average Rate/ Return	Average Life years
Fixed rate funding:						
-PWLB	15,482			35,482		
-Stock	6,600			6,600		
Market	125,764			125,761		
<b>Total borrowings</b>	<b>147,846</b>	4.50%	35.42	<b>167,843</b>	4.30%	37.08
<b>PFI &amp; Finance lease liabilities</b>	<b>246,610</b>			<b>235,867</b>		
<b>Total External debt</b>	<b>394,456</b>			<b>403,710</b>		
<b>CFR</b>	<b>493,880</b>			<b>472,377</b>		
<b>Over/ (under) borrowing</b>	<b>(99,424)</b>			<b>(68,667)</b>		
Investments:						
Financial Institutions/LA's	69,900	0.76%		103,120	0.94%	
Property	15,000	4.36%		15,000	4.32%	
<b>Total investments</b>	<b>84,900</b>			<b>118,120</b>		
<b>Net Debt</b>	<b>62,946</b>			<b>49,723</b>		

2.3.3 The maturity structure of the debt portfolio was as follows:

	2018/19 Actual %	Upper Limit %	Lower Limit %	2019/20 Actual %
Under 12 months	30%	40%	0%	23%
12 months and within 24 months	0%	40%	0%	0%
24 months and within 5 years	33%	40%	0%	32%
5 years and within 10 years	5%	40%	0%	4%
10 years and above	32%	50%	40%	40%

2.3.4 The investment portfolio and maturity structure was as follows:

Investment Portfolio	Actual 31 March 2019 £'000	Actual 31 March 2019 %	Actual 31 March 2020 £'000	Actual 31 March 2020 %
<b>Treasury Investments</b>				
Banks	13,000	15.31%	37,500	31.75%
Local Authorities / Public Bodies	30,500	35.92%	28,500	24.13%
Money Market Funds (MMF's)	26,400	31.10%	37,120	31.43%
<b>Total managed in house</b>	<b>69,900</b>	<b>82.33%</b>	<b>103,120</b>	<b>87.30%</b>
Bond Funds				
Property Funds	15,000	17.67%	15,000	12.70%
Cash Fund Managers				
<b>Total Managed Externally</b>	<b>15,000</b>	<b>17.67%</b>	<b>15,000</b>	<b>12.70%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>84,900</b>	<b>100%</b>	<b>118,120</b>	<b>100%</b>
<b>TOTAL NON TREASURY INVESTMENTS *</b>	0	0%	2,181	110%

\* Members should note that the Non-Treasury Investments during 2019/20 related to property purchase.

	2018/19 Actual £'000	2019/20 Actual £'000
Investments		
Longer than 1 year	0	0
Under 1 year	69,900	103,120
Property Fund	15,000	15,000
<b>Total</b>	<b>84,900</b>	<b>118,120</b>

2.3.5 Key features of the debt and investment position are:

- a) Over the course of the year 2019/20, investments have increased by £33.220m. The large increase in investments related to borrowing completed during the year in line with the Council's Treasury Management Strategy, additional Government grants received in March 2020 to tackle the COVID-19 crisis together with the upfront payment for Grant in Lieu of Business Rates for 2020/21 that was also received in March 2020.
- b) The average rate of return on investments with Financial Institutions increased from 0.76% in 2018/19 to 0.94% in 2019/20. This increase relates to the Bank of England base rate being at 0.75% for the majority of the year before it dropped to 0.10% in March 2020.

- c) Investments were arranged throughout the year to ensure cash available to support the three-year up-front pension payment at the start of 2020/21.

## 2.4 Investment Strategy and control of interest rate risk

- 2.4.1 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the Monetary Policy Committee (MPC) would be able to deliver on an increase in Bank Rate until Brexit was finally settled. However, there was an expectation that Bank Rate would rise thereafter but would only rise to 1.0% during 2020.
- 2.4.2 Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by MPs but fell back again in early January 2020 before recovering again after the 31 January 2020 departure of the UK from the EU.
- 2.4.3 When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.
- 2.4.4 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 2.4.5 The table below shows the interest rate forecast as at mid-year of 2019-20:

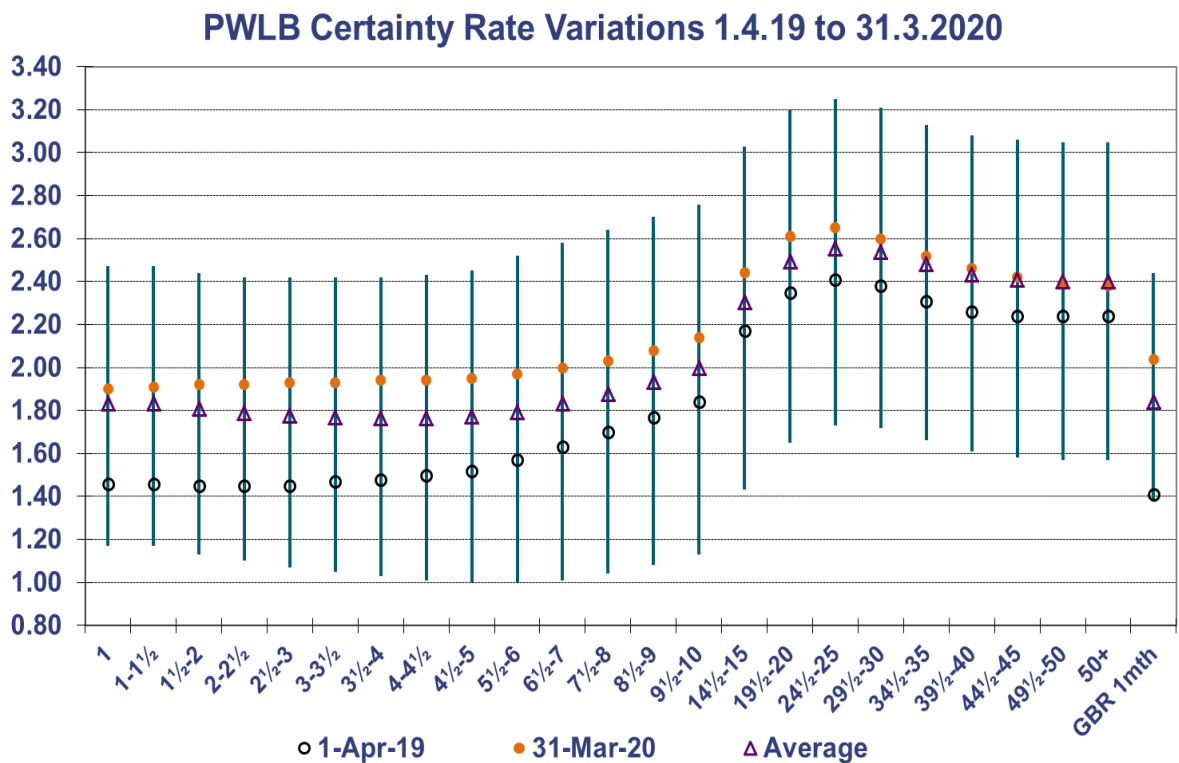
Link Asset Services Interest Rate View 11.11.19													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

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## 2.5 Borrowing Strategy and control of interest rate risk

- 2.5.1 During 2019/20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 2.5.2 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 2.5.3 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Treasury Management Team and the Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks
- if it had been felt that there was a significant risk of a sharp **fall** in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - if it had been felt that there was a significant risk of a much sharper **rise** in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.
- 2.5.4 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.
- 2.5.5 The information below and in graphs and tables in Appendices 2 and 3 show PWLB rates for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year:
- 5 year PWLB rate - started the year at 1.52%, falling to a low for the year at 1.00% in August 2019, peaking at 2.45% in March 2020 and finishing the year at 1.95%.

- 10 year PWLB rate - started the year at 1.84%, falling to a low for the year at 1.13% in September 2019, peaking at 2.76% in March 2020 and finishing the year at 2.14%.
- 25 year PWLB rate - started the year at 2.41%, falling to a low for the year at 1.73% in September 2019, peaking at 3.25% in March 2019 and finishing the year at 2.65%.
- 50 year PWLB rate. - started the year at 2.24%, falling to a low for the year at 1.57% in September 2019, peaking at 3.05% in December 2019 and finishing the year at 2.39%.



2.5.6 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M. Treasury determining a specified margin to add to gilt yields.

2.5.7 There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields.

2.5.8 While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.

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- 2.5.9 This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.
- 2.5.10 Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies and moved cash into safe haven assets i.e. government bonds.
- 2.5.11 Major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of Government expenditure financed by issuing Government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.
- 2.5.12 However, HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with Local Authorities on possibly further amending these margins. The consultation concluded at the end of July 2020 (the Council submitted a response). It is clear that the Treasury intends to put a stop to Local Authorities borrowing money from the PWLB for commercial activity if the aim is solely to generate an income stream.
- 2.5.13 Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum that they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

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## 2.6 Borrowing Outturn for 2019/20

### Treasury Borrowing

- 2.6.1 The Council borrowed £20m from the PWLB in August 2019. The borrowing was undertaken when market rates reached the Council's internal trigger points. This ensured borrowing was undertaken at the optimum point to minimise future costs, securing good value for money.

Date	Lender	Principal £'000	Type	Interest Rate	Maturity (Years)
20-Aug-19	PWLB	10,000	Maturity	1.720%	50
20-Aug-19	PWLB	5,000	Maturity	1.810%	30
20-Aug-19	PWLB	5,000	Maturity	1.740%	20
<b>Total</b>		<b>20,000</b>			

### Debt Rescheduling

- 2.6.2 No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

### Repayment of Debt

- 2.6.3 In March 2020 £3k was repaid in relation to Charitable Investments that the Council held.

## 2.7 Investment Outturn

### Investment Policy

- 2.7.1 The Council's investment policy is governed by Ministry of Housing, Communities and Local Government (MHCLG) investment guidance, which has been implemented in the annual investment strategy which for 2019/20 was approved by Council on 27 February 2019. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).
- 2.7.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

### Resources

- 2.7.3 The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:



Balance Sheet Resources	31 March 2019 (£'000)	31 March 2020 (£'000)
Balances General Fund	14,840	15,110
Balances HRA	21,305	21,796
Earmarked Reserves	80,623	79,360
Provisions	29,251	28,367
Usable Capital Receipts	0	0
<b>Total</b>	<b>146,019</b>	<b>144,633</b>

#### Investments at 31 March 2020

2.7.4 The Council managed all of its investments in house with the institutions listed in the Council's approved lending list. At the end of the financial year the Council had £118.120m of investments as follows:

Institution	Type	Amount £'000	Term (days)	Rate %	Start date	End date
CCLA Property	Property	15,000		4.36%		
<b>Total Property</b>		<b>15,000</b>				
Goldman Sachs	Fixed	2,000	183	0.90%	03-Oct-19	03-Apr-20
Goldman Sachs	Fixed	3,000	179	0.90%	07-Oct-19	03-Apr-20
Thurrock Council	Fixed	2,500	193	0.76%	26-Sep-19	06-Apr-20
Thurrock Council	Fixed	2,500	87	0.80%	10-Jan-19	06-Apr-20
Ashford Borough Council	Fixed	5,000	54	0.82%	12-Feb-20	06-Apr-20
Eastleigh Borough Council	Fixed	5,000	49	0.73%	17-Feb-20	06-Apr-20
Slough Borough Council	Fixed	3,000	31	1.20%	06-Mar-20	06-Apr-20
Surrey County Council	Fixed	5,000	61	1.05%	27-Mar-20	27-May-20
Thurrock Council	Fixed	2,500	59	1.00%	31-Mar-20	29-May-20
North Lincolnshire Council	Fixed	3,000	184	1.15%	25-Mar-20	25-Sep-20
<b>Total Fixed Deposits</b>		<b>33,500</b>				
Standard Chartered	CD*	5,000	182	0.88%	04-Oct-19	03-Apr-20
Standard Chartered	CD	5,000	182	0.92%	05-Nov-19	05-May-20
<b>Total Fixed Deposits</b>		<b>10,000</b>				
Bank of Scotland	Notice	2,500	32	0.90%	21-Jun-19	
Bank of Scotland	Notice	12,500	95	1.10%	07-May-19	
Santander	Notice	7,500	95	1.00%	01-Mar-19	
<b>Total Notice Accounts</b>		<b>22,500</b>				
Federated MMF**	MMF	17,120	1	0.72%	31-Mar-20	01-Apr-20
Aberdeen MMF	MMF	20,000	5	0.78%	27-Mar-20	01-Apr-20
<b>Total Money Market Funds</b>		<b>37,120</b>				
<b>Total Investments</b>		<b>118,120</b>				

\* Certificate of Deposit (CD)

\*\* Money Market Funds (MMF)



2.7.5 The Council's investment strategy was to maintain sufficient cash reserves to give it necessary liquidity, whilst trying to attain a benchmark average rate of return of London Interbank Bid Rate (LIBID) on the relevant time deposit multiplied by 5%, whilst ensuring funds were invested in institutions which were the most secure. The table below shows the returns by the relevant time period

	LIBID + 5%	Actual Return %
7 Day	0.56%	0.73%
1 Month	0.59%	0.89%
3 Month	0.67%	1.01%
6 Month	0.74%	0.89%
12 Month	0.84%	0.97%
Average		0.90%
Target	0.68%	

2.7.6 The Council's overall average performance on its cash investments exceeded its LIBID benchmark in all periods.

2.7.7 The investments held with the CCLA property fund generated £632k of income with an average return in year of 4.32%. Furthermore, the Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during 2019/20.

## 2.8 The Economy and Interest Rates

### UK – Brexit

2.8.1 The main issue in 2019 was the repeated debates in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019.

2.8.2 A general election was called and held in December 2019 and resulted in a decisive victory for the Conservative Party. The main election promise of leaving the EU was then enabled so that the UK could leave the EU on 31 January 2020.

2.8.3 However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline. The second and third rounds of negotiations have already had to be cancelled due to the virus.

### Economic Growth

2.8.4 The year 2019 was very volatile with economic growth for quarter 1 unexpectedly strong at 0.5%, quarter 2 was reduced by -0.7 to -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 was 0.0%, leaving a year on year percentage of +1.1%.

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- 2.8.5 The year 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December which settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world and the way in which we now live has changed as a result of the coronavirus outbreak.
- 2.8.6 It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.
- 2.8.7 After the Monetary Policy Committee raised the Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to access and monitor the situation until March 2020. At this point it was clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in the Bank Rate from 0.75% occurred in March 2020, first to 0.25% and then to 0.10%.
- 2.8.8 These cuts were accompanied by an increase in Quantitative Easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned and moved to stop people losing their jobs during this lock down period.
- 2.8.9 Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for an initial three months which has been extended, while the country was in full lock down and now enters the recovery stage. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over during the lock down period when some firms may have little or no income.
- 2.8.10 However, it must be noted that at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. This is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in the next few months and beyond.
- 2.8.11 The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2% to nearly 11%.
- 2.8.12 The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the next Budget. The Government also announced a large increase in spending on infrastructure; this will also help the economy to recover and the Country moves forward in the recovery stage. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is fully eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

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### Inflation

- 2.8.13 Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing an excess in the supply of oil which has fallen sharply in price.
- 2.8.14 Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

### Employment

- 2.8.15 Employment had been growing healthily through the last year, but was obviously heading for a major reduction at the end of 2019/20 due to coronavirus. The good news over the last year is that wage inflation has been significantly higher than Consumer Price Index (CPI) inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, as people have not been able to leave their homes to do non-food shopping, retail sales have also been significantly reduced.

### USA

- 2.8.16 Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Federal Reserve (Fed) cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. At the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.
- 2.8.17 The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition, there will be \$500bn of funding from the Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.
- 2.8.18 However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%. The first two weeks in March initial jobless claims reached total of 10 million and increased even further by the end of March.

### Eurozone (EZ)

- 2.8.19 The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% year on year in quarter 4 in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt.

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- 2.8.20 However, the downturn in EZ growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth.
- 2.8.21 At its March 2019 meeting it announced a third round of Targeted longer-term refinancing operations (TLTROs), this provided banks with cheap two year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt to start in November at €20bn per month (a relatively small amount), plus more TLTRO measures.
- 2.8.22 Once coronavirus started having a major impact in Europe, the ECB took action in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth. What is currently missing is a coordinated EU response of fiscal action by all national Governments to protect jobs, support businesses directly and promote economic growth by expanding government expenditure on e.g. infrastructure; action is therefore likely to be patchy.

#### China

- 2.8.23 Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing.
- 2.8.24 The major feature of 2019 was the trade war with the US. However, this has been eclipsed by China being the first country to be hit by the coronavirus outbreak. This resulted in a lock down of the country and a major contraction of economic activity in February-March 2020.
- 2.8.25 While it appears that China had managed to contain the virus by the end of March, it is clear that the economy is going to take some time to recover its previous rate of growth. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.

#### Japan

- 2.8.26 Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It appears to have missed much of the domestic impact from coronavirus in 2019/20 financial year, however, the virus is at an early stage.

#### World Growth

- 2.8.27 The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China.
- 2.8.28 Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in Government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is sweeping around the world and having a major impact in causing a world recession in growth in 2020.

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## 2.9 Other Key Issues

### International Financial Reporting Standards (IFRS) 9 – Financial Instruments

- 2.9.1 Following the introduction of IFRS 9 in 2018/19 and after the consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) on IFRS9, the Government has introduced a mandatory statutory override for Local Authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This was effective from 1 April 2018 and applies for five years from this date. The Council has elected to utilise the mandatory override. The Council is required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

### International Financial Reporting Standards (IFRS) 16 - Leases

- 2.9.2 IFRS 16 should have been introduced for Local Authorities from 1 April 2020 which meant that the annual accounts for 2020/21 were to be the first set of accounts produced in accordance with this standard. The Code of Practice on Local Authority Accounting requires the Council to disclose information relating to the impact of an accounting change required by a new standard that has been issued but not yet adopted by the 2019/20 Code as a note in the 2019/20 accounts. Therefore, the Treasury team have been looking at the impact of the standard on the Council's treasury indicators that would be included in the Treasury Management strategy 2020/21.
- 2.9.3 However, due to the Coronavirus and the additional pressure faced by Local Authorities in these unprecedented times, on 20 March 2020, the Financial Reporting Advisory Board (FRAB), announced the deferral of International Financial Reporting Standard 16 (IFRS 16) implementation to 2021/22.

### Other Treasury Management Issues

- 2.9.4 The Council is currently involved in legal action against Barclays Bank with regards to certain Lender Option Borrower Option (LOBO) transactions. This is based on the Bank's involvement in manipulation of the LIBOR benchmark rate and the subsequent impact on the Council's financial position. This matter is ongoing.

## 3 Options/Alternatives

- 3.1 In order that the Council complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Council has no option other than to consider and approve the contents of the report. Therefore, no options/alternatives have been presented.

## 4 Preferred Option

- 4.1 The preferred option is that the contents of the report are agreed and recommended to Council for approval.

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## 5 **Consultation**

5.1 There has been consultation with Link Asset Services, Treasury Management Advisors.

5.2 The presentation of the Treasury Management Review 2019/20 to the Audit Committee for detailed scrutiny on 21 July 2020 was in compliance with the requirements of the CIPFA Code of Practice. The report is now presented to Cabinet and then subsequently Council for approval.

## 6 **Financial Implications**

6.1 All included in the report.

## 7 **Legal Services Comments**

7.1 None

## 8 **Cooperative Agenda**

8.1 The treasury management strategy embraces the Council's cooperative agenda. The Council will develop its investment framework to ensure it complements the cooperative ethos of the Council.

## 9 **Human Resources Comments**

9.1 None

## 10 **Risk Assessments**

10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which has previously been acknowledged in Internal Audit reports and in the External Auditors' reports presented to the Audit Committee.

## 11 **IT Implications**

11.1 None

## 12 **Property Implications**

12.1 None

## 13 **Procurement Implications**

13.1 None

## 14 **Environmental and Health & Safety Implications**

14.1 None

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15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FG-07-20.

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are provided in Appendices 1, 2 and 3  
Officer Name: Lee Walsh  
Contact No: 0161 770 6608

20 **Appendices**

Appendix 1 Prudential and Treasury Management Indicators

Appendix 2 Graphs

Appendix 3 Borrowing and Investment Rates



## Appendix 1: Prudential and Treasury Indicators

<b>TABLE 1: Prudential indicators</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Outturn</b>	<b>Original</b>	<b>Revised</b>	<b>Outturn</b>
	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>				
Non – HRA	46,318	80,097	62,091	52,249
HRA	2,246	4,235	1,854	2,134
TOTAL	48,564	84,352	63,945	54,383
<b>Ratio of financing costs to net revenue stream</b>				
Non – HRA	10.00%	%	%	13.41%
<b>In year Capital Financing Requirement</b>				
Non – HRA	(11,169)	31,125	(2,869)	(21,503)
TOTAL	(11,169)	31,125	(2,869)	(21,503)
<b>Capital Financing Requirement as at 31 March</b>	493,880	525,005	491,011	472,377

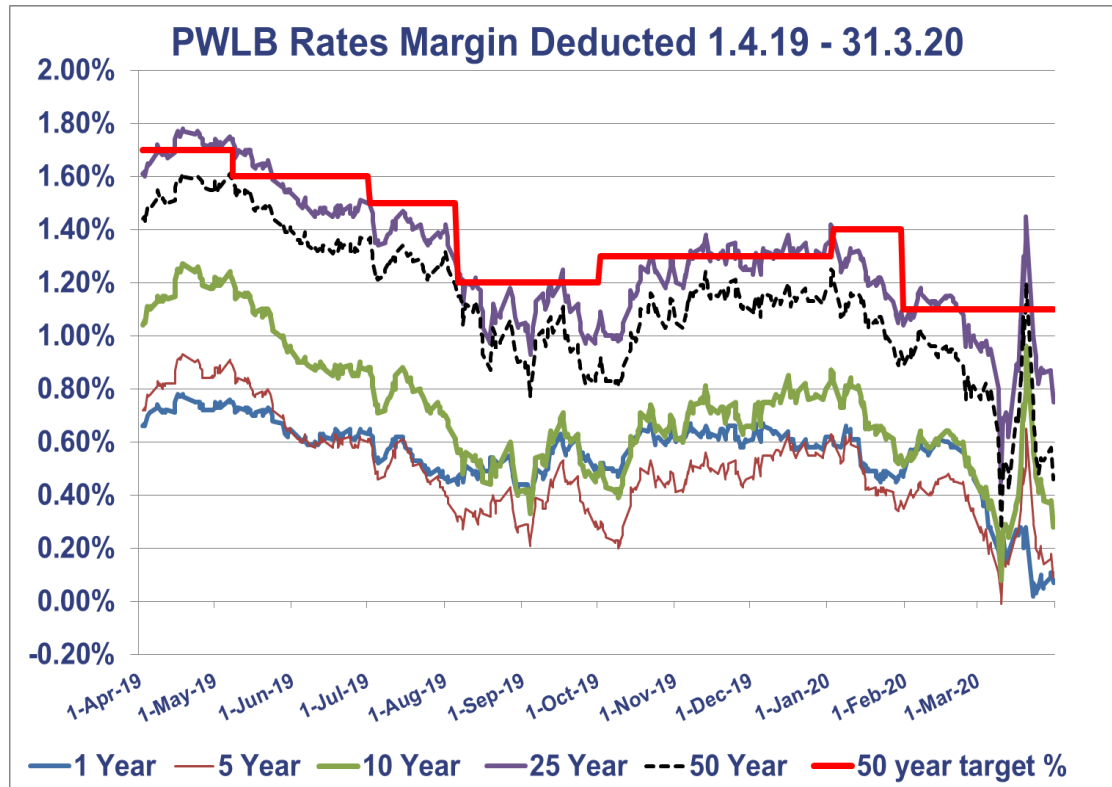


<b>TABLE 2: Treasury management indicators</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Outturn</b>	<b>Original Budget</b>	<b>Revised</b>	<b>Outturn</b>
	£'000	£'000	£'000	£'000
<b>Authorised Limit for external debt</b>				
Borrowing	305,000	305,000	272,000	272,000
Other long term liabilities	285,000	240,000	240,000	240,000
<b>TOTAL</b>	<b>590,000</b>	<b>545,000</b>	<b>512,000</b>	<b>512,000</b>
<b>Operational Boundary for external debt -</b>				
Borrowing	285,000	290,000	260,000	260,000
Other long term liabilities	275,000	235,000	235,000	235,000
<b>TOTAL</b>	<b>560,000</b>	<b>525,000</b>	<b>495,000</b>	<b>495,000</b>
<b>Actual external debt</b>	394,456			403,709
<b>Upper limit for fixed interest rate exposure</b>				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
Actual	100%			100%
<b>Upper limit for variable rate exposure</b>				
Net principal re variable rate borrowing / investments	40%	40%	40%	40%
Actual	0%			0%
<b>Upper limit for total principal sums invested for over 364 days</b>	50,000	50,000	50,000	50,000

<b>Maturity structure of fixed rate borrowing during 2019/20</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual</b>
Under 12 months	40%	0%	23%
12 months and within 24 months	40%	0%	0%
24 months and within 5 years	40%	0%	32%
5 years and within 10 years	40%	0%	4%
10 years and above	50%	40%	40%

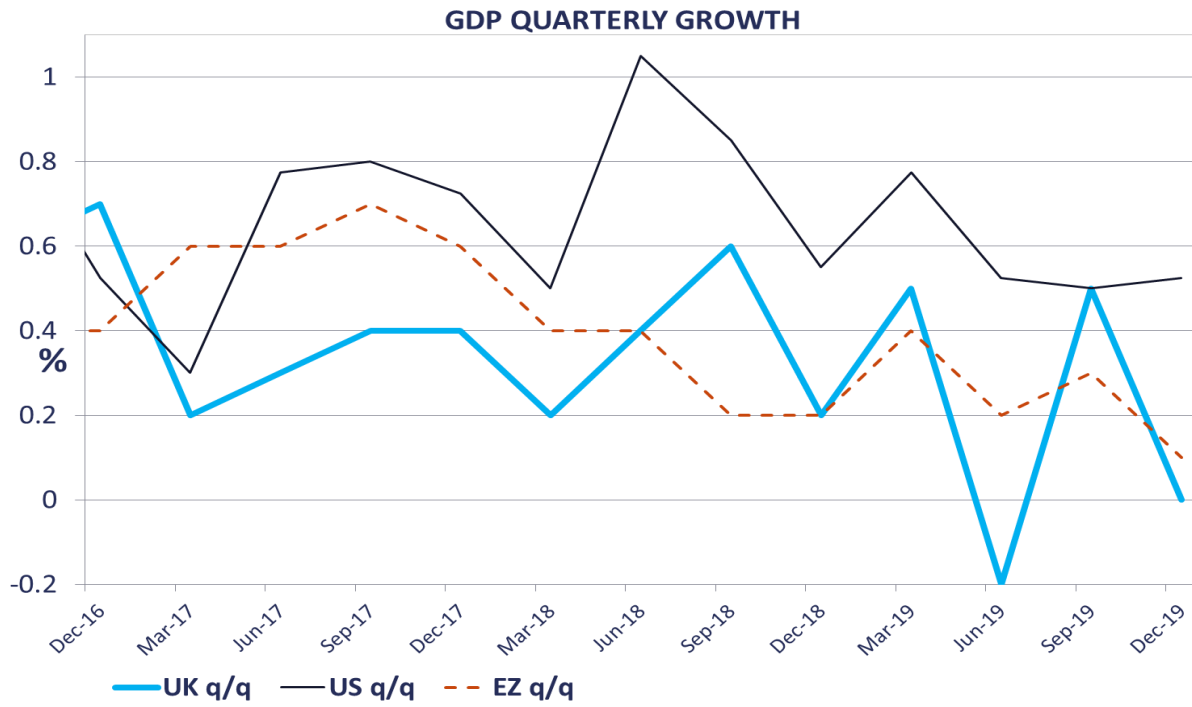
## Appendix 2: Graphs

On 9.10.19, the margin over gilt yields for PWLB certainty rates was increased from 80 bps to 180 bps. The graph below shows PWLB rates less the margins added over gilt yields. This graph therefore shows more clearly the **actual movements in gilt yields** during the year on which PWLB rates are based.

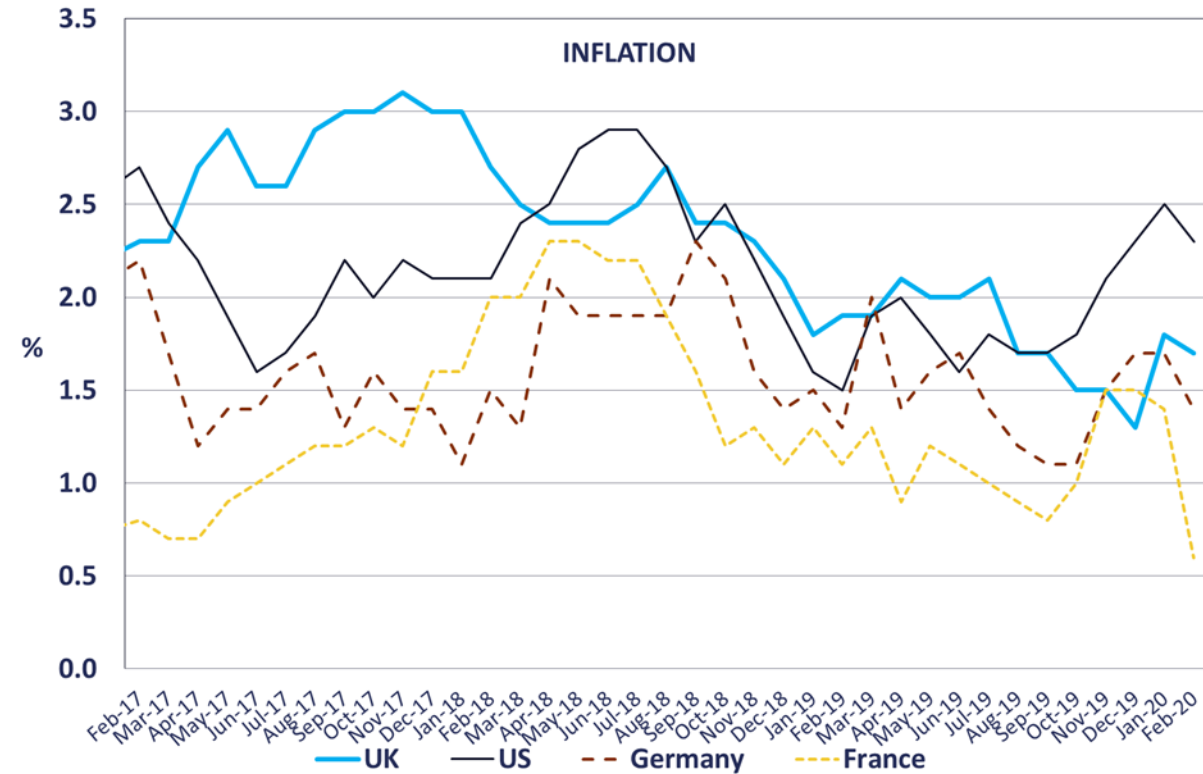


	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	0.66%	0.72%	1.04%	1.61%	1.44%
31/03/2020	0.10%	0.15%	0.34%	0.85%	0.59%
Low	0.02%	-0.01%	0.08%	0.45%	0.27%
Date	20/03/2020	09/03/2020	09/03/2020	09/03/2020	09/03/2020
High	0.78%	0.93%	1.27%	1.78%	1.61%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	0.55%	0.49%	0.72%	1.28%	1.12%

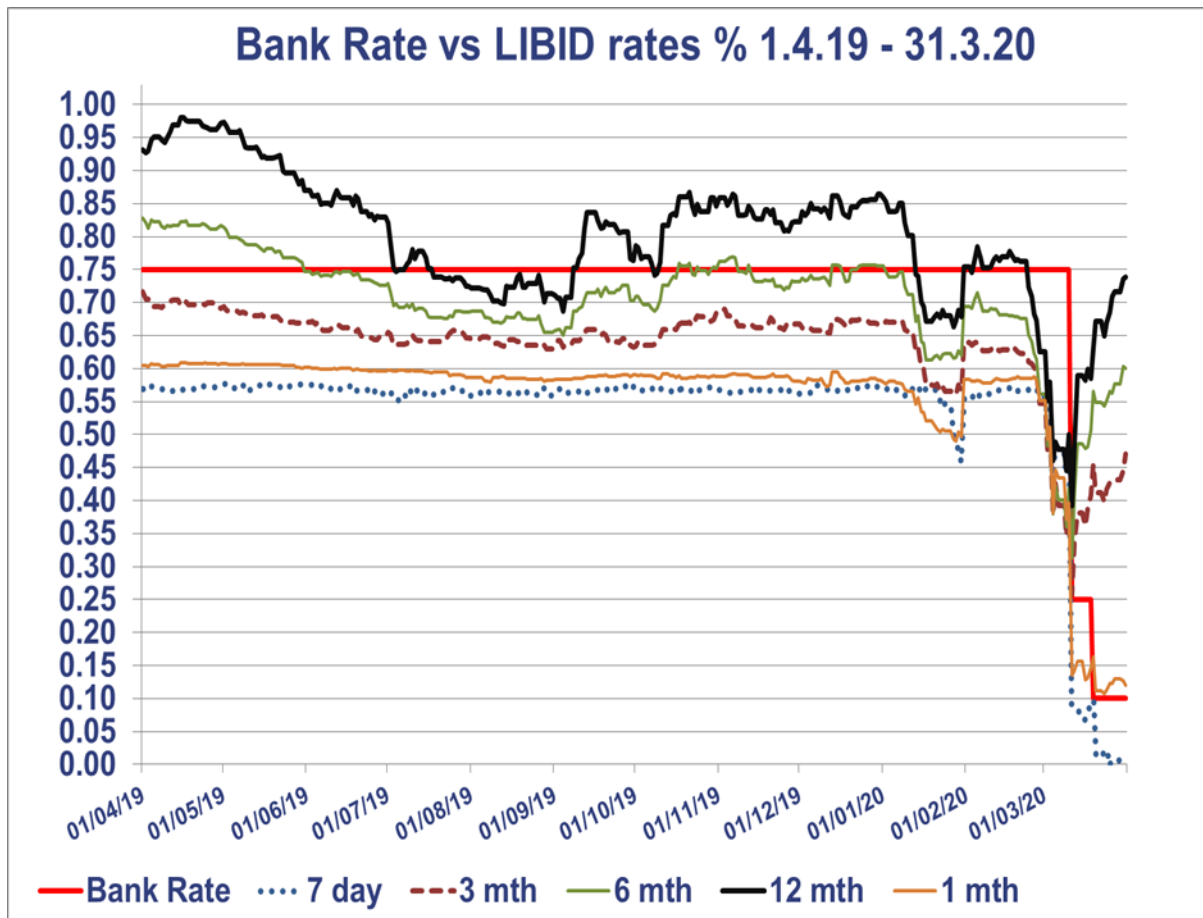
**UK, US and EZ GDP growth**



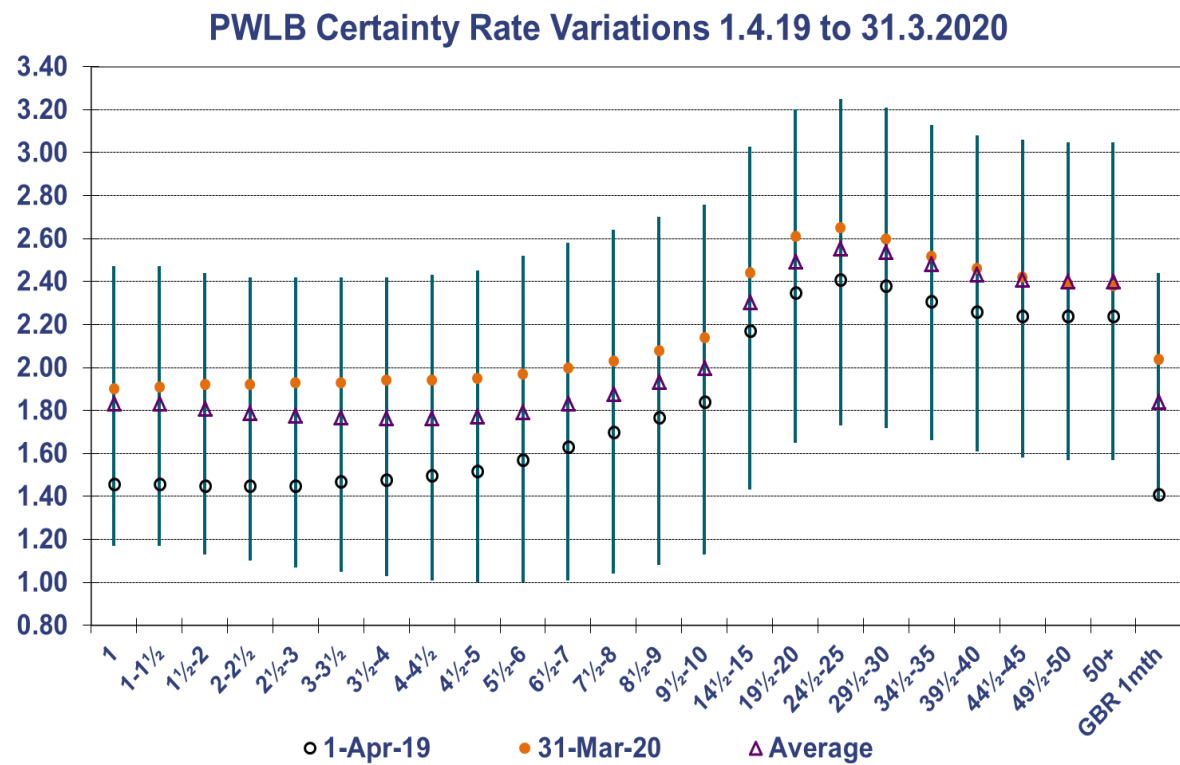
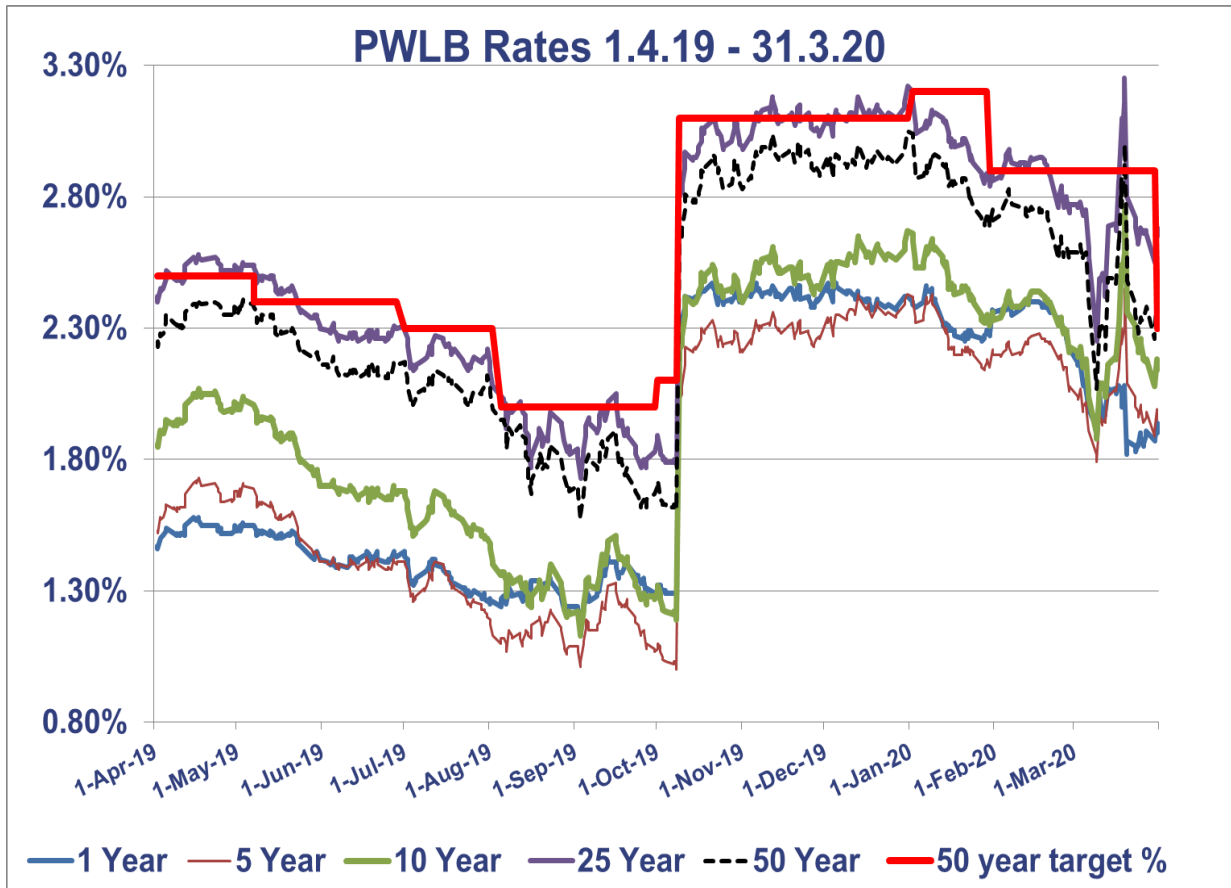
**Inflation UK, US, Germany and France**



## Appendix 3: Investment and Borrowing rates



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.75	0.58	0.61	0.72	0.83	0.98
High Date	01/04/2019	09/05/2019	15/04/2019	01/04/2019	01/04/2019	15/04/2019
Low	0.10	0.00	0.11	0.26	0.31	0.39
Low Date	19/03/2020	25/03/2020	23/03/2020	11/03/2020	11/03/2020	11/03/2020
Average	0.72	0.53	0.56	0.63	0.70	0.80
Spread	0.65	0.58	0.50	0.46	0.52	0.59



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	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	1.46%	1.52%	1.84%	2.41%	2.24%
31/03/2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

Report to CABINET



## Creating a Better Place

### Portfolio Holder(s):

**Councillor Fielding, Leader of the Council and Portfolio Holder for Economy and Enterprise**

**Councillor Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Services**

**Councillor Shah, Deputy Leader and Cabinet Member for Covid-19 Recovery**

**Councillor Roberts, Cabinet Member for Housing**

**Councillor Mushtaq, Cabinet Member for Education and Skills**

**Councillor Chauhan, Cabinet Member for Health and Social Care**

**Councillor Brownridge, Cabinet Member for Neighbourhood Services**

**Councillor Chadderton, Cabinet Member for Children Services**

### Senior Responsible Officer:

Helen Lockwood, Deputy Chief Executive People and Place

### Report Author:

Emma Barton, Director of Economy

**24 August 2020**

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### Reason for Decision

Cabinet approval was obtained in January 2020 for the vision and strategic framework for the Council's 'Creating a Better Place' strategic programme. It was agreed that this programme should be reviewed to confirm alignment with the borough's economic recovery in support of the financial implications associated with responding to the Covid-19 virus.

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## Executive Summary

'**Creating a Better Place**' sets out a comprehensive vision and strategic framework for the borough, which includes the Oldham Town Centre Vision, the Housing Strategy, and utilisation of the Council's corporate estate (land and property) to support development and open space requirements across the borough.

In light of the pandemic, the Council has had to respond with the provision of significant funding support to ensure the safety and welfare of Oldham's local communities. In addition, the national policy landscape changed significantly in March 2020 with the publication of a HM Treasury consultation setting out proposals for revising PWLB lending terms. Therefore, it was appropriate that the programme was reviewed to ensure that priorities were correct and that the projects supported economic recovery (post-covid). This report provides an overview of the review process and the findings, together with an update for the town centre vision following feedback from the local community, members and town centre businesses.

A set of principles were applied to the programme to check:

- *contribution towards performance targets for homes, jobs and apprenticeships*
- *business case development – risks, issues, opportunities, value for money*

The results and findings of applying these principles to the Creating a Better Place programme are outlined in this report with some projects needing to cease / stop / be cancelled (red), others needing to be reviewed / deferred / paused (amber), and others which were confirmed for acceleration (green) to support recovery plans. Some of the amber projects business cases are appended to this report for separate decisions about progression: details are contained in the part b reports.

Oldham Council is ambitious and bold and this remains unchanged following the review to support economic recovery across the borough and reinforces the importance of green open space in alignment with Council priorities to remain the Greenest Borough. Focus areas continue to include: creating 2,400 (previously 2,000) new homes for our residents with a range of different budgets and needs; the importance of creating 1,000 new jobs through regeneration is now associated with economic recovery, especially in light of the impact on redundancies caused by the pandemic; and, supporting and creating skilled pathways for 100+ new apprenticeships to help ensure residents of any age can learn new skills to help them secure the employment opportunities available across the economy. More than ever we need to ensure Oldham is a great place to visit with safety prioritised and with lots of family friendly and accessible places to go.

The review has provided an opportunity to think again about the Council's property portfolio as a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration. This strategic work also supports the Council's ambitions for inclusive growth, thriving communities and co-operative services, a further paper will be brought back to Cabinet for consideration when more work has developed to explore the possibilities of accelerating placed-based working across the five districts.

In the report considered by Cabinet in January 2020, Members will recall that the programme included £306m of priority schemes to deliver Creating a Better Place programme: in turn this generated c£10.5m revenue savings. Following the review, this



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report confirms the new capital allocation required to deliver the priority schemes for economic recovery has reduce by c£100m, but continues to generate revenue savings of c£8.5m.

Importantly, the review findings have confirmed that with a reduction on the capital programme, a reduction in the amount needed from prudential borrowing, the Council can still deliver the ambition while providing much needed savings to support the post-covid financial stability of the Council and future service delivery. The review and findings take into account external funding streams, which will continue to be targeted to support and enable project delivery, (ie Towns Fund, High Street Fund, Growth Deal).

## **Recommendations**

Cabinet Members are asked to approve:

- 'Creating a Better Place' as a revised comprehensive vision and strategic framework for the borough to deliver the ambition for regeneration, homes, jobs and skills-pathways.
- the proposed amendments to the Council's capital programme to accelerate economic recovery and to accelerate the potential for contributing revenue savings to the Council's financial plans.

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## Creating a Better Place

### 1.0 Background:

- 1.1 'Creating a Better Place' strategic framework was approved by Cabinet in January 2020 before the Covid-19 pandemic arrived in the UK.
- 1.2 Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.
- 1.3 In light of the pandemic, the Council has had to respond with the provision of significant funding support to ensure the safety and welfare of Oldham's local communities.
- 1.4 This has resulted in a serious funding impact on the Council's financial plans, and therefore we are seeking comments and endorsement on the proposed review principles to consider whether:
  - the programme is able to respond to support the post-CV19 recovery plans,
  - the use of public capital funds is still justified, and
  - the original savings proposals are at risk or could be accelerated / enhanced in any way to reduce the demands and pressures being considered on service baseline budget allocations.
- 1.5 This report provides an overview of the programme, the review process and the findings, together with an update for the town centre vision and new priorities following feedback from the local community, members and town centre businesses about the importance of green open space and is in alignment with Council ambitions and covid recovery plans.

### 2.0 Creating a Better Place

- 2.1 The very best towns and cities around the world have one thing in common – they are both people and quality focused. Quality of place is paramount to thriving communities and we want Oldham to be a place where people feel they belong, an exciting place where people can live, work and spend time. Quality design and attention to the public realm will be critical to this success.
- 2.2 Local authorities across the UK have been prioritising resources, (funding and services) to ensure local communities were supported since the start of the during the lockdown period. While the virus has not gone away, the country is starting to focus on recovery and as such Creating a Better Place programme was reviewed through the lens of accelerating economic recovery whilst coping with financial challenges. Importantly, the programme needed to continue to align with providing an inclusive economy, thriving communities and our co-operative agenda to deliver the ambition at scale and pace.
- 2.3 The ambition and vision is that .... we will be **'Creating a Better Place'...**
  - ... by building quality homes
  - ... by providing opportunities to learn & gain new skills
  - ... by providing opportunities to grow local businesses and create jobs
  - ... by ensuring Oldham is the greenest borough
  - ... by embedding sustainability, energy efficiency & low (zero) carbon
  - ... by improving life-chances and the health / well-being of our residents and local communities

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## 2.4 Housing Development

With a new focus on economic recovery, alignment with ensuring Oldham meets its housing need continues to be of paramount importance. The review has provided opportunities to review additional brownfield sites in the town centre and across the borough to help bring forward these opportunities for housing development within the Greater Manchester's Plan for Homes, Jobs, and the Environment (a.k.a. Greater Manchester Spatial Framework (GMSF)), and Oldham's Local Plan.

Our aim is to provide a diverse housing offer that meets the needs of different sections of the population at different times in their lives. Our proposals go beyond numbers alone with a focus on the significant contribution a quality housing offer makes to quality of life. For example, helping an older person to meet their need for a smaller more manageable home which, with the right adaptations, can protect and enhance independence.

Oldham's Housing Strategy was approved at full council in July 2019. The Strategy highlights the priorities and needs for the borough and is supported by a robust delivery plan that sits behind it to enable its objectives to be achieved. The new Housing Strategy was developed in line with Oldham Plan, the GMSF and the Greater Manchester housing strategy. The strategy included a new Local Needs Housing Assessment to provide evidence-based insights into how the housing economy currently works, forecasts future needs and identifies gaps.

There are many projects identified in the delivery plan that accompanies the Housing Strategy - funding for the development and delivery of these projects and activities will be required to meet these strategic priorities. Various projects are detailed in Part B papers appended to this report.

## 2.5 Economic Development

With a new focus on economic recovery, alignment with GM strategies such as the GM Local Industrial Strategy and the emerging new Greater Manchester Strategy has allowed us to set out a new vision for Oldham town centre which recognises that the purpose of town centres is changing at scale and pace linked to the renewed purpose for town centre living, growing our own local economy, close to green open space and leisure activities.

The pandemic has seen national retailers close their doors and decisions made not to reopen, due to more residents choosing the shop on line for safety and convenience. This contributes to a cycle of disappearing shops, reduced visitor numbers and a potential rise in anti-social behavior. However, the changing focus on social enterprise, starting new business ventures, apprentice opportunities for work and skills development, and 'building back better' through development and construction employment opportunities is increasingly more important to ensure residents have access to paid work to support themselves and their families.

Our vision for Oldham town centre is aligned with national regional and local priorities by ensuring that it has a focus for everyone has a place to live, work, visit and enjoy. Our approach will see us strengthen the town centre by creating new homes, jobs and business opportunities. We are also looking to actively encourage more walking and cycling to the town centre by improving access routes and connectivity through a series of public realm improvements linked to the Local Growth Deal.

There are a number of further priority areas which will be developed, to continue to meet our ambitions for town centre living, employment creation, skills development, the green environment, green energy, accessible public realm, family friendly activities, enticing night-time economy and enhanced safety / security are progressed to instigate the catalytic transformation of the town centre with the ambition for housing at its core. Various projects are detailed in Part B papers appended to this report.

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## 2.6 Corporate Estate / Accommodation

The pandemic saw instant / overnight changes to office requirements and commercial accommodation and a renewed reliance on technology. This is true for the Council too, and therefore provides an opportunity to holistically review land and property assets, Council owned across Team Oldham / public sector partners, to ensure that we can:

- ensure scrutiny of its own accommodation (in alignment with workforce reform and transformation) to ensure value for money and best utilisation for staff and services, especially as so many service now operate online or remotely;
- deliver against ambitions for energy efficiency;
- deliver against ambitions for public buildings to be carbon neutral;
- considers the views of Ward Members / Portfolio holders are considered as part of any proposal to declare an asset within the Council's Land & Property Portfolio as being surplus to the Council's operational requirements.

The Corporate Property Board (CPB) remains a new governance forum to support the strategic alignment and scrutiny of all property decisions / service activity going forward. The Board will comprise Directors of Finance, Legal and Economy, Deputy Chief Executive and Portfolio Holders for Covid Recovery, Finance and Corporate Services, and the Leader of the Council. A quorum of at least 3 members of the Board will be required to conduct business, including finance, economy and Member representation.

## 3.0 Investment Policy Changes

3.1 In November 2019, CIPFA published guidance titled 'Prudential Property Investment' which included a response to an increasing trend for authorities to purchase property solely to make an investment return. The CIPFA guidance explains the provisions in the Prudential Code that relate to the acquisition of properties intended to make investment returns and confirms their implications in the light of growing activity and the changes to statutory guidance.

3.2 On 16 December 2019, Cabinet approved the Council's Commercial Property Investment Strategy (CPIS). This updated the original strategy approved in December 2017 and took full account of the CIPFA guidance published the previous month. The 2019 strategy was broadened to allow the Council to pursue alternative investments in areas such as equity, debt financing and green technologies to support the ambitions of the Creating a Better Place strategic programme.

3.3 The national policy landscape changed significantly in March 2020 with the publication of a HM Treasury consultation setting out proposals for revising PWLB lending terms. The document was a direct response to the NAO's report regarding local authority investment in commercial property. The Government wishes to continue providing PWLB loans to support local authority investment in service delivery, regeneration, and housing, without impinging on the powers and freedoms that Councils use to deliver local services in innovative ways. However, they want to strongly discourage the acquisition of investment property primarily for rental income (referred to as 'debt for yield' activity).

3.4 Given the additional financial challenges associated with the covid-19 response, this change in financial policy highlighted the requirement to review the whole programme, the use of capital and by association the future revenue implications.

## 4.0 Review Principles

4.1 As stated earlier, the Council's ambition has not changed, however it is intended that the revised programme will support post-covid recovery while supporting the financial challenges that have significantly increased for both capital and revenue.

4.2 The principles applied to the programme are as follows:

- is the programme is able to respond to support the post-CV19 recovery plans,

- 
- is the use of public capital funds is still justified, and
  - are the original savings proposals at risk or could they be accelerated / enhanced to reduce the demands and pressures being considered on service baseline budget allocations.

4.3 The principles were considered and reviewed by the Corporate Property Board, the Community Wealth Building Board and PVFM Scrutiny Committee to help ensure all considerations were made and that the key parameters were being correctly reviewed and considered.

## **5.0 Review Findings**

### **5.1 Project Implications for those within Creating a Better Place Programme**

5.1.1 Following the application of the principles above to each project within the Creating a Better Place programme, Red (stop / cease / abort), Amber (review, defer, pause) or Green (accelerate / proceed as planned) status was applied. The results are contained within the confidential part b reports.

### **5.2 Financial Implications for Creating a Better Place**

5.2.1 In the report considered by Cabinet on 27 January 2020, the programme included £306m of priority schemes to support the delivery of the vision for the Creating a Better Place programme. When taking account of the wider capital strategy (approved by Council on 26 February 2020) including previously approved property schemes, the gross value of the programme rises to £375m.

5.2.2 The review of Creating a Better has reduced the value of the programme by c£100m.

5.2.3 The delivery profile for the revised savings target is heavily dependent on the profile for the design and delivery of the revised programme. As many schemes are in the early stages of development it is likely that savings will be delivered towards the end of the current Medium-Term Financial Planning period.

5.2.4 It is important to note that the revised savings estimates contained in this report are indicative at this stage. If the proposed approach contained in this report is approved, more detailed project specific information, feasibility and business case details will be presented as required.

5.2.5 As there are many interdependencies between the various themes and work programmes, decisions will need to be made holistically, in alignment with the Council's Medium-Term Financial Strategy and Capital Programme. More detailed project specific information, feasibility and business case details will be presented in due course to demonstrate the additional savings potential and viability.

## **6.0 Consultation**

6.1 Extensive consultation has taken place over the last 48 months through the development of the Greater Manchester Spatial Framework. More in-depth consultation and engagement has taken place on the Town Centre Vision (refresh), the Housing Strategy, and more recently the Locality Asset Review (linked with the One Public Estate work), these latter documents are now formally adopted.

6.2 Consultation and engagement work took place with stakeholders, partners, Council teams and services, elected members, public sector organisations and different voices from our local communities to help clearly define regeneration ambitions, and to ensure that a vision was in place that was alignment with national, regional and local strategic priorities.

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- 6.3 Portfolio Holders have been consulted on the findings, and both staff and elected members have been engaged throughout this process to allow ideas and suggestions to be fed into the review work.
- 6.4 Project consultation will take place at the applicable time in conjunction with standard practice for project development / planning application considerations.

## **7.0 Executive Summary of Appendix documents:**

‘Creating a Better Place’ strategic framework was approved in January 2020, before the Covid-19 (CV19) pandemic arrived in the UK. Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring that Oldham is a great place to visit with lots of family friendly and accessible places to go.

In light of the pandemic, the Council has had to respond with the provision of significant funding support to ensure the safety and welfare of Oldham’s local communities. This has resulted in a serious funding impact on the Council’s five-year financial plans, and therefore approval was obtained to review ‘Creating a Better Place’ to reconsider whether the programme was able to respond to support the post-CV19 recovery plans, whether the use of public capital funds was still justified, and whether the original savings proposals were at risk, or could be accelerated / enhanced in any way to reduce the demands and pressures being considered for directorate and services’ baseline budget allocations.

**This section of the report summarises the various documents appended to this report, some of which relate to designated “amber” projects which require a decision on progression.**

### **8.1 Appendix A: Creating a Better Place - Equality Impact Assessment (EIA)**

Creating a Better Place is Oldham Council’s vision and strategic framework which includes the Town Centre Vision, Housing Strategy 2019 and the updated Medium-Term Property Strategy. The overall impact of the strategy is assessed as a positive. Full EIA is appended to this report (Appendix A).

Whilst Creating a Better Place itself is inclusive and supports equality and good relations, it will be appropriate to undertake EIA’s on individual actions or projects, which are implemented to support the overall aims and objectives of the strategy.

The Housing Strategy delivery plan is managed and tracked including its impact through the Strategic Housing Partnership. Oldham’s Street Charter and links to the Town Centre Vision is managed and tracked by the Street Charter Working Group and Creating a Better Place project and board meetings.

### **8.2 Appendix B: Oldham Museum and Archive Project (OMA) Key decision ref: ES-11-20**

OMA has been in development for a number of years and was approved to go out to tender for construction just before the lockdown earlier this year.

This report sets out considerations for the progression of this high-profile scheme in light of the post-CV19 recovery, as it provides options for progressing proposed capital works and service delivery outcomes (revenue impact). Each option sets out service implications and opportunities, the capital and revenue assumptions, construction cost, risk, benefits and programme implications.



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The project was assessed against the principles of the Creating a Better programme review, and was originally within the 'red' cancel / stop category. However, due to the strategic ambition and public awareness, it was been escalated into the amber category for further consideration by Cabinet. Details for this project are appended in the Part B decision paper.

### 8.3 **Appendix C: Wrigley Head Solar Farm** **Key decision ref: FCS-05-20**

In terms of the Council's 2025 carbon neutrality target, Wrigley Head Solar Farm was being explored to help reduce the Council's carbon footprint. Obviously, the energy generated by the solar farm would constitute a greater proportion of the Council's electricity demand if the organisation successfully employs other measures such as energy efficiency programmes and buildings disposal / redevelopment – it was originally envisaged that there would be significant scope for this through the Creating A Better Place.

The project was assessed against the principles of the Creating a Better programme review, and was originally within the 'red' cancel / stop category. However, due to the strategic ambition and alignment with the Green New Deal, it was been escalated into the amber category for further consideration by Cabinet. Details for this project are appended in the Part B decision paper.

### 8.4 **Appendix D: Town Centre Vision Update**

These are unprecedented times and the full impact on Oldham Town Centre is not yet fully known, but the Covid-19 pandemic will mostly likely alter and possibly displace aspects of the town centre following further increases in online shopping behaviours. However, assumptions need to be made in relation to the challenges facing the town centre, especially in terms of visitor experience, night time economy, family friendly culture and connectivity between sites to help ensure the town centre vision supports a new wave of place-making and post-covid economic recovery.

The 'Creating a Better Place' review has provided opportunities to review additional brownfield sites in the town centre and across the borough to help bring forward opportunities for housing development. Simpson Haugh were commissioned to review a number of key Council owned sites with a view to considering additional housing capacity and density within the town centre boundaries.

The new vision for the town centre is appended in the Part B papers, which incorporates details about the proposals for green open space to complement a diverse housing offer that meets the needs of different sections of the population at different times in their lives with access to local services, shops, employment and skills/training centres.

### 8.5 **Appendix E: Town Centre Phase 3 Update** **Key Decision Ref: ES-10-20**

This report has been provided to seek approval to proceed with a key town centre project which will help support economic recovery and will enhance access to jobs, skills and services. Details for this project are appended in the Part B decision paper.

## 9.0 **Financial Comments**

9.1 Financial information is contained within the restricted reports appended to this report. (Andrew Moran)

## 10.0 **Legal Services Comments**

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- 10.1 All legal information is contained within the restricted reports appended to this report. (Rebecca Boyle)
- 11.0 Co-operative Agenda**
- 11.1 The revised programme, the new vision, direction and approach provides numerous opportunities to support the development of a Co-operative Borough both through how decisions are taken and the engagement of key partners, service providers and communities in this; and the creation of new opportunities for development that includes more co-operative businesses. (Jonathan Downes)
- 12.0 Human Resources Comments**
- 12.1 None identified at this time. (Adele Savage)
- 13.0 Risk Assessments**
- 13.1 All risk information is contained within the restricted reports appended. (Mark Stenston)
- 14.0 IT Implications**
- 14.1 None identified at this time. (Chris Petrie)
- 15.0 Property Implications and Health & Safety**
- 15.1 All property information is contained within the restricted reports appended. (Peter Wood)
- 16.0 Procurement Implications**
- 16.1 All procurement information is contained within the restricted reports appended to this report. (Dan Cheetham)
- 17.0 Environmental and Health & Safety Implications**
- 17.1 Creating a Better Place is an essential transformational element in achieving these environmental targets and wider economic regeneration objectives such as building the green economy. (Andrew Hunt)
- 18.0 Equality, community cohesion and crime implications**
- 18.1 There has been a detailed stage one Equality Impact Assessment completed for the Creating a Better Place programme. Colleagues in Policy have reviewed this document and have provided feedback. At the heart of the projects contained within this programme there is the desire to enhance to community cohesion and promote equality. (Sarah Whittle)
- 19.0 Equality Impact Assessment Completed?**
- 19.1 Appended to the restricted report. (Gail Aspinall)
- 20.0 Key Decision**
- 20.1 Yes
- 21.0 Key Decision Reference (for Creating a Better Place)**
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**APPENDICES**

- A: Equality Impact Assessment
- B: Part B - OMA
- C: Part B - Wrigley Head Solar Farm
- D: Part B - Town Centre Vision Update
- E: Part B - Town Centre Phase 3 Update





**Report to COUNCIL**

## **Statement of Community Involvement 2020**

**Portfolio Holder:** Councillor Roberts, Cabinet Member for Housing

**SRO:** Helen Lockwood, Deputy Chief Executive – People and Place

**Officer Contact:** Emma Barton, Director of Economy

**Report Author:** Georgina Brownridge, Strategic Planning, Ext. 1670

**Date: 9 September 2020**

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### **Reason for Decision**

To adopt the Statement of Community Involvement (SCI).

The SCI sets out how Oldham Council will involve the community in the preparation and the revision of planning policy such as the Local Plan, together with the consideration of planning applications.

### **Recommendations**

To adopt the SCI and make it available to view alongside the Equality Impact Assessment (EIA).

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## Statement of Community Involvement

### 1 Background

- 1.1 The Planning and Compulsory Purchase Act 2004 requires local planning authorities to prepare a Statement of Community Involvement (SCI). Oldham Council first adopted its SCI in April 2007. The SCI document identifies how the council will involve the community in the consideration of planning applications, the preparation and revision of the Local Plan, the preparation of Greater Manchester's Plan for Homes, Jobs, and the Environment – the Greater Manchester Spatial Framework (GMSF); and it also sets out policies for giving advice or assistance on neighbourhood planning.
- 1.2 Since the SCI was reviewed and adopted in 2019, the planning department have been deploying new ways of working, new systems and processes to work towards a more efficient and customer focused service. It was considered necessary to update the SCI to introduce proposals, which include to:
- make clear that statutory consultees, councillors and Oldham Partnership receive an email or letter with details of strategic planning consultations rather than an electronic copy of the documents;
  - publicise planning applications by site notices and / or neighbour notification letters, removing the requirement to do both, where it is not deemed necessary;
  - remove copies of planning applications being available in paper files. Planning applications will be available online. This reduces time spent by officers creating paper files;
  - publish individual comments anonymously, however, names and addresses of respondents cannot be treated as confidential and are available for public inspection without exception. Representations are kept on file with the application and form part of the public record, which must be presented upon request; and
  - make submitting representations on planning applications to online only. This is to reduce the time spent by officers scanning and saving representations to ensure that planning applications can be handled efficiently.
- 1.3 The SCI has also been updated to reflect The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 to allow Local Plan consultations and development management decisions to continue to progress during the Coronavirus pandemic.
- 1.7 This decision links to the Corporate Plan as the SCI seeks to promote working with a resident focus through encouraging residents and other stakeholders to be engaged in the planning process. The SCI sets out what methods we will use to engage with people, how people can comment and get involved in the planning process and the result is a Local Plan / planning decisions that have been influenced co-operatively.

### 2 Current Position

- 2.1 The updated SCI (Appendix 1) and supporting Equalities Impact Assessment (Appendix 2) now need to be adopted at Full Council as it is a Local Development Document. This then needs to be made available on the council's website and publicised. It will be made available Oldham Library, with additional copies being made available in other libraries and / or Access Oldham when they are open to the public again.

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### 3 **Options/Alternatives**

- 3.1 Option 1 – Adopt the SCI and make it available to view alongside the EIA. The advantage of this option is that the SCI will provide certainty to residents, developers and other key groups and organisations as to the consultation methods the council will use. It will also allow us to progress the Local Plan whilst coronavirus is restricting consultation methods normally used. In addition, it will also ensure that planning consultations are carried out in accordance with the most up to date legislation and guidance. There are no disadvantages to this option.
- 3.2 Option 2 – Not to adopt the SCI and make it available to view alongside the EIA. There are no advantages to this option. The disadvantages will be that consultation cannot commence on the GMSF and the Local Plan review because not all minimum consultation methods can currently be met whilst coronavirus is restricting public places from being open. In addition, changes will not be made in the SCI to allow development management processes to be more efficient.

### 4 **Preferred Option**

- 4.1 Option 1 – Adopt the SCI and make it available to view alongside the EIA. The advantage of this option is that the SCI will provide certainty to residents, developers and other key groups and organisations as to the consultation methods the council will use. It will also allow us to progress the Local Plan whilst coronavirus is restricting consultation methods normally used. In addition, it will also ensure that planning consultations are carried out in accordance with the most up to date legislation and guidance. There are no disadvantages to this option.

### 5 **Consultation**

- 5.1 Public consultation is not required on the SCI, however the amendments and updates have been developed in consultation with the Portfolio Holder and Overview and Scrutiny Committee.

### 6 **Financial Implications**

- 6.1 Adopting the SCI in line with Regulation 35 will involve making the documents available on the council's website and publishing an adoption statement in a local newspaper. Therefore, the decision will result in no major financial implications. The service will incur small costs for publication and notifying people on the Local Plan mailing list. This is expected to be between £600 - £1000 and will be met from within the existing Strategic Planning and Information revenue budget. (Jamie Kelly)

### 7 **Legal Services Comments**

- 7.1 The SCI is a local development document. Section 23 of the Planning and Compulsory Purchase Act 2004 deals with the adoption of local development documents and it states at section 23(5) that a document is adopted for the purposes of the section if it is adopted by resolution of the authority i.e. by full Council. (Alan Evans)

### 8. **Co-operative Agenda**

- 8.1 The draft SCI links to the Corporate Plan and co-operative agenda as it seeks to promote working with a resident focus through encouraging residents and other stakeholders to be engaged in the planning process. The SCI sets out what methods we will use to engage

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with people, how people can comment and get involved in the planning process and the result is a Local Plan / planning decisions that have been influenced co-operatively.

**9. Communications comments**

9.1 The communications of any changes which could affect the existing processes for residents should be considered. For example: “make submitting representations to planning applications to online only.”

9.2 This could be publicised through communications such as press releases, dedicated copy on web pages and council social media channels as necessary.

9.3 Communications can also support with publicising the updated SCI via the above methods to further underpin Oldham Council’s commitment to working with a resident focus. (Jessica Beckett)

**10 Human Resources Comments**

10.1 N/A.

**11 Risk Assessments**

11.1 N/A (Mark Stenson)

**12 IT Implications**

12.1 None

**13 Property Implications**

13.1 None.

**14 Procurement Implications**

14.1 N/A

**15 Environmental and Health & Safety Implications**

15.1 The Local Plan is a land use plan and may have environmental impacts, but the SCI, as the document which will set out how the council will involve the community in planning, has no implications.

**16 Equality, community cohesion and crime implications**

16.1 The SCI vision is that “through a co-operative approach we will enable, empower and encourage all residents and stakeholders of the borough to actively participate in the planning process to help achieve our corporate outcome of engaging and resilient communities”. This can only have a positive effect on all residents and stakeholders.

**17 Equality Impact Assessment Completed?**

17.1 Yes

**18 Key Decision**

18.1 Yes

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19      **Key Decision Reference**

19.1    HSG-03-20

20      **Background Papers**

20.1    The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Name of File: Statement of Community Involvement 2020  
Records held in Strategic Planning, Room 310, Level 3, Civic Centre  
Officer Name: Georgina Brownridge  
Contact No: 1670

21      **Appendices**

Appendix 1: Statement of Community Involvement 2020

Appendix 2: Equality Impact Assessment

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**Oldham**

**Local**

**Plan**

**Statement of Community  
Involvement 2020**

**September 2020**



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## Statement of Community Involvement

The council's vision for the Statement of Community Involvement (SCI) is that "through a co-operative approach we will enable, empower and encourage all residents and stakeholders of the borough to actively participate in the planning process to help achieve our corporate outcome of engaging and resilient communities".

If you would like further help in interpreting the SCI please contact planning on the following telephone number: 0161 770 4105.

You can also email the team at [spi@oldham.gov.uk](mailto:spi@oldham.gov.uk). During coronavirus restrictions please make use of email contact as much as possible.

All documents connected with the Local Plan and the SCI are available on the council's [web site](#).

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## 1 Introduction

- 1.1** The Planning and Compulsory Purchase Act 2004 requires Local Planning Authorities (LPAs) to prepare a Statement of Community Involvement (SCI). Oldham Council first adopted its SCI in April 2007. The SCI document identifies how the council will involve the community in the consideration of planning applications, the preparation and revision of the Local Plan, the preparation of Greater Manchester's Plan for Homes, Jobs and the Environment - the Greater Manchester Spatial Framework (GMSF); and it also sets out policies for giving advice or assistance on neighbourhood planning.
- 1.2** Since the SCI was reviewed and adopted in 2019, the planning department have been deploying new ways of working, new systems and processes to work towards a more efficient and customer focussed service. This has been reflected in section 8 of this revised SCI.
- 1.3** The SCI has also been updated so that Local Plan progress and Development Management decisions can take place under coronavirus restrictions as set out in The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. In such circumstances online methods of communication will be the predominant form of consultation and the council may seek opportunities to make use of representatives that can represent a community or sector, where appropriate.

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## 2 The Planning System and Community Involvement

- 2.1** A key part of the Local Plan is the SCI, which sets out how the council will involve the community in the preparation and revision of the Local Plan, the GMSF and the consideration of planning applications.
- 2.2** This SCI defines ‘community’ as all stakeholders with an interest in the future development of the borough, which includes the general public, elected members, community and interest groups, organisations, businesses, land owners, developers, consultants and statutory consultees.
- 2.3** The SCI outlines the techniques that may be used to engage the community at the various stages of preparation of Development Plan Documents (DPDs), Neighbourhood Development Plans (NDPs), Supplementary Planning Documents (SPDs) and Sustainability Appraisal / Strategic Environmental Assessment (SA / SEA) (referred to as the 'Integrated Assessment') (Section 4).
- 2.4** Opportunities for community involvement on planning applications are outlined in Section 8.
- 2.5** The SCI was first adopted as council policy in April 2007 after an independent examination and public consultation. It was then reviewed in 2010, 2016 and 2019 in light of revised Regulations and Guidance and the commencement of the GMSF.
- 2.6** The SCI has been updated again to introduce measures to ensure a more efficient planning service in relation to the determination of planning applications. It has also been updated to ensure that work on the GMSF, Local Plan and Development Management case load can still progress under coronavirus restrictions, for example removing the requirement to make documents available in libraries.
- 2.7** All DPDs, NDPs (relevant stages) and SPDs that are prepared will have to take account of and comply with the SCI. A ‘Statement’ will have to be published for each DPD, showing how it meets the requirements outlined in the SCI when it is submitted to the Secretary of State. All planning applications that are determined by the council must meet the requirements outlined in this SCI.
- 2.8** This SCI has taken account of the following Government legislation and guidance:
- a. The Planning and Compulsory Purchase Act 2004;
  - b. The Localism Act 2011;
  - c. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended);
  - d. The Town and Country Planning (Development Management Procedure) (England) Order 2015;
  - e. Neighbourhood Planning Act 2017;

- 
- f. National Planning Policy Framework and Guidance (2019); and
  - g. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

**2.9** The SCI covers the whole borough except that part which falls within the Peak District National Park.

## 3 The Council and Community Involvement

### OUR AMBITION FOR THE BOROUGH

- 3.1** The Local Plan is closely related to the strategies that outline the long-term ambition for the borough and the council, which are set out below.

### THE OLDHAM PLAN

- 3.2** The Oldham Plan is a collective action statement for Oldham developed and agreed by the Oldham Partnership. It sets out how we can all best serve the place we love and help its people, districts and businesses thrive. The Plan's ambition is *'To be a productive and cooperative place with healthy, aspirational and sustainable communities'*.



- 3.3** The model to deliver this ambition is based around three fundamental shifts:
1. **Inclusive Economy:** Our vision is for Oldham to become Greater Manchester's Inclusive Economy capital by making significant progress in living standards, wages and skills for everyone.
  2. **Co-operative Services:** Our vision is to collaborate, integrate and innovate to improve outcomes for residents and create the most effective and seamless services in Greater Manchester.
  3. **Thriving Communities:** Our vision is for people and communities to have the power to be healthy, happy and able to make positive choice's and both offer and access insightful and responsive support when required.
- 3.4** These shifts are complemented and supported by a focus on two key enablers - public service reform and empowering people and communities.
- 3.5** It is imperative that the Local Plan is shaped for the place, people, districts and businesses. By aligning the Local Plan to the Oldham Plan ambitions, we can ensure that it does its bit to enable and support the achievement of these shifts.

## THE CORPORATE PLAN

- 3.6** The Corporate Plan is part of a wider family of strategies which outline how the council will achieve our co-operative ambition for the borough. The Corporate Plan outlines how the council contributes to the Oldham Plan. The corporate ambition '*To deliver a co-operative future where everyone does their bit to create a confident and ambitious borough*' complements the intention in the Oldham Plan to 'build on our co-operative approach' and 'create a borough where everyone does their bit and everyone benefits'.
- 3.7** The vision is underpinned by three corporate objectives as shown in the image below:



- 3.8** The Local Plan is critical to the achievement of these objectives for the borough, particularly in terms of creating a inclusive economy where people and enterprise thrive and enabling thriving communities.
- 3.9** The council is currently preparing the Team Oldham Plan (the new corporate plan) and the revised Local Plan will take this into consideration.

## OUR VALUES

- 3.10** The Corporate Plan outlines a clear set of values that show how we will do business. We share these borough-wide values with our residents, partners and businesses:





## Our values

To help make this ambition a reality we have developed Co-operative Values. We will encourage our staff, citizens and partners to adopt these values in everything they do:

### Fairness

We will champion fairness and equality of opportunity, and ensure working together brings mutual benefits and the greatest possible added value. We will enable everyone to be involved

### Openness

We will be open and honest in our actions and communications. We will take decisions in a transparent way and at the most local level possible.

### Responsibility

We take responsibility for, and answer to our actions. We will encourage people to take responsibility for themselves and their actions. Mutual benefits go hand-in-hand with mutual obligations.

### Working together

We will work together and support each other in achieving common goals, making sure the environment is in place for self-help.

### Accountability

We recognise and act upon the impact of our actions on others, and hold ourselves accountable to our stakeholders.

### Respect

We recognise and welcome different views and treat each other with dignity and respect.

### Democracy

We believe and act within the principles of democracy, and promote these across the borough.

**3.11** Our approach to community involvement should genuinely embody these values. In terms of community involvement we are particularly keen to promote working with a resident focus through the #ourbit #yourbit #result ethos. The SCI sets out how we will engage communities in the preparation of the Local Plan. For example, residents can get engaged through providing comments and feedback as the Local Plan is prepared and the result will be a Local Plan for the future growth of Oldham that has been prepared together.

**#ourbit**  
**#yourbit**  
**#result**

**Oldham Council**

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#ourbit	#yourbit	#result
What Oldham Council is doing or contributing to help improve something	How local people, businesses, partners and residents are helping to make change happen	How we are all benefiting from working together to improve Oldham

**CUSTOMER CHARTER**

**3.12** Oldham Council also has a customer charter which sets out our promise to make customer care central to the way we do business. The planning service is part of this promise. Please note that under coronavirus restrictions face to face appointments may not be available.

## **Customer Charter**

### **We will:**

- Make our services easy to use and give you choices where possible.
- Be honest, approachable, professional and polite and always put you first.
- Treat you with dignity, respect and let you know how long it will take to deal with your query.
- Deal with your enquiry straight away where possible or make you an appointment with a person who can help.
- Apologise if things go wrong and do our best to put things right quickly.
- Use your views to help us make improvements to services, give good service and provide value for money.

### **Help us by:**

- Giving us all the information we need to help you.
- Letting us know if you have any special needs.
- Telling us how we can improve our services.
- Asking us to explain anything you're not sure of.

## **Our Customer Service Standards**

### **When dealing with you in person we will:**

- Provide easy access to all our public buildings.
- Keep waiting times to a minimum and aim to see you within 5 minutes.
- See you at the time agreed for appointments.
- If you do not have an appointment we will see you within 30 minutes of your arrival.

### **When dealing with you by phone we will:**

- Aim to answer your call within 20 seconds and deal with your enquiry at that point, wherever possible.
- Welcome you and give you our name.
- When dealing with emails sent to service email addresses we will acknowledge the receipt of your email within 24 hours.

- Provide a full response to your enquiry within 5 working days.
- Give the contact details of the person replying to your enquiry.

**When dealing with emails sent to named officers we will:**

- Provide a full response to your enquiry within 10 working days.
- Give the contact details of the person replying to your enquiry.

**When you write to us we will:**

- Acknowledge that we've received your letter within 5 working days. Provide a full response to your enquiry within 10 working days.
- Give the contact details of the person replying to your enquiry.

**If you have a complaint we will:**

- Acknowledge that we've received your complaint within 5 working days.
- Fully investigate your complaint and provide you with a response within 15 days.
- Give the contact details of the person replying to your enquiry.

Information about complaints and feedback to the council can be found on the council's [website](#)

## THE LOCAL PLAN AND THE OLDHAM PARTNERSHIP

- 3.13** The Oldham Partnership brings together proactive and engaged public, private, voluntary and community organisations in Oldham. All of these partners share the common vision 'to make Oldham a place of ambition' and are committed to working with each other and with the people of Oldham to create a productive place with healthy, aspirational and sustainable communities. It is more than a partnership of organisations but a body which is responsible for leading and championing Oldham, not just at the borough level but at the city region and beyond.
- 3.14** The Oldham Leadership Board is the governing body of the Oldham Partnership. It comprises of public sector chief executives, key elected members, business and community and voluntary sector leaders.
- 3.15** The Oldham Partnership will be used as a mechanism to engage with key stakeholders as part of the consultation process for the Local Plan.

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**3.16** In developing the Local Plan, the council will endeavour to undertake, where appropriate, joint working with organisations represented on the Oldham Partnership, so as to maximise resources and reduce consultation fatigue. The Oldham Partnership has a proven track record in engaging stakeholders and members of the community on a range of social, economic and environmental issues facing local communities.

### **COMMUNITY FORUMS**

**3.17** The Councillors in each District hold a regular series of Community Forums, aimed at engaging with local people on the issues that matter to them. These forums take different formats, depending on the needs of each particular neighbourhood, and the issues under discussion.

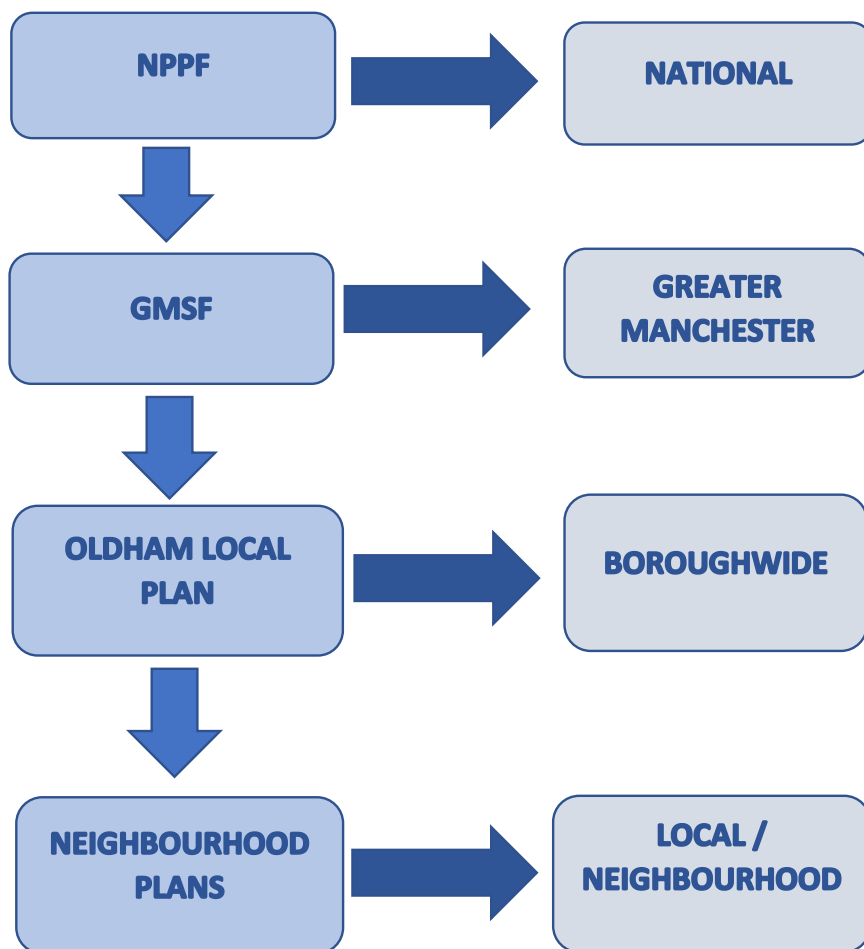
**3.18** In developing the Local Plan, the Council will seek (where possible) to utilise these community forums as a mechanism to engage residents across the Borough, and will seek the advice of Elected Members and District teams as to the appropriate way in which to do this, so that the discussion is as relevant as possible to the area in question.

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## 4 Community Involvement and the Local Plan

### WHAT PLANNING POLICY DOCUMENTS ARE THERE?

- 4.1 There are two types of Local Plan documents and depending on the type of document these may form part of the Local Plan or provide additional guidance for implementing policies. The two types of Local Plan documents are:
- 4.2 **Development Plan Documents (DPDs)**, which include documents relating to the development and use of land and which contain the statutory planning policies which guide future development. DPDs form part of the Local Plan. The DPDs we have in place in Oldham are the Joint Core Strategy and Development Management Policies DPD (including some saved Unitary Development Plan policies) (the 'Joint DPD'), Greater Manchester Joint Waste DPD and the Greater Manchester Joint Minerals DPD. DPDs must be in conformity with NPPF.
- 4.3 Oldham Council is currently working on the GMSF, which is a Joint DPD, and will form part of the Local Plan for the borough. The Local Plan is also being reviewed which will form a complementary part of the GMSF and will provide additional policy direction for Oldham.
- 4.4 **Supplementary Planning Documents (SPDs)**, which provide greater detail on the policies and proposals in DPDs. SPDs are not part of the Local Plan but support Local Plan policies and are a material consideration in planning decisions.
- 4.5 In addition, the Localism Act introduced **Neighbourhood Plans**. Further information on Neighbourhood Plans can be found at paragraphs 4.29 - 4.40.
- 4.6 A diagram of the different tiers of plans is shown below.



#### 4.7 Other documents include:

- Oldham's **Local Development Scheme (LDS)** is the project plan for the Local Plan and sets out details of the planning documents to be prepared and their timescales. This involves timescales for the various stages of plan preparation, including at the early stages of plan making. This early engagement with the community is an important part of the Local Plan. Methods of how we would engage the community are set out in Table 1. The latest [LDS](#) is published on the council's website.
- Oldham's **Monitoring Report** is the main mechanism for assessing the Local Plan's performance and effects. It reports on housing delivery, amongst other policy areas, duty to co-operate and whether the council is meeting key milestones as set out in the LDS.
- **Community Infrastructure Levy (CIL)** is a charge that is levied on new development floorspace and is intended to contribute towards the provision of infrastructure. There are two main stages of statutory consultation: Preliminary

Draft Charging Schedule and the Draft Charging Schedule. Oldham Council consulted on a Preliminary Draft Charging Schedule early 2014. However progress on CIL has been put on hold until the GMSF and Oldham Local Plan review have progressed.

## **DEVELOPMENT PLAN DOCUMENTS - THE PROCESS**

- 4.8** There are four stages in the preparation of DPDs - Preparation, Publication, Examination and Adoption. These stages are set out by The Town and Country (Local Planning) (England) Regulations 2012 (as amended).
- 4.9** Preparation – This preliminary stage involves the gathering of baseline information to assist preparation of the Development Plan Document, evidence base gathering and early engagement with relevant consultation bodies (Regulation 18). This stage includes the drafting of the DPD and supporting documents and it includes various stages of consultation to engage the community.
- 4.10** Publication– The council will then prepare a Publication/Submission DPD and Final Integrated Assessment Report. It will then be published for consultation along with a statement of representations for at least 6 weeks (Regulation 19). Comments will be invited before it is submitted to the Secretary of State.
- 4.11** Examination – The Publication / Submission DPD will be subject to Independent Examination by a Planning Inspector who will test its “soundness” (Regulation 24).
- 4.12** Adoption – The Inspector will produce a report that will be binding upon the council should the council adopt the plan. The Inspector’s report will be published. Any recommended changes would have to be incorporated into the DPD before the council formally adopts and publishes it (Regulation 26).

## **SUPPLEMENTARY PLANNING DOCUMENTS - THE PROCESS**

- 4.13** The Town and Country (Local Planning) (England) Regulations 2012 (as amended) sets out the stages for preparation of a SPD.
- 4.14** This includes a statutory period of at least four weeks for public consultation on a SPD (Regulation 12), however, the council will normally consult for a minimum of 6 weeks. The community can then make representations on the SPD (Regulation 13).
- 4.15** The council will consider those representations and prepare a statement setting out who was consulted, the main issues raised and how those issues have been addressed (Regulation 12).
- 4.16** The council will adopt the final SPD and make the SPD and its adoption statement available to view and send the adoption statement to anyone that asked to be notified of the SPD adoption (Regulation 14).



## SUSTAINABILITY APPRAISAL AND STRATEGIC ENVIRONMENTAL ASSESSMENT - THE PROCESS

- 4.17** A key aim of national planning policy is the delivery of sustainable development. The government's definition of sustainable development is set out in the NPPF. The NPPF states the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs.
- 4.18** The planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across the different objectives):
1. an economic objective - to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;
  2. a social objective - to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
  3. an environmental objective - to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change, including moving to a low carbon economy.
- 4.19** Under the Planning and Compulsory Purchase Act 2004, a Sustainability Appraisal (SA) is mandatory for a DPD. The role of the SA is to promote sustainable development through assessing the emerging DPD against economic, environmental and social objectives.
- 4.20** The council is also required to carry out a Strategic Environmental Assessment (SEA) under the European Directive 2001/42/EC and the Environmental Assessment of Plans and Programmes Regulations 2004. This assesses the likely significant effects on the environment.
- 4.21** For both the GMSF and the Oldham Local Plan review the requirements of the SA and SEA will be met and published in an 'Integrated Assessment' (IA). In recognition that there will be linkages across the various assessments that the council is required to carry out, the IA will also incorporate the following:
- Equalities Impact Assessment (EIA), required by the Equality Act (2011). An EIA will help to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people, considering protected characteristics, such as age and disability for example;

- Health Impact Assessment (HIA), recommended by the Department of Health. A HIA assesses the potential effects of the DPD on the health of the borough's population; and
- the findings from the Habitats Regulations Assessment (HRA), which is required by the Habitats Directive (2007). This ensures the protection of the integrity of European protected sites (in Oldham this is the Rochdale Canal and the South Pennine Moors).

**4.22** A SA is not required for SPDs, however the council must determine whether a Strategic Environmental Assessment (SEA) is required.

**4.23** There are several opportunities for community involvement during the stages of the IA of DPDs. These are explained below.

**4.24** Pre-production - The council will carry out evidence gathering at this stage. This may involve engaging with key stakeholders, particularly statutory bodies, to establish relevant policies, plans and programmes and collecting baseline information.

**4.25** Consulting on the Scope of the IA - The council is required to consult the following three consultation bodies (or any successor bodies) on the scope and level of detail in the IA Scoping Report for five weeks:

- Historic England;
- Natural England; and the
- Environment Agency.

**4.26** The council may also consult other organisations and people in the community to inform this preliminary stage of plan making, however the IA will tend to be targeted at key stakeholders depending on the subject being covered by the DPD or SPD as it is a technical document.

**4.27** Preparation - During the preparation of the DPD and IA, an opportunity for community involvement will also be available. This will be during the development of the DPD options and refinement of the plan. The options are essentially the approaches that the DPD could take.

**4.28** Publication - The final opportunity for community involvement for the IA is the formal consultation period. For DPDs this is during the publication of the document before it is examined by a Planning Inspector.

## **NEIGHBOURHOOD PLANS**

**4.29** The Localism Act introduced the ability for a relevant body (a relevant body means a parish council or an organisation or body which is capable of being designated as a neighbourhood forum) to prepare a Neighbourhood Plan. Neighbourhood Plans, when adopted, form part of the Local Plan.

- 4.30** Neighbourhood Plans should support the delivery of strategic policies contained in Local Plans or spatial development strategies and should shape and direct development that is outside of these strategic policies. Neighbourhood Plans are assessed through an independent examination before going to a local referendum.
- 4.31** If a Neighbourhood Plan is approved at referendum then it immediately becomes part of the development plan and planning applications within the Neighbourhood Area would be assessed against it. Relevant bodies can also produce Neighbourhood Development Orders and Community Right to Build Orders.
- 4.32** It is the role of the relevant body to prepare and consult the community on the preparation of the Neighbourhood Plan as they see most appropriate up to 'Pre-submission publicity & consultation' stage, where at this stage the regulations set out how the relevant body must consult the community. However, Oldham Council has a role to advise and assist on the preparation of a Neighbourhood Plan and also has a role at key statutory stages.
- 4.33** Where a Neighbourhood Plan covers another Local Planning Authority, such as the Peak District National Park, a lead authority will be agreed to manage the process, however both authorities will ensure that statutory stages are met.
- 4.34** Oldham Council's role in relation to Neighbourhood Planning is set out in detail in our [Neighbourhood Planning Policy Statement](#).
- 4.35** Oldham Council may meet with the neighbourhood group before an application is made to designate a neighbourhood area or forum. Once a neighbourhood area is designated the council would help during the preparation stage of a neighbourhood plan / order through measures such as:
- Providing advice on requirements for neighbourhood planning;
  - Providing available relevant evidence;
  - Providing the strategic policies in the Local Plan and emerging GMSF / Local Plan review;
  - Signposting to useful websites and resources;
  - Providing constructive comments on the draft neighbourhood plan / order and supporting documents; and
  - Being available for engagement with the neighbourhood group, including participation in meetings and consultation, where appropriate.
- 4.36** Oldham Council have responsibility for engaging the community at the following stages of Neighbourhood Planning:
- Publicising an area / neighbourhood forum application;
  - Publicising a designation of a neighbourhood area / forum;
  - Publicising a plan / order. This would include notifying any consultation bodies referred to in the consultation statement submitted by the relevant body;

- Organising an independent examination;
- Publicising the independent examiners report and plan proposal decisions;
- Organising a public referendum for the neighbourhood area; and
- Publicising the adopted neighbourhood development plan / order.

**4.37** The basic process for preparing a Neighbourhood Plan or Neighbourhood Development Order is:

#### **Neighbourhood Plan basic process**

1. A relevant body state they wish to produce a Neighbourhood Plan or Neighbourhood Development Order. Oldham Council provides advice and assistance on the designation and preparation process.
2. The relevant body submits a draft Neighbourhood Plan or Neighbourhood Development Order to Oldham Council to determine conformity.
3. Oldham Council publicises the Neighbourhood Plan or Neighbourhood Development order.
4. Independent examination organised by Oldham Council.
5. Independent Examiner's report recommends the draft Plan or Order is submitted to referendum; or modifications need to be made and agreed by both sides then submitted to referendum; or the plan or order is refused.
6. Referendum organised by Oldham Council.
7. If more than 50% of those voting agree, Oldham Council must start using the Neighbourhood Plan or Order as part of the Local Plan immediately for the area and adopt the Plan or Order formally.

**4.38** Where Oldham Council is required to carry out consultation on a Neighbourhood Plan this will be in line with The Neighbourhood Planning (General) Regulations 2012 (as amended). This includes:

- publicising on the council's website and other ways <sup>(1)</sup> to bring the neighbourhood plan document to the attention of people who live, work or carry on business in the area; and
- notifying consultation bodies referred to in the consultation statement submitted by the relevant body that the plan proposal has been received.

1 'other ways' will make use of the methods shown in Table 1 as appropriate

**4.39** The timetable for a Neighbourhood Plan and public consultation stages is determined by the relevant body.

**4.40** It is likely that a Service Level Agreement between the relevant body and Oldham Council (and adjoining Local Planning Authorities where appropriate) would be prepared to establish the level of assistance provided, as recommended by the Planning Advisory Service.

## **TALKING TO PEOPLE**

**4.41** The diverse population of the borough have differing needs that need to be considered when engaging in any consultation exercise. It is recognised that many people and groups that are known about in the borough are marginalised in the planning process. The council's aspiration, as set out in the SCI vision, is that "through a co-operative approach we will enable, empower and encourage all residents and stakeholders of the borough to actively participate in the planning process to help achieve our corporate outcome of safe, strong and sustainable communities". The planning system also places emphasis on community involvement that works to engage with all groups and individuals including those that may not have traditionally been engaged within the planning processes.

**4.42** This SCI defines these groups or characteristics, as:

- a. Disabled people;
- b. Particular ethnic groups;
- c. Men or women;
- d. People of particular sexual orientation/s;
- e. People in a Marriage or Civil Partnership;
- f. People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment;
- g. People on low incomes;
- h. People in particular age groups;
- i. Groups with particular faiths and beliefs; and
- j. Other groups that may be affected e.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex members of the armed forces.

**4.43** Engaging with all communities including those sections of the community that have not traditionally participated in the planning process will ensure that the widest range of views are taken into consideration when forming the Local Plan. The council will arrange for the Local Plan documents to be made available in alternative formats (such

as large print, electronically, minority ethnic community languages etc), where appropriate, in order to facilitate understanding of the Local Plan, if requested and resources permitting.

**4.44** The council will also comply with appropriate equality legislation when preparing the Local Plan and an Equalities Impact Assessment (EIA) will be undertaken alongside production of this SCI.

**4.45** Equalities Impact Assessments (EIA) will be undertaken for DPDs and SPDs.

## **REPRESENTATIONS ON LOCAL PLAN DOCUMENTS - ENGAGING COMMUNITIES ON THE PRELIMINARY STAGES OF PLAN MAKING**

**4.46** There will be different stages for community involvement in the preparation of Local Plan documents. Representations on a Local Plan document can be made during its preparation stage (Regulation 18).

**4.47** The council will encourage `frontloading` consultation, which means that potential participants are to be encouraged to engage as early as possible in the preparation process. This early stage under Regulation 18 will, where appropriate, aim to make more use of consultation methods such as focus groups, social media etc as outlined in Table 1 to attract a wider and more diverse audience to participate in the Local Plan process. By carrying out methods such as focus groups it is hoped that we can draw out issues from people not traditionally involved in the planning process so that the Local Plan reflects Oldham's diverse communities.

**4.48** It is also important that statutory consultees, internal colleagues and other stakeholders are engaged early on in the process to help scope out the baseline information on the borough such as physical, economic, social and environmental characteristics, demographics and infrastructure capacity. Much of this will be collected during the Scoping Report of the Integrated Assessment, however it is important that information is kept up to date throughout the Local Plan preparation.

**4.49** The council will also aim, where appropriate, to publish evidence that is prepared for the Local Plan review as it becomes available so that communities can view this early on in the plan making process to give greater understanding of the background and justification to the Local Plan as it emerges. The council will also share available evidence with community groups preparing Neighbourhood Plans as soon as it is available.

**4.50** The council will ensure that communities are able to view the LDS on the council's website at all times to be kept informed about which planning documents are being prepared and their timescales. When the LDS is updated a new version will become available. The council reports our progress against the LDS project plan in the Monitoring Report published each year.

## **REPRESENTATIONS AT PUBLICATION STAGE**

**4.51** At publication stage (Regulation 19) representations must be based on whether the plan is considered:

- Legally compliant;

- Sound - that it is positively prepared, justified, effective and consistent with national policy <sup>(2)</sup>; and
- Complies with the Duty to Co-operate.

**4.52** Representations made at publication stage will be considered by the Inspector during the public examination of the Local Plan. If representations seek changes to the DPD, they should specify the changes being sought to inform the Inspector.

**4.53** Any representations made may be considered by the Inspector by way of written representations, although individuals may exercise their right to attend the examination and be heard.

## HOW TO COMMENT

**4.54** All formal Local Plan consultation documents can now be viewed and comments submitted interactively online during the consultation period via Objective Consultation Portal which respondents will be encouraged to use. To access Objective, please register online at <https://oldham-consult.objective.co.uk/portal>. The council may also prepare official comment forms for the public participation stages of DPDs. The comment forms will be available in both paper format at all formal deposit points and on the council's website, where used. Comments will also be accepted by email and letter (see Appendix 3 for contact details).

**4.55** Details of the public consultation, including the document name, consultation dates and detail on how to respond are set out during consultations in the Statement of Availability (Public Notice), and in the email or letter to individuals and organisations on the Local Plan Mailing List. Details are also set out on the council's website.

### Example

Annie Mills notices a public notice about a Local Plan consultation. Annie takes note of the deadline for comments and the consultation website.

She has a look through the document online and notices that it identifies a site near her home address. Annie registers herself as a user on the council's consultation portal and submits comments to say what type of development she would prefer the site to be developed for.

Annie knows that she will now receive further Local Plan messages and will find out more about the Local Plan as it is prepared.

## WHO TO CONSULT

**4.56** The Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), outline the types of 'specific', 'general' and 'other' consultation bodies that should be consulted on the Local Plan.

<sup>2</sup> [www.gov.uk/government/publications/national-planning-policy-framework](http://www.gov.uk/government/publications/national-planning-policy-framework)



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**4.57** This SCI does not identify all the separate agencies, organisations or individuals that the council will consult during the plan-making process. It does, however, provide guidance on the type of stakeholders that the council will consult. Appendix 1 lists the types of specific, general and Duty to Cooperate bodies that will be consulted, where appropriate. The specific consultation bodies include the borough's two parish councils – Saddleworth and Shaw & Crompton - who will be consulted at all formal consultation stages during the preparation of the Local Plan.

## **LOCAL PLAN MAILING LIST**

**4.58** The council has established a mailing list containing details of the specific, general and other consultation bodies and Government Departments specified in the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) that will be consulted on the Local Plan (See Appendix 1 for details of the consultation bodies.)

**4.59** The mailing list also contains details of individuals and organisations that have specifically requested to be kept informed about preparation of the Local Plan.

**4.60** Anyone can register on our online consultation portal at <http://oldham-consult.limehouse.co.uk/portal/oc/planning/spi/>

**4.61** Anyone can be added to, or removed from, the Local Plan mailing list at any time by contacting the council's Strategic Planning and Information section (See Appendix 3 for contact details).

## **DATA PROTECTION**

**4.62** Information on the collection of personal data and privacy is available via the following link [https://www.oldham.gov.uk/info/200148/data\\_protection\\_and\\_freedom\\_of\\_information](https://www.oldham.gov.uk/info/200148/data_protection_and_freedom_of_information)

**4.63** The Strategic Planning and Information Privacy Notice and the Development Management Service Privacy Notice can be found via the above link.

## **CONSULTATION METHODS AND THE LOCAL PLAN**

**4.64** There are a range of consultation methods that the council could use to engage the community in the preparation of the Local Plan. However, it has to be recognised that different consultation methods may be better suited to engaging different sections of the community. The consultation methods used may also depend on the type of Local Plan document in preparation and the stage it is at.

**4.65** As a minimum all draft DPDs and SPDs <sup>(3)</sup>, will at the relevant formal stages for public consultation with the community benefit from the following approaches to community engagement:

1. Public Notice outlining details of the Local Plan documents will be published;
2. a press release with details of the Local Plan documents will be issued;
3. the Local Plan documents will be published on the council's website;

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<sup>3</sup> This does not relate to evidence base documents necessarily



4. the Local Plan documents will be made available at public libraries; <sup>(4)</sup>
5. the Local Plan documents will be made available at the council's principal office, i.e. at Access Oldham; and
6. a letter or email will be sent to those relevant parties on the Local Plan mailing list, including statutory consultees, Oldham Partnership and Oldham Councillors explaining that the Local Plan documents are available for consultation and information on where they can be found.

**4.66** Please note that during coronavirus restrictions where public libraries and the council's principal office are closed or restricted to visitors the council will not make use of consultation methods 4 and 5 set out in paragraph 4.66. We will make use of online methods of communication and the council will seek to make use of alternative arrangements as set out in paragraph 4.69.

**4.67** Table 1 details the main consultation methods that the council will use as a minimum standard as listed above in paragraph 4.66 and having regard to paragraph 4.67. It also details the consultation techniques that the council may make use of over and above this minimum, if appropriate and resources permitting. The table provides a summary of the benefits and limitations of each consultation method available to the council and also gives an indication of which section of the community the consultation method could be most appropriate at targeting.

**4.68** As stated above during coronavirus restrictions the council may not be able to make use of all the methods outlined below in Table 1. In such circumstances online methods of communication will be the predominant form of consultation and the council may seek opportunities to make use of representatives that can represent a community or sector, where appropriate.

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4 For library opening times please visit [https://www.oldham.gov.uk/info/200395/find\\_a\\_library](https://www.oldham.gov.uk/info/200395/find_a_library)

Table 1 Types of Consultation Methods

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Availability of documents</b>	<p>Publication of Draft and Submission documents to allow public participation.</p> <p>Copies available at Oldham Council (Access Oldham) and libraries during opening hours.</p> <p>Other formats available on request.</p>	<p>Information available locally to a wide range of readers.</p>	<p>Limited to office / library hours.</p> <p>Some people may have mobility issues / be unable to read.</p> <p>Coronavirus restrictions may mean this option is not possible. Please see paragraphs 4.67-4.69.</p>	<p>General Public, Interested Individuals and Organisations.</p>
<b>Statutory Notice / Letter / email to Statutory Consultees / people and organisations on the Local Plan Mailing List</b>	<p>Notification about document preparation and consultation details.</p> <p>Notice placed in local newspaper, on website, posted or emailed to people on Local Plan mailing list and made available at the council's office and public libraries.</p>	<p>Notice / letter explains consultation details and how to respond.</p> <p>Individuals and organisations that expressed interest in being informed can be directly notified about document preparation and consultation dates.</p>	<p>Individuals may miss the notice and information.</p> <p>Only people and organisations on the Local Plan mailing list will receive information directly.</p> <p>May not be aware of the Local Plan mailing list.</p> <p>Coronavirus restrictions may mean that the statutory notice cannot be placed in public</p>	<p>Statutory Consultees,</p> <p>General Public, Interested Individuals and Organisations, Agents, Developers and Landowners.</p>

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
			libraries and at the council's office. Please see paragraphs 4.67-4.69.	
<b>Council Website / Objective Consultation Portal</b>	Documents made available electronically.	Documents can be accessed 24 hours a day, at home or work to a wide range of people. Libraries contain computers that can be used to access the documents.	Some people may have poor IT skills. Areas may have poor broadband.	General Public, Interested Individuals and Organisations, Agents, Developers, and Landowners.
<b>Councillors</b>	Local Councillors are emailed with details of the consultation. Copies of the documents placed in the Members Rooms.	Community representatives' input and endorsement for the document.	Coronavirus restrictions may mean this option is not possible. Please see paragraphs 4.67-4.69.	Councillors.
<b>Press Release</b>	Press release issued.	Notification of document preparation and consultation dates can achieve wide coverage and reach people not on the Local Plan Mailing List.	Press release may not be published.	General Public, Interested Individuals and Organisations

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Council Magazines</b>	<p>"Borough Life" produced three times a year.</p> <p>"Staff Matters" magazine (bi-annual) and Team Brief (weekly) email.</p>	<p>Opportunity for articles about Local Plan preparation and consultation dates. Information can cover the whole borough and reach a wide range of readers.</p> <p>Opportunity for articles about Local Plan preparation and consultation dates. Many of our staff live within the borough so information will reach a wide range of people.</p>	<p>Publication dates may not fit in with Local Plan consultations.</p>	<p>General Public and Oldham Council staff.</p>
<b>Focus Groups</b>	<p>Meetings of specific stakeholders with relevant interest in area / topic invited to provide input into document.</p>	<p>Can gain views from particular groups of people who are under-represented.</p> <p>Can have detailed discussion on particular topics or sites.</p> <p>May be viewed as a more accessible way of engaging people in the planning process.</p>	<p>May need to rely on other organisations to help organise.</p> <p>Relies on people wanting to volunteer time or being able to voice opinions.</p> <p>Minuted discussions rather than written representations.</p> <p>Coronavirus restrictions may mean this option is difficult to implement. Please see paragraphs 4.67-4.69.</p>	<p>General Public, organisations, Statutory Consultees. Agents. Developers. Oldham Partnership. Landowners.</p>

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Public Meetings</b>	Meetings with the community to provide input into the document.	<p>Opportunity for people and officers to listen to each other and ask questions to officers directly. Can reach a wide range of people.</p> <p>Allows people to engage in the Local Plan without having to read documents.</p> <p>May make use of visual display of information.</p>	<p>May be unawareness about public meetings.</p> <p>People may not be able to make meeting times.</p> <p>Coronavirus restrictions may mean this option is not possible. Please see paragraphs 4.67-4.69.</p>	General Public, Interested Individuals and Organisations.
<b>Meetings of Interested Parties</b>	Meetings of stakeholders with relevant interest in area/ topic invited to provide input into document.	Can address particular issues in detail.	<p>Would just apply to specific organisations / agents etc.</p> <p>Coronavirus restrictions may mean this option is difficult to implement. Please see paragraphs 4.67-4.69.</p>	Statutory Consultees, Interested Individuals and Organisations, Agents, Developers and Landowners.
<b>Survey / Questionnaire</b>	Surveys/ questionnaires to general public and stakeholders with relevant interest in area or topic invited to provide input into the document.	<p>Useful in engaging people at early stages. Gathers evidence and information to inform plan preparation.</p> <p>Can be online or postal.</p>	Representations may be non planning related.	General Public, Interested Individuals and Organisations.

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Exhibition</b>	Exhibition about document can be displayed in venues across the borough to generate publicity.	<p>Opportunity for people and officers to listen to each other and ask questions to officers directly.</p> <p>Can reach a wide range of people.</p> <p>Allows people to engage in the Local Plan without having to read documents.</p> <p>May make use of visual display of information.</p>	<p>Not everyone will see exhibitions.</p> <p>Coronavirus restrictions may mean this option is not possible. Please see paragraphs 4.67-4.69.</p>	General Public, Interested Individuals and Organisations.
<b>Leaflets / Posters</b>	Leaflets and Posters about document can be prepared and circulated around the community to generate publicity.	Reaches a wide area and range of people.	Limited information.	General Public.
<b>Local Plan Helpline</b>	Telephone numbers of council officers available for people wanting details about document.	Opportunity for people and officers to listen to each other and ask questions to officers directly.	Limited to office hours.	General Public, Interested Individuals and Organisations.

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Oldham Partnership</b>	Partnership structure allows relevant stakeholders to be involved in the Local Plan preparation.	<p>Opportunity for people and officers to listen to each other and ask questions to officers directly.</p> <p>Can reach a wide range of people.</p> <p>Allows people to engage in the Local Plan without having to read documents.</p> <p>May make use of visual display of information.</p>	Will only reach those engaged through Oldham Partnership.	Business, Black and Minority Ethnic, Voluntary, Faith and Community groups.
<b>Social Media</b>	Where appropriate publicise consultations via the council's Twitter and / or Facebook page.	<p>Can reach a wide geographic area and a wide range of people, particularly young people. Can target particular ages and postcode areas to target people not traditionally involved in the planning process.</p> <p>Social media seen as a modern way of engaging people.</p> <p>Use of videos would help generate interest.</p>	<p>Limited amount of text.</p> <p>Not everyone will use social media.</p>	General Public.

How we get in touch with people	Method	Benefits	Limitations	Groups most likely to benefit from consultation method
<b>Access Oldham Information Screen</b>	Screen in Access Oldham reception which can promote details of consultation.	Can reach a wide range of people that use Access Oldham to promote details of consultation.	<p>Limited amount of text.</p> <p>Only those visiting Access Oldham will potentially see the screens.</p> <p>Coronavirus restrictions may mean this option is not possible. Please see paragraphs 4.67-4.69.</p>	General Public.
<b>Variable Message Signs</b>	Variable message signs located on A roads around the borough can be used to promote Local Plan consultation.	Can reach a wide range of people in different geographic locations to promote details of consultation.	<p>Limited amount of text.</p> <p>Only people passing signs will see details displayed.</p>	General Public.



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## 5 Reporting Back

- 5.1** The council will acknowledge all comments submitted at public participation stages about Local Plan documents. Any comments submitted cannot be treated as confidential.
- 5.2** All comments will be summarised in a 'Public Schedule of Representations Report'. Where changes are being sought to the DPD or SPD, a 'Responses Report' will indicate whether any amendments will be made along the lines being suggested before the document is submitted for examination in the case of a DPD. These two reports may be combined into a single document.
- 5.3** The Reports will be made available on the council's website as well as in hard copy at the Civic Centre Access Oldham and public libraries as soon as practicable. Please note that during coronavirus restrictions these Reports may only be available online.
- 5.4** All Local Plan documents will be subject to the approval processes outlined in the Local Plan Scheme of Delegation that has been approved by Full Council.

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## 6 Community Involvement in Greater Manchester's Plan for Homes, Jobs, and the Environment

- 6.1** The ten Greater Manchester authorities are working on the production of a joint plan titled 'Greater Manchester's Plan for Homes, Jobs, and the Environment' - the Greater Manchester Spatial Framework (GMSF). The GMSF will provide the overarching framework to strategically manage sustainable growth and development across the conurbation over the next twenty years or so.
- 6.2** Principally, the GMSF will identify the housing numbers and employment floorspace needs and associated infrastructure requirements as well as identifying the key allocations and broad opportunity areas where this growth should be focussed. Further information on the preparation process for the GMSF to can be found on the [GM Consultation hub](#) page.
- 6.3** Consultation on the GMSF is carried out on a joint basis and is in line with the Town and Country Planning (Local Planning) (England) Regulations 2012 and the ten districts' Statements of Community Involvement.
- 6.4** If you wish to register your interest in being informed of future GMSF consultation please register on the [mailing list sign up](#) page or contact:
- [planningandhousing@greatermanchester-ca.gov.uk](mailto:planningandhousing@greatermanchester-ca.gov.uk).

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## 7 Duty to Co-operate

- 7.1** The Localism Act requires Local Planning Authorities and public bodies to engage constructively, actively and on an on-going basis to maximise the effectiveness of addressing strategic cross boundary matters in Local Plans. The 'duty to co-operate' is a statutory requirement for all Local Planning Authorities in relation to the planning of sustainable development.
- 7.2** Oldham Council will continue to work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and reflected in the preparation of the Local Plan. The extent to which the council has undertaken this duty will be scrutinised as part of the independent examination of the Local Plan. The bodies that will be consulted on under the 'Duty to Co-operate' are listed in Appendix 1. Specific meetings will take place with public bodies, such as United Utilities, the Environment Agency, Natural England and Historic England and neighbouring authorities as appropriate throughout the Local Plan process.
- 7.3** The council will prepare a Statement of Common Ground, which is a written record of the progress made to address any strategic cross boundary matters during the Local Plan preparation. It outlines where effective co-operation is and is not happening, and is a way of demonstrating at examination that plans are deliverable over the plan period, and based on effective joint working across local authority boundaries. It is also evidence that the council has complied with the Duty to Cooperate. This will be maintained and made available on the council's website.
- 7.4** In relation to the GMSF, GMCA and Local Planning Authorities will ensure that the Duty to Cooperate with neighbouring councils and other prescribed bodies is met, as set out in law to ensure effective and deliverable policies on strategic cross boundary matters.
- 7.5** The Monitoring Report is published annually and outlines any activity relating to Duty to Cooperate.

## 8 Community Involvement and Development Management

- 8.1 The council is responsible for the processing of all planning applications within the borough. To ensure that people within the borough are aware of proposals and that they have the chance to be involved in decision-making, notification is vital.
- 8.2 As well as setting out the ways in which the council will involve the community in the preparation of the Local Plan, the SCI also sets out the ways in which the council will involve the community in the decision making process for determining planning applications.
- 8.3 The purpose of this section is to set out what the council's decision-making process involves in relation to planning applications and to explain the council's approach to community involvement.
- 8.4 Please note these procedures are subject to change in response to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 or any other enacted emergency regulations.

### PRE-APPLICATION DISCUSSIONS

- 8.5 Developers are currently encouraged to contact the council prior to the submission of a major planning application to discuss a development proposal and any issues that may arise from it. Developers are also encouraged to discuss their proposal with ward councillors and other specific consultation bodies, where appropriate, before submitting a planning application. This has the benefits of allowing relevant issues to be raised and resolved early, providing more time to consider and develop better quality solutions, and removing delay to the formal planning process.
- 8.6 Entering into pre-application discussions with potential developers does not indicate endorsement by the council for a particular application. It simply enables effective communication between the developer, the council and interested parties.
- 8.7 Where the council considers a proposal to be of a scale and/or nature that it is likely to generate significant levels of public interest, the prospective developer will be encouraged to engage with ward councillors, the local community (including Parish Council's) and undertake wider consultation.
- 8.8 The developer will be expected to submit a statement outlining the extent of the consultation completed with the planning application and to explain how the feedback from the consultation process has influenced the submitted scheme.
- 8.9 For more information on the pre-application process and fees please [click here](#).

### HOW LONG DOES IT TAKE TO PROCESS PLANNING APPLICATIONS?

- 8.10 The council aims to process planning applications within the Government's target periods. For example, at least 60% of major planning applications determined within 13 weeks (16 weeks for applications submitted with an Environmental Statement), 65% of minor planning applications within 8 weeks and 80% of other planning applications within 8 weeks.

## METHODS OF PUBLICITY

- 8.11** Consultation and publicity on planning applications does not just involve the public. The council must also consult the appropriate statutory bodies. In deciding which statutory body is consulted, the council must take into account the nature and location of the proposal and the relevant legislative context. Statutory consultees have 21 days in which to respond, however, they will be allowed a longer period of time to comment on applications where this is prescribed by legislation. There are also a number of non-statutory bodies, which the council will consult in appropriate circumstances. Consultation periods on planning applications will be time-limited because the council is under a duty to meet the targets outlined in paragraph 8.9.
- 8.12** The statutory requirements for publicity for all planning applications are laid out in the Town and Country Planning (Development Management Procedure) (England) Order 2015.
- 8.13** There are several stages following the receipt of, and during the processing of a planning application, where the council will instigate community publicity and involvement and these are described below.
- 8.14** Planning applications and the accompanying plans are available for inspection via Oldham Council's website.
- 8.15** A weekly list of all planning applications received by the council is made available and publicised in the following ways:
- a. copy emailed to all councillors and groups and individuals who request to be on the mailing list;
  - b. the council's website (which will seek to continually improve its functionality for users and develop in line with best practice to ensure that it is: more user friendly; up to date; accurate; simple to navigate; and that funding for the required improvements is in place); and
  - c. printed copies of the weekly list can be provided on request, for a fee.
- 8.16** The list will contain an initial assessment of the level at which the decision will be taken.
- 8.17** Where a Site Notice is posted, it will be displayed on or near to the application site, for not less than 21 days, during which time online representations may be made.
- 8.18** Local press advertisements are undertaken in the following circumstances and normally request that any representations are made within 14 days of their publication:
- a. applications with an Environmental Statement;
  - b. departures from the Local Plan;
  - c. applications that affect a right of way as defined by the Wildlife and Countryside Act;
  - d. development affecting the character or appearance of a Conservation Area;

- e. development affecting the setting of a Listed Building;
- f. applications for Listed Building Consent or Conservation Area Consent; and
- g. Major Development.

Major applications are defined as follows:

- a. the winning and working of minerals or the use of land for mineral-working deposits;
- b. waste development;
- c. the provision of dwelling houses where -
  - i. the number of dwellinghouses to be provided is 10 or more; or
  - ii. the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the development falls within sub-paragraph (c)(i);
- d. the provision of a building or buildings where the floor space to be created by the development is 1,000 square metres or more; or
- e. development carried out on a site having an area of 1 hectare or more.

## **NEIGHBOUR NOTIFICATION LETTERS**

**8.19** Site notices are displayed and / or letters are sent to 'adjoining' occupiers in respect of every planning application within which the development requires planning permission i.e not Lawful Development Certificates, or, unless required by legislation, applications for 'prior notification'.

**8.20** 'Adjoining' in this sense means, as a minimum:

- a. any properties which share a boundary with the application site
- b. in the case of proposals that may have a significant impact on neighbours the notification will be extended to include other properties close by, by additional letters or additional site notices.

**8.21** The Development Management case officer will make a judgement as to whether letters will be sent and who will be notified.

**8.22** Individual occupiers are invited to inspect the application and make online observations within 21 days.

**8.23** When comments are submitted online regarding a planning application via the council website, an electronic acknowledgement will be sent from adoption of this SCI.

## WHEN IS WIDER CONSULTATION NECESSARY?

- 8.24** In the case of major planning applications, additional methods of publicity may be used to involve the community in the decision making process in addition to the statutory requirements detailed above. The section below highlights what the council will recommend to applicants.
- 8.25** Government guidance has categorised significant/major developments into three tiers, each of which will require a different level of consultation.
- 8.26** The categorisation will depend upon the characteristics of the application and its conformity with national and local planning policy.
- 8.27** The identification of the nature of the planning application allows the council to determine the type and extent of consultation that needs to be undertaken to ensure the residents of the borough are adequately informed and are able to provide comments that inform the decision making process.
- 8.28** The preparation of the SCI has allowed consideration of the council's current practice for notification and consultation on planning applications. The current practice for many applications is appropriate and will continue.
- 8.29** The council appreciates that it is very often major planning applications that can, in certain instances, be of concern to the residents in the borough. The SCI seeks to widen its consultation and engagement practices in these instances.
- 8.30** The council will adopt a three-tiered approach in line with Government advice which will set out the framework for those applications that will be subject to wider community involvement. Table 2 intends to set out the approaches to community involvement that may be appropriate in each instance.

**Table 2 Approaches to Significant / Major Planning Applications**

Approach	TIER 1 - Applications where there are issues of scale and controversy, or are contrary to / out of line with Local Plan policy	TIER 2 - Applications broadly in accordance with the Local Plan but raising controversial issue or detail	TIER 3- Applications of a scale or on a site for which the authority requires local community involvement
Public Meetings	yes	yes	
Public Exhibition	yes	yes	
Development Briefs	yes		
Design Exercises	yes		
Website	yes	yes	yes
Media / Leaflets	yes	yes	yes

**8.31** The tiered approach allows the council to set out which of the planning applications that it receives need wider consultation and what degree of wider consultation is appropriate. This will be determined on a case-by-case basis. Please note that during coronavirus restrictions community involvement methods may be restricted to online methods only.

#### **Tier Level 1**

**8.32** Planning applications will be subject to the widest level of community consultation. Appropriate levels of consultation for this tier may include techniques such as public meetings, design type exercises and more wide scale media.

#### **Tier Level 2**

**8.33** Planning applications in this level will be given 'medium' level wider consultation. Appropriate levels of consultation at this tier may include methods such as general public meetings or exhibitions. The involvement of the community in the area of the proposal will be more appropriate.

#### **Tier Level 3**

**8.34** These are major developments, which will only have implications at a local level on a site-by-site basis and therefore only the local community near the proposal site need to be involved through consultation.

### **PROCESS OF INVOLVEMENT**

**8.35** Where neighbour notification has taken place, the council will not determine planning applications within 21 days of the date of the notification letter. The results of any such notification will be reported and taken into account in decisions made by, and on behalf of, the council. The Council has a responsibility to deal with planning applications within a specified time and because of that is not able to engage with/discuss the case with local residents or respond to individual queries.

**8.36** Consideration will be given to all representations received later than 21 days provided the planning application has not been determined.

**8.37** All representations need to be made online through the council's website, giving the name and address of the respondent; anonymous representations cannot be given significant weight in the determination of a planning application. Representations by letters and emails will not be accepted unless the online system is unavailable. Verbal representations will not be recorded nor taken into account in the decision making process.

**8.38** The council will publish individual comments anonymously, however, names and addresses of respondents cannot be treated as confidential and are available for public inspection without exception. Representations are kept on file with the application and form part of the public record, which must be presented upon request.

**8.39** Planning applications will often generate much public interest and lead to a large number of objections. The negotiation stage will often result in the submission of amendments to overcome some of these objections. Re-notification of neighbours on minor amendments which can significantly delay consideration of an application is left



to the discretion of the Head of Service. Minor amendments are often made to overcome a particular objection or concern so there may be no need to re-notify in such circumstances.

- 8.40** More significant alterations will require neighbour re-notification. Those persons re-notified will be given a further minimum seven working days to make representations.
- 8.41** Once a decision has been made on a planning application, legislation allows for subsequent applications to be made to the Local Planning Authority for both material and non-material changes. Where material changes are proposed full consultation and notification procedures will be applied.

## **DECISION PROCESS**

- 8.42** More than 90% of all planning applications are determined under delegated powers by the Executive Director and/or Head of Service. However, the Planning Committee determines most of the larger, more complex planning applications.
- 8.43** Ward members can request that an application be referred to Planning Committee for determination. This request will be dealt with in accordance with a protocol approved by Council.
- 8.44** The Planning Committee meets approximately every four weeks in Oldham Civic Centre at 6.00pm. Members of the public can attend if they so wish.
- 8.45** These procedures are subject to change in response to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 or any other enacted emergency regulations. In such circumstances details will be published on the Council's website.
- 8.46** If a planning application is to be considered by the planning committee the details, and officers report, will be published on the Council's website five days before the date of committee.
- 8.47** Members of the public can attend the meeting and have a right to speak in accordance with an adopted protocol/scheme of delegation. The council allows one objector and one supporter to speak on each planning application, each for a maximum of three minutes.
- 8.48** An elected ward councillor can also address the Planning Committee in accordance with an adopted protocol/scheme of delegation.
- 8.49** Planning Committee reports are made available on the council's website five working days before the Planning Committee meeting. Copies of the Planning Committee agenda can also be obtained from the Council's Committee Services Section.
- 8.50** If any further information has been received in connection with an application in the intervening period between the publication of the agenda and the planning committee date, it will be reported to the committee in a 'Late List' document. This is a public document which is placed on the councils website and copies are available at the meeting.

**8.51** At the Planning Committee meeting the Chair will introduce each item and will invite those wishing to speak to do so. The Planning Officer in attendance will then bring any necessary information, in addition to that contained in the report, to the Planning Committee's attention.

**8.52** A further discussion by Planning Committee Members will follow but members of the public cannot take part in the debate. A decision will then be made and the minutes of the meeting will be agreed at the next available Planning Committee.

## **POST APPLICATION**

**8.53** All decisions relating to planning applications are published on the council's website at [www.oldham.gov.uk](http://www.oldham.gov.uk) - then click on 'Search for an application'.

## **COMPLAINTS**

**8.54** The council sets out its procedures for making complaints or providing feedback about the council on the council's website under [Complaints and feedback about the council](#)

## **PLANNING APPEALS**

**8.55** Only applicants have a right to appeal against a refusal of planning permission, against conditions imposed on a planning approval or after certain time periods against the non-determination of a planning application. There are no third party rights of appeal.

**8.56** All individuals and organisations that were notified at the time the planning application was originally submitted and all those who subsequently made comments in relation to the planning application, will be notified in writing of any appeal and of how to make their views known. All letters received by the council will be copied and sent to the Planning Inspectorate.

**8.57** Where an appeal is to be heard at a public inquiry the council will also erect a site notice and publicise the details in the press.

### **Example**

Brian Fuller receives a letter from the council telling him that his next door neighbour has applied for planning permission for a side extension.

The letter sets out where to view the planning application, the deadline for comments and the options for sending any comments.

Brian later looks on the council's website at the planning application.

There are a few issues that Brian is not happy with so he registers and submits his comments online.

He writes about the visual impact of the extension, the scale of it and how it will impact on the Conservation Area that the property sits within.

After a period of time Brian checks the decision notice on the planning application via the council's website.

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## 9 Resources and Management of Community Involvement in Planning

- 9.1** There will be resource implications, both financial and staff time, for the council depending on the type of consultation methods used for each Local Plan document. The council's planning policy team will lead on the consultation for Local Plan documents with input from other sections of the council and the Oldham Partnership, as appropriate.
- 9.2** The planning policy team currently comprises of five planners. However, it has to be recognised that its workload also encompasses other planning and corporate work in addition to the Local Plan. Therefore the staff resources that will be available for public consultation may vary during the preparation of the different Local Plan documents.
- 9.3** The planning policy team's budget will include an element for consultations on Local Plan documents.
- 9.4** The council's Development Management section is responsible for managing the public consultation processes on planning applications as outlined in Section 8.

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## 10 Review and Monitoring

- 10.1** The council will monitor, through Oldham's Monitoring Report, the SCI to see how it is performing in terms of involving the community. As part of this the council will evaluate the consultations undertaken in terms of resources used and response rates. The council will also review the success and effectiveness of the various community involvement techniques used and will use the findings to review the appropriateness of the methods and procedures used. If we need to make significant changes to our consultation techniques and methods, we will prepare a new SCI.
- 10.2** The Monitoring Report has to be prepared each year and covers the previous financial year period.

## Appendix 1 Consultees on Local Plan and Development Management

**A1.1** The lists of consultation bodies are as complete as can be reasonably expected at the time of writing this SCI. There may be other organisations and groups that exist, that may be formed in the future or may succeed these organisations - they will not be excluded from involvement simply because they are not named here.

### Duty to Co-operate Bodies

- Calderdale Council;
- Civil Aviation Authority;
- Environment Agency;
- Greater Manchester Combined Authority;
- Greater Manchester Health and Social Care Partnership;
- Greater Manchester Local Enterprise Partnership;
- Greater Manchester Local Nature Partnership;
- High Peak Borough Council;
- Historic England;
- Homes and Communities Agency;
- Kirklees Council;
- Manchester City Council;
- Marine Management Organisation;
- Natural England;
- Office of Rail Regulation;
- Oldham Clinical Commissioning Group
- Oldham Council Local Highways Authority / Unity Partnership;
- Peak District National Park Authority;
- Rochdale Borough Council;
- Tameside Metropolitan Borough Council; and
- Transport for Greater Manchester.

### Specific Consultation Bodies

**A1.2** The following bodies are specific consultation bodies and will be consulted by the council in accordance with the Planning and Compulsory Purchase Act 2004 and The Town and Country Planning (Local Planning) (England) Regulations 2012:

- The Environment Agency;
- Historic England;
- Natural England;
- Highways England;
- Local Planning Authorities, County Councils or Parish Councils, any part of whose area is in or adjoins the borough;
- Any person to whom the electronic communications code applies by virtue of a direction given under Section 106 (3) (a) of the Communications Act 2003;
- Any person who owns or controls electronic communications apparatus situated in any part of the area of the borough;
- Primary Care Trust;

- 
- A person to whom a licence has been granted under the Section 6(1)(b) or (c) of the Electricity Act 1989;
  - A person to whom a licence has been granted under Section 7(2) of the Gas Act 1986;
  - A sewage undertaker;
  - A water undertaker;
  - Coal Authority;
  - Marine Management Organisation;
  - Network Rail Infrastructure Limited; and
  - The Homes and Communities Agency.

### **General Consultation Bodies**

**A1.3** The following bodies are general consultation bodies and will be consulted by the council, where appropriate, in accordance with the Planning and Compulsory Purchase Act 2004 and The Town and Country Planning (Local Planning) (England) Regulations 2012:

- Voluntary bodies some or all of whose activities benefit any part of the borough;
- Bodies which represent the interests of different racial, ethnic or national groups in the borough;
- Bodies which represent the interests of different religious groups in the borough;
- Bodies which represent the interests of disabled persons in the borough; and
- Bodies which represent the interests of persons carrying out business in the borough.

### **Other Consultees**

**A1.4** There are a number of other agencies and organisations that the council will also consult with, where appropriate.

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## Appendix 2 Glossary of Terms

**Community Infrastructure Levy (CIL)** - is a charge that is levied on new development floorspace and is intended to contribute towards the provision of infrastructure.

**Community Right to Build Order** - a form of Neighbourhood Development Order that can be used to grant planning permission for small scale development for community benefit on a specific site or sites in a neighbourhood area.

**Core Strategy** - A Development Plan Document that sets out a long-term spatial vision and strategic objectives for the borough. It also contains a spatial strategy, core policies and a monitoring and implementation framework.

**Development Management Policies** – These are criteria based policies that are required to ensure that all development taking place within the borough meets the spatial vision and objectives set out in the core strategy.

**Development Plan Document (DPD)** - A spatial planning document that is subject to Independent Examination and forms part of the Development Plan. They can include Core Strategy, Site Specific Allocations of Land and Area Action Plans.

**Duty to Co-operate** - a legal test that requires cooperation between Local Planning Authorities and other public bodies to maximise the effectiveness of policies for strategic matters in Local Plans.

**Equalities Impact Assessment (EIA)** - An EIA will help to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people, considering protected characteristics, such as age, disability etc.

**Greater Manchester Combined Authority (GMCA)** - The GMCA is made up of the ten Greater Manchester councils and Mayor, who work with other local services, businesses, communities and other partners to improve the city-region.

**Greater Manchester Spatial Framework (GMSF)** - A joint plan for Greater Manchester that will provide the land for jobs and new homes across the city region.

**Habitat Regulations Assessment (HRA)** - is required by the Habitats Directive (2007). This ensures the protection of the integrity of European protected sites.

**Health Impact Assessment (HIA)** - A HIA assesses the potential effects of the DPD on the health of the borough's population.

**Integrated Assessment (IA)** - An assessment that incorporates the Sustainability Assessment, Strategic Environmental Assessment requirements, Equalities Impact Assessment, Health Impact Assessment and the findings of the Habitats Regulations Assessment into one single document.

**Local Development Document (LDD)** – The generic term given to all constituent documents of the Local Plan.

**Local Plan** – The Development Plan for the borough consists of saved policies in the Oldham Unitary Development Plan, and/or Development Plan Documents that replace the saved policies.

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**Local Development Scheme (LDS)** – A project plan for the preparation of the Local Plan. It is a rolling three year programme which the council should review and update each year.

**National Planning Policy Framework (NPPF)** - Framework which sets out the Government's planning policies for England and how these are expected to be applied.

**Neighbourhood Development Order** - An Order which can grant planning permission for specific types of development in a specific neighbourhood area.

**Neighbourhood Development Plan (NDP)** - Parish and town councils and neighbourhood forums can write a Neighbourhood Development Plan (NDP) for their area. The NDP can set out policies and plans for that area, like a Development Plan Document but on a very local scale.

**Saved policies or plans** – Existing adopted plans that are saved for three years or until replaced by a more up-to-date replacement plan.

**Statement of Community Involvement (SCI)** – This sets out the standards that the council will achieve in terms of engaging communities in the preparation of the Local Plan and development management decisions.

**Supplementary Planning Document (SPD)** – A Supplementary Planning Document provides additional information in respect of policies contained in the Development Plan Documents. It is not subject to Independent Examination and does not form part of the Development Plan, although it can be a material consideration when determining planning applications.

**Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA)** - these assessments promote sustainable development through assessing the emerging Local Development Document against economic, environmental and social objectives.



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## Appendix 3 Contact Details

### LOCAL PLAN

If you require further information about the Local Plan, including the Statement of Community Involvement, please:

- a. Visit the council's [Local Plan webpage](#)
- b. Visit the objective consultation portal at <https://oldham-consult.objective.co.uk/portal>
- c. Contact the council's planning policy section at:

Telephone: 0161 770 4061/1672

Email: [spi@oldham.gov.uk](mailto:spi@oldham.gov.uk)

### DEVELOPMENT MANAGEMENT

If you have any queries relating to planning applications, please contact the Development Management section at:

Telephone: 0161 770 4105

Email: [planning@oldham.gov.uk](mailto:planning@oldham.gov.uk)

### ADDRESS

The address for the Local Plan team and Development Management is:

Oldham Council

Planning and Infrastructure

Room 310, Level 3

Civic Centre

West Street

Oldham

OL1 1UH

## Appendix 4 Useful Contacts and Websites

Table 3 Useful contacts and websites

Contacts	Websites
Oldham Council Strategic Planning	<a href="https://www.oldham.gov.uk/info/200585/local_plan">https://www.oldham.gov.uk/info/200585/local_plan</a>
Oldham Council Development Management	<a href="https://www.oldham.gov.uk/info/200351/planning">https://www.oldham.gov.uk/info/200351/planning</a>
Planning Practice Guidance on Consultation and pre-decision matters	<a href="https://www.gov.uk/guidance/consultation-and-pre-decision-matters">https://www.gov.uk/guidance/consultation-and-pre-decision-matters</a>
Greater Manchester Combined Authority	<a href="https://www.greatermanchester-ca.gov.uk/">https://www.greatermanchester-ca.gov.uk/</a>
Planning Inspectorate	<a href="https://www.gov.uk/government/organisations/planning-inspectorate">https://www.gov.uk/government/organisations/planning-inspectorate</a>
Planning Portal	<a href="https://www.planningportal.co.uk/">https://www.planningportal.co.uk/</a>

**Oldham**

**Local**

**Plan**

**Statement of  
Community Involvement  
2020: Equality Impact  
Assessment**

**June 2020**





Click on the symbols to view the guidance for each stage

### Stage 1: Initial screening



The Stage One screening is a quick and easy process. It should:

- identify those projects, policies, and proposals which require a full EIA by looking at the potential impact on any of the equality groups
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

Not all policies will require an EIA: Click on the information symbol to view a set of key questions which will help you to decide whether you need to complete the form. If you do not need to go any further because a full EIA is not required, please ensure that you complete all the questions in Stage 1 and get the EIA signed off by the appropriate person (see Section 5). **Please note, if you are assessing a budget proposal please complete all the questions. The information in 1e, should be transferred to the Equality Impact Screening section on the budget proposal form.**

Lead Officer:	Georgina Brownridge
People involved in completing EIA:	Georgina Brownridge, Clare Davison
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes            No x  Date of original EIA: In 2006 the original Statement of Community Involvement (SCI) was subject to an EqlA. There has since been EqlAs carried out for SCI reviews.

### General Information

1a	Which service does this project, policy, or proposal relate to?	Planning and Infrastructure
1b	What is the project, policy or proposal?	Statement of Community Involvement (SCI) 2020.
1c	What are the main aims of the project, policy or proposal?	To set out how the council will involve the community in the preparation and revision of the Local Plan and the consideration of planning applications.
1d	Who, potentially, could this project, policy or proposal have a	The changes to the review of the SCI are mostly concerned with development management processes

detrimental effect on, or benefit, and how?	<p>and aim to improve the efficiency of the determination of planning applications, reduce the use of paper, encourage the use of online resources and facilities.</p> <p>The changes made by the SCI are not expected to have a detrimental impact on any groups. It is expected to have a positive impact on all groups by providing better access to information and a more efficient planning service with regards to development management.</p> <p>The aim of the SCI is also to try and help people engage in the planning process. The council will, where appropriate, organise focus groups or meetings with people to try to engage those not traditionally involved in the Local Plan process. We will also use social media, display boards at access Oldham, council magazines and variable message boards, where appropriate, to try and engage a wider, more diverse audience.</p> <p>The SCI also has been updated to include caveats that under coronavirus restrictions not all consultation methods or planning committee processes can be followed. In these circumstances online methods of engagement will be made use of.</p>
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1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				



<i>E.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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**If the answer is “negative” or “not sure” consider doing a full EIA**

1f. What do you think that the overall <b>NEGATIVE</b> impact on groups and communities will be? <u>Please note that an example of none / minimal impact would be where there is no negative impact identified, or there will be no change to the service for any groups.</u> Wherever a negative impact has been identified you should consider completing the rest of the form.	<b>None / Minimal</b>	<b>Significant</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	The SCI vision is that “through a co-operative approach we will enable, empower and encourage all residents and stakeholders of the borough to actively participate in the planning process to help achieve our corporate outcome of engaging and resilient communities”. It is expected that this can only have a positive effect on all residents and stakeholders.

**If you need to complete a full EIA, please go on to Stage 2.**

<b>Stage 5: Signature</b>		
<b>Lead Officer: G. Brownridge</b>		<b>Date: 11.06.2020</b>
<b>Approver signature:</b>		<b>Date: 11.06.2020</b>
<b>EIA review date: On review of the SCI.</b>		









## Report to CABINET

### **GM Clean Air Plan - Approval to commence statutory consultation on key measures**

**Portfolio Holder: Cllr B Brownridge, Cabinet Member for Neighbourhoods and Culture**

**Officer Contact:** Deputy Chief Executive

**Report Author:** Carol Brown, Director of Environment  
**Ext. 4424**

**24 August 2020**

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#### **Reason for Decision**

To set out the progress that has been made on the development of Greater Manchester's Clean Air Plan following the decision that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable in light of COVID-19 restrictions, and the link to taxi and private hire common minimum licensing standards. The report also considers the formal governance mechanisms that will underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures.

This report is not seeking a decision on whether to make a scheme as that has been mandated by the Secretary of State. It is setting out a position for consultation on the daily charge, discounts and exemptions of a Category C GM Clean Air Zone, and the proposals for the supporting funds that have been developed taking stakeholder engagement and statistical modelling into account. It is seeking agreement to consult and endorsement of the policy for consultation. The policy will be reviewed in line with the findings from the statutory consultation.

#### **Executive Summary**

- 1.1 The severe and long-lasting health implications of poor air quality as well as the legal obligations placed on Greater Manchester local authorities means that authorities need to act decisively and swiftly to reduce harmful air pollutants, and nitrogen oxides in particular.

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- 1.2 Greater Manchester authorities in deciding to work together to respond to this vital issue are demonstrating collective leadership, which is essential to help clean the air for our combined population of nearly three million residents. Greater Manchester authorities have been formally directed by the Secretary of State under section 85 of the Environment Act 1995 to take steps to implement a local plan for compliance with limits for nitrogen dioxide, as analysis revealed that locations of damaging roadside nitrogen dioxide concentrations can be found in every district.
- 1.3 Given that air pollution does not respect boundaries, this coordinated approach is also the most effective way to deal with a problem that affects all parts of Greater Manchester and cannot be remedied on a site by site or district by district basis.
- 1.4 This report provides an update on recent developments of the GM Clean Air Plan including the LGV and hackney funding position, and interaction with the strategic route network and Highways England. It confirms arrangements for distributing funding received for bus retrofit and highlights separate discussions with DfT about funding for bus replacement.
- 1.5 It also sets out the results of the public conversation that was held last year and the key points from a number of focus groups that were held with key impacted stakeholders.
- 1.6 It then sets out a proposal for consultation, within current Government COVID-19 guidelines, over an eight-week period starting in October 2020. It then sets out the positions for consultation on the daily charge, discounts and exemptions, and the proposals for the supporting funds that have been developed taking stakeholder engagement and statistical modelling into account. Key highlights here include:
- A revision to the proposed daily charges, including a reduction in the charge for HGVs and buses from £100 per day to £60, an increase in the charge levels for LGV and minibuses from £7.50 to £10 as modelling has shown this will have a greater impact in behavioural responses to the charge, and the taxi and private hire charge has been held at £7.50 per day;
  - That the Clean Air Zone (CAZ) will be implemented in Spring 2022;
  - That the government has accepted an exemption for LGVs and minibuses to 2023;
  - Details of the vehicle finance offer;
  - Details of temporary exemptions, including a temporary exemption to 2023 for wheelchair accessible taxi and private hire vehicles licensed with a Greater Manchester authority, and a temporary exemption to 2023 for coaches registered within Greater Manchester. Additionally, owner-drivers of GM-licensed PHVs (and PHVs leased full-time by 1 person), will be offered a discounted weekly charge of 5/7 of the total from implementation as these vehicles are used for personal use and private cars are not charged under the CAZ.
- 1.7 There are details of a “Try Before You Buy” scheme that will give the opportunity for GM-licensed Hackney drivers to trial an electric hackney vehicle.
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- 1.8 The report then sets out the proposed funding offer for each of the supporting funds – the Clean Commercial Vehicle Fund for HGVs, LGVs, Coaches, and Minibuses that are not a licensed private hire vehicle, the Clean Bus Fund, the Clean Taxi fund for GM-licensed taxi and private hires, and the Vehicle Finance offer.
- 1.9 The report then considers the proposed Governance arrangements for the CAZ and that TfGM will act as an ‘operating body’ responsible for day to day operation of the CAZ in particular and the implementation of other GM CAP measures.
- 1.10 The report also highlights the link to taxi and private hire common minimum licensing standards (MLS). In 2018, GM’s ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM.
- 1.11 At that time, the primary driver for this work was to ensure public safety and protection, but vehicle age and emission standards in the context of the Clean Air and the decarbonisation agendas are now also major considerations. MLS is an important mechanism that permits the systematic improvements to taxi and private hire service across Greater Manchester.
- 1.12 Finally, there are six appendices to the report, these are:
- Response to DfT Decarbonising Transport Policy Paper – TfGM’s response to the Government’s proposals for decarbonising the transport system.
  - 2020 Ministerial Direction – the most recent ministerial direction from Government.
  - Policy for Consultation – the detailed policy proposals including the charge levels, discounts and exemptions, and the supporting funds.
  - Vehicle Finance Measure – further detail of the proposed vehicle finance offer.
  - Equalities Impact Assessment – the initial equalities impact assessment of the proposed CAZ and supporting measures.
  - Operating Body & Responsibilities – further details of the proposed arrangements.

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## Recommendations

1. Note the progress of the Greater Manchester Clean Air Plan;
2. Note that TfGM have confirmation that the funding award for Bus Retrofit should be distributed as soon as possible as per arrangements put in place for the Clean Bus Technology Funds;
3. Note the update on the possible impacts of COVID-19 on the GM Clean Air Plan;
4. Agree that Oldham Council along with the other nine GM local Authorities hold an 8-week public consultation on the GM Clean Air Plan commencing in October 2020;
5. Note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards, alongside the Clean Air Plan consultation;
6. Agree that TfGM act as the Operating Body for the GM CAZ and supporting measures as set out at paragraph 7.5;
7. Agree that Oldham Council along with the other nine GM Authorities individually be a 'charging authority' for the purposes of the CAZ, pursuant to the Transport Act 2000;
8. Endorse the GM Clean Air Plan Policy for Consultation at Appendix 3;
9. Note the Equalities Impact Assessment on the Clean Air Plan, as set out at Appendix 5;
10. Note that further reports will be brought forward to set out the formal governance mechanisms that will underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures, including the full scope of the suite of powers that will be needed to be delegated to the Operating Body;
11. Agree a delegation to Helen Lockwood and Cllr Barbara Brownridge to approve the submission of the cases for measures to the Government's Joint Air Quality Unit to support the GM Clean Air Plan;
12. Agree a delegation to Helen Lockwood and Cllr Barbara Brownridge to approve the GM Clean Air Plan consultation materials, to include the Equalities Impact Assessment on the consultation; and
13. Note that response to DfT's Decarbonising Transport – setting the challenge, as set out at Appendix 1, has been submitted to Government.

**Equalities Implications:** Initial Equality Impact Assessment is attached at Appendix 5.

**Climate Change Impact Assessment and Mitigation Measures:**

**Risk Management:** Initial risk register set out in Clean Air Plan OBC (March 2019)

**Legal Considerations:** legal considerations are set out in the body of the report.

**Financial Consequences – Revenue:** Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government

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**Financial Consequences – Capital:** Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government

**Number of attachments to the report:** 6 (six)

**BACKGROUND PAPERS:**

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

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## GM Clean Air Plan: Update

### 1 Background

- 1.1 In March 2018 the Secretary of State issued a Direction under the Environment Act 1995 requiring Oldham Council to produce a feasibility study to identify the option which will deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time. Oldham Council complied with this Direction by the production of a feasibility study submitted to the government's Joint Air Quality Unit (JAQU) in July 2018. Oldham Council is also required to address the exceedances that have been identified within its boundary during the Target Determination exercise. Oldham Council confirmed in its supplemental plan that the exceedance identified in Oldham was being addressed as part of the Greater Manchester plan. This has been acknowledged by government.
- 1.2 Oldham Council has therefore been developing the study collectively with the other 9 Greater Manchester local authorities and the GMCA and coordinated by TfGM in line with Government direction and guidance and an Outline Business Case (OBC) was duly submitted in March 2019.
- 1.3 Oldham Council along with the other 9 Greater Manchester local authorities is now subject to a Ministerial direction dated 16 March 2020 requiring the submission of an Interim FBC (along with confirmation that all public consultation activity has completed) as soon as possible and by no later than 30 October 2020. Under this direction Oldham Council along with the other 9 Greater Manchester local authorities is under a legal duty to ensure that the GM CAP (Charging Clean Air Zone Class C with additional measures) is implemented so that NO<sub>2</sub> compliance is achieved in the shortest possible time and by 2024 at the latest and that human exposure is reduced as quickly as possible.

### 2 INTRODUCTION

- 2.1 Poor air quality is the largest environmental risk to the public's health. Taking action to improve air quality is crucial to improve population health.
- 2.2 Whilst air quality has been generally improving over time, particular pollutants remain a serious concern in many urban areas. These are oxides of nitrogen (NO<sub>x</sub>) and its harmful form nitrogen dioxide (NO<sub>2</sub>), and particulate matter (PM).
- 2.3 In Greater Manchester road transport is responsible for approximately 80% of NO<sub>2</sub> concentrations at roadside, of which diesel vehicles are the largest source.
- 2.4 Long-term exposure to elevated levels of particulate matter (PM<sub>2.5</sub>, PM<sub>10</sub>) and NO<sub>2</sub> may contribute to the development of cardiovascular or respiratory disease and may reduce life expectancy<sup>1</sup>. The youngest, the oldest, those living in areas of

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<sup>1</sup> Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

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deprivation, and those with existing respiratory or cardiovascular disease are most likely to develop symptoms due to exposure to air pollution<sup>2,3</sup>.

- 2.5 Public Health England estimate the health and social care costs across England due to exposure to air pollution will be £5.3 billion by 2035 for diseases where there is a strong association with air pollution, or £18.6 billion for all diseases with evidence of an association with air pollution<sup>4</sup>.
- 2.6 The Secretary of State has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels, issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO<sub>2</sub> concentrations to within legal limit values in the “shortest possible time”. In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as “Greater Manchester” or “GM”, have worked together to develop a Clean Air Plan to tackle NO<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.
- 2.7 The core goal of the GM Clean Air Plan is to address the legal requirement to remove ALL concentrations of NO<sub>2</sub> that have been forecast to exceed the legal Limit Value (40 µg/m<sup>3</sup>) identified through the target determination process in the “shortest possible time” in line with Government guidance and legal rulings.
- 2.8 Throughout the development of the plan GM has considered a range of options to deliver compliance, overseen by the GM Steering Group<sup>5</sup>, and to understand the type and scale of intervention needed to reduce NO<sub>2</sub> to within legal Limit Values in the “shortest possible time” across Greater Manchester.
- 2.9 A best performing option was recommended within an Outline Business Case (OBC) for further consideration and discussion with stakeholders and the public to aid the development of the Full Business Case.
- 2.10 In March 2019 the GM Authorities agreed the submission of the OBC that proposed the following package of measures that was considered would deliver compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They were:
- A charging Clean Air Zone (CAZ) category C which will target the most polluting commercial vehicles including older heavy goods vehicles, buses, coaches, taxis and private hire vehicles from the summer of 2021, and older polluting light goods vehicles and minibuses from 2023 (i.e. a CAZ C with a van exemption until 2023). It was assumed at OBC stage that the Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.

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<sup>2</sup> Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

<sup>3</sup> RCP and RCPCH London, Every breath we take lifelong impact of air pollution (2016), <https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution>

<sup>4</sup> <https://www.gov.uk/government/news/new-tool-calculates-nhs-and-social-care-costs-of-air-pollution>

<sup>5</sup> Members include Directors or Assistant Directors from each GM authority.



- A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.
- A Clean Taxi Fund of c.£28m, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles.
- A Clean Bus Fund of c.£30m to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester.
- A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.

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

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

2.12 The GMCA – Clean Air Update report on 29 May<sup>6</sup> detailed that the funding asks have been revised as follows:

- A Clean Commercial Vehicle Fund of c.£98m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector, registered in Greater Manchester.
- A Hardship Fund of c.£10m to support individuals, companies and organisations who are assessed to be most vulnerable to socio-economic impacts from the CAZ.

2.13 It also set out the government's response providing initial funding of £41m for clean vehicle funds to award grants or loans to eligible businesses: £15.4m for bus retrofit, £10.7m for Private Hire Vehicles, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses. [These figures include JAQU estimated delivery costs at 5%]

2.14 In addition, Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but requested further development of shared evidence on the needs within that complex sector before responding to the specific ask.

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<sup>6</sup> Also considered by the GM Authorities through their own constitutional decision-making arrangements.



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- 2.15 The Report considered the implications of pandemic management policies for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan. The link to taxi and private hire common minimum licensing standards (MLS) was also highlighted.

### **3 Current Position**

#### **PROGRESS SINCE LAST UPDATE**

- 3.1 Hackney Carriages & LGV fleet support – as reported in May Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but requested further development of shared evidence on the needs within this complex sector before responding to the specific ask. GM have submitted this information, however at the time of writing the Government have not made an offer of funding. GM will therefore need to consult on the financial position at the date of consultation. Currently the ask is £80m and for Hackney Carriages it is £10.4m, plus delivery costs.
- 3.2 Strategic Road Network managed by Highways England – In December 2019, TfGM wrote to JAQU to formally set out the concerns of the 10 Greater Manchester (GM) Local Authorities, that Highways England has not been directed to act in relation to tackling NO<sub>2</sub> exceedances in the same way as GM has been and that this will leave some publicly accessible areas of GM which are adjacent to the Strategic Road Network (SRN) managed by Highways England, with NO<sub>2</sub> exceedances that are not being addressed by the Highways England plan and therefore are not being addressed. The letter set out GM's observations and concerns regarding the consistency of the directions applied by JAQU to Local Authorities and Highways England.
- 3.2.1 In April 2020 Tameside's Chief Executive also wrote to JAQU highlighting that the inconsistency in approach is leaving many of their most vulnerable residents unprotected, particularly, around the A628/A57, a strategically important trans Pennine route that passes through the villages of Hollingworth and Mottram as a single carriageway. This route, managed by Highways England, will be left with NO<sub>2</sub> exceedances that are not being addressed, despite the area being declared as part of GM's Air Quality Management Area with annual average nitrogen dioxide concentrations regularly in excess of 55 µg/m<sup>3</sup>.
- 3.2.2 This was also echoed in Councillor Western's letter to Rebecca Pow stating that there remain outstanding issues regarding specific locations on the Highways England trunk road network that will be crucial to a coherent consultation proposal.
- 3.2.3 Officers continue to press to include the route in the GM Clean Air Zone and on 21 July 2020 a meeting was held between Rachel MacLean – Parliamentary Under Secretary of State for Transport, Councillor Brenda Warrington, Councillor Andrew Western, Jonathan Reynolds MP and Robert Lorgan MP. Minister MacLean listened to the concerns of GM politicians and committed to reviewing the options to deal with this issue.
- 3.3 Clean Bus Fund – Retrofit – TfGM have confirmation that the funding award for Bus Retrofit should be distributed as soon as possible as per arrangements put in place for the Clean Bus Technology Funds.

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- 3.4 Clean Bus Fund – Replacement – it was assumed at OBC stage that an estimated 350 buses could not be retrofitted and that it would be for the market to find a solution. GM is looking to secure funding from the £5 billion of new funding for buses and cycling announced in the March budget. [Budget 2020 suggested c.£2 billion/4,000 zero-carbon buses nationally.] Alongside this, GM is proposing to the Government that it requires circa £9m of funding plus delivery costs to support the replacement of non-compliant vehicles operating on registered bus services in GM that cannot be retrofitted. Separate discussions are underway with DfT to secure funding from the national fund.
- 3.5 Impacts of COVID-19 – The GM CAP team are working to prepare the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers to consider with the outcome of the consultation. To date GM have developed a broader plan of analysis and sensitivity testing to assess the possible impacts of COVID-19 on the CAP; this plan has been agreed with JAQU.
- 3.5.1 JAQU have confirmed their continued commitment to delivering the GM CAP and have asked GM to continue to develop the CAP and refrain from incorporating any possible economic impacts into the analysis prematurely.
- 3.5.2 Accordingly, GM is continuing to progress interim deliverables as set out in the 2020 Ministerial Direction – delivery plans by 31<sup>st</sup> July 2020 and interim FBC by 30<sup>th</sup> October 2020<sup>7</sup> – towards the production of the Full Business Case (FBC) based on existing modelling and assumptions whilst work to assess the possible impacts of the COVID-19 pandemic is underway. JAQU have set out initial guidance on sensitivity tests that should be carried out by local authorities to assess the potential impact of the COVID-19 pandemic on their plans; these have been incorporated into GM's plans.
- 3.5.3 GM is also working with other local authorities to share knowledge as it emerges.
- 3.5.4 The GM CAP has been developed based on a number of reasonable assumptions, derived from data and evidence, about traffic and travel patterns, vehicle ownership, the costs of living and doing business, and economic circumstances. The COVID-19 pandemic has affected many of these in the short term and may lead to longer term changes, for example, the following impacts are possible:
- Revised 'Do Minimum' position – it is more likely that this would be worse rather than better by 2023/2024 as the impact of delayed/cancelled vehicle purchases on the age of the fleet may outweigh the emissions benefits from any traffic reductions;

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<sup>7</sup> The 2020 Ministerial Direction sets out submission dates for consultation, delivery plans and FBC. Notably, the Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020. The direction is dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting these dates. JAQU have indicated these submission dates maybe reviewed in due course.

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- A change (likely to be an increase) in the proportion of vehicles therefore in scope for charging;
  - Changes to behavioural responses, reflecting changes in the cost and availability of compliant vehicles / retrofit options and changes in the economic circumstances of those affected (for example, reduced turnover / profitability, loss of equity, greater indebtedness);
  - Increased requirements for support or changes to the number and needs of those in scope for the proposed support packages; and
  - Possible delays to, or revisions of, related policies and strategies that affect GM CAP assumptions and predicted behavioural responses.

3.5.5 The impacts will change over time. In the short term (next 6 months), there may still be considerable uncertainty about the trajectory of the pandemic and economic recovery. GM is therefore carrying out an assessment of what factors are most influential for the CAP.

3.6 Decarbonising Transport – As reported on 29 May - In March this year the Government published its “Decarbonising Transport – Setting the Challenge” document. GM’s response to this document is set out at Appendix 1 which gives GM’s views on the actions required to put the UK’s entire transportation system on a plausible pathway to deliver the greenhouse gas reductions urgently needed to achieve carbon neutrality. The summary of the response is:

- Whilst new vehicle technologies are important, delivering carbon neutrality will not be possible without a significant change in travel behaviours and a fundamental shift in the way people and goods are moved. The DfT Plan to Decarbonise Transport, whilst a welcome initiative in principle, does not yet set out a set of measures that are realistically capable of achieving the changes in the required timeframe.
- Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 – the next five years are critical to set us on the right path to meet our carbon budgets.
- If active travel and public transport are to be the first, natural choice, then they must also be the most convenient and cost-effective ways to travel.
- A reduction of passenger kilometres travelled is needed and whilst local polices can influence this, it is Government policy that will underpin its delivery. The Transport Decarbonisation Plan needs to set a consistent National Policy aligned with international agreements, that regions and localities can deliver to make rapid, meaningful progress in reducing transport’s contribution to the climate emergency.
- Policies to tackle carbon emissions must be integrated into wider policy-development to reduce the possibility of unintended consequences and to ensure a holistic approach is taken. Embodied carbon in infrastructure and vehicles; and the need for low-carbon electricity generation must all be included in the final strategy.

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- The next stage in the Government's approach to decarbonising transport, scheduled for autumn 2020, will be crucial. Whilst Government may have fairly assessed the scale of the challenge to date, the final plan will need to set out a clear set of tangible actions and measures of the scale and impact required for implementation in the shortest time possible, so that all stakeholders can play their full role in the challenge to decarbonise transport.

#### **4 THE RESULTS OF THE PUBLIC CONVERSATION AND FOCUS GROUPS**

- 4.1 GM held a public engagement exercise known as the 'conversation' between early May and mid-June 2019 to help inform the GM CAP, and this was supplemented by more targeted stakeholder engagement with affected groups and businesses.
- 4.2 In total, around 3,300 responses were received, via an online survey, paper questionnaire, letters and emails. Over 2,400 of the responses were from individuals, with the vast majority of respondents living in Greater Manchester. As well as this a number of representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.
- 4.3 There were over 550 responses from businesses based in Greater Manchester and further afield. 61% of business were sole traders, 18% were small businesses, 11% were medium-sized businesses and 10% were large businesses.
- 4.4 When it came to air pollution, individuals were generally concerned about air pollution (75%) and felt it needed to be improved (80%) and businesses were less concerned about air pollution (54%) and were less inclined to feel it needs improving (55%).
- 4.5 When asked about the impact of the proposals individuals were generally quite positive about the proposals and their potential impact on health (79%), air quality (76%) and quality of life (67%). However, businesses thought the proposals would have a negative effect on the economy (54%), and two-thirds felt they would have a negative impact on their business.
- 4.6 The survey asked about the proposed Clean Air Zone, including the boundary and the timescales for introducing the zone. The views on the daily charges for non-compliant vehicles to enter the zone were split, with roughly a third of individuals saying they were about right, a third saying they were too low and a third saying they were too high. Businesses were more likely to say they daily charges were too high (around two thirds responding with that answer).
- 4.7 Those with non-compliant vehicles were asked about their view on the funding proposed to support businesses to upgrade. Many businesses either didn't know what action they were likely to take or thought they would not take any action. Of those who said they would not take action, the reasons why included; the cost of upgrading their vehicle, constraints around their lease arrangement and that they would prefer to pay the daily charge.
- 4.8 Scrappage schemes, loans and additional support were suggestions made by respondents on how we could support those with non-compliant vehicles to

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upgrade. There were also comments on who should be prioritised to receive any funding, those comments focused on supporting smaller businesses first.

- 4.9 More than half of all respondents thought it was important to provide support and advice to help people use less-polluting transport. Almost half of respondents thought travel planning and events at schools would encourage the use of sustainable transport.
- 4.10 60% thought installing more electric vehicle charging points across Greater Manchester was important. The top suggested locations were: public car parks, service stations, taxi ranks, Retail centres and workplaces.
- 4.11 Overall, 68% of individuals and 38% of businesses supported the proposal. When asked on a scale of 1 – 10, where 10 was fully supporting the proposals, 41% of individuals gave the proposals a score of 10.
- 4.12 The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents>.

## 5 THE CONSULTATION

- 5.1 In May 2020, GM set out that it needed to be mindful of moving its Clean Air Plan forward given the direction to act but also the need to balance this against the impact of COVID-19.
- 5.2 It further recognised that any consultation conducted in a time of COVID-19-related restrictions will be different to previous consultations and GM would have to do everything it reasonably can to ensure that the consultation is fair.
- 5.3 It is now proposed to move forward to consultation on the Clean Air Plan starting in October 2020 as there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response through the Government's COVID-19 recovery strategy<sup>8</sup> published on Monday 11 May. In this document the Government published a staged plan for the reopening of the economy and the easing of restrictions on some types of social interaction following the introduction of lockdown measures on 23 March.
- 5.4 In his televised address on Sunday 10 May, the Prime Minister outlined plans for the easing of lockdown restrictions and the reopening of some businesses. This was organised into three main steps:
- **Step one** was initiated on **Wednesday 13 May** and required all workers who could not work from home to travel to work if their workplace was open. It also eased restrictions on social contact, allowing people to meet one other person in an outdoor public place. Restrictions on exercise were eased to allow people to exercise as many times as they choose each day and to travel as far as they wish to do so (providing no borders between UK nations are crossed).

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/884760/Our plan to rebuild The UK Government s COVID-19 recovery strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884760/Our_plan_to_rebuild_The_UK_Government_s_COVID-19_recovery_strategy.pdf)



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- **Step two** began on **Monday 1 June** and allowed some non-essential retail to open including outdoor markets and car showrooms. The Government also clarified that homeware stores were permitted to remain open. This step also included a phased return of early years settings and schools beginning with reception, year one and year six pupils and further relaxing of social restrictions. The second phase of Step Two will begin on **Monday 15 June** and will permit the opening of all other non-essential retail.
  - **Step three** began on **Saturday 4 July** and included the opening of many remaining businesses including hospitality, leisure and personal care businesses.
- 5.5 Each of the steps is contingent on the current risk posed by COVID-19 and the status of the Government's five tests.
- 5.6 GM will need to conduct a consultation that will adhere to the government guidance around social distancing and undertake engagement activity that will enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way. It is proposed that:
- Consultation will take place within the COVID-19 Secure guidelines in place at the relevant time and run for 8 weeks from early October 2020. A commencement date of early October will enable the GM Authorities to consider the matters reported here through their own constitutional decision-making arrangements between August and September.
- 5.7 It is considered that an 8-week consultation is a reasonable period of time and will provide an opportunity for meaningful feedback on the proposals for the following reasons:
- the GM Authorities will undertake pre-consultation engagement around the proposals explaining why a GM CAP is important for GM;
  - since the 7-week public conversation impacted groups have been regularly informed of the development of the GM CAP proposals;
  - the consultation will be conducted primarily through digital channels with specific arrangements to ensure that there is parity of access for all groups; and
  - the full detail of the proposals will have been in the public domain for 10 weeks prior to the consultation launch.
- 5.8 The GM Authorities engagement activity will use the Clean Air GM visual identity and will be coordinated by TfGM at a Greater Manchester-wide level and each GM authority will be supported to implement their own delivery plans for consultation with their residents and businesses.
- 5.9 The GM Authorities will use both online and offline channels to promote the consultation, (including social media, digital advertising, out of home advertising, media and PR, working with stakeholders and other routes). It is not thought likely that traditional consultation-style events and drop-in sessions will be able to be hosted due to the restrictions on large gatherings and therefore online events, webinars, social media will be used in order to answer questions and engage.
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- 5.10 A delegation is sought to give Helen Lockwood, Deputy Chief Executive and Cllr Barbara Brownridge, Portfolio holder the necessary authority to approve the GM CAP consultation materials which will include the consultation summary document, survey questions and Equalities Impact Assessment on the consultation activity.
- 5.11 Alongside this engagement activity, GM Authorities will also undertake qualitative research looking at the impact of the clean air proposals on the most impacted groups – which may include any, or all of, small and micro businesses, taxi and private hire trade, the freight and logistics trade, public transport users, those with respiratory conditions and others. This research will be conducted whilst the consultation is ongoing and will be reported within the consultation findings report.
- 5.12 The GM Authorities are mindful that if, after lifting restrictions, the Government sees a sudden and concerning rise in the infection rate then it may have to re-impose some restrictions and it will seek to do so in as limited and targeted a way as possible, including reacting by re-imposing restrictions in specific geographic areas or in limited sectors where it is proportionate to do so, possibly at short notice. In the event that GM returns to extensive social distancing requirements i.e. those in place from 13 May, Greater Manchester may pause the consultation.

## **6 THE CONSULTATION PROPOSALS**

- 6.1 The GM authorities have been directed by Government to introduce a Category C Clean Air Zone across the region. There is a requirement under Transport Act 2000 to consult 'such a local persons as [the GM authorities] consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authorities about the manner in which such persons are consulted, but it will need to address the contents of the scheme and how it will promote relevant local transport policies and explain the fundamentals of the CAZ, i.e. the proposed boundary, times of operation and vehicle types that would be subject to charges if non-compliant, the charges and discounts and exemptions. It is likely that the charges, discounts and exemptions may be most affected by responses to the consultation, given that some of the other elements of the CAZ, such as the need for a CAZ and the category of CAZ are mandated by the Ministerial Direction – see Appendix 2.
- 6.2 The supporting measures, the detail of proposals of the funds and vehicle finance, should also be set out to enable consultees to respond fully to the GM CAP proposals. The measures are also subject to state aid restrictions.
- 6.3 The tables set out at paragraphs 6.14 to 6.21 indicate the GM CAP measures that will be the subject of consultation. The main changes to highlight from the public conversation are highlighted in the list below and detailed in paragraphs 6.4 to 6.13. The full Policy for Consultation can be found at Appendix 3.
- Clean Air Zone Daily Charges
  - Clean Air Zone Implementation Date
  - Clean Air Zone Exemption for LGV's and minibuses to 2023

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- Vehicle Finance Offer
  - Temporary exemption for Wheelchair accessible taxis
  - Temporary exemption for GM registered coaches
  - Personal Use Discount for Private Hire Vehicles licensed with one of the ten Greater Manchester Local Authorities
  - Try Before You Buy Hackney Scheme
  - Taxi Electric Vehicle Infrastructure
  - Removal of Sustainable Journeys and Electric Vehicle Infrastructure

#### 6.4 Clean Air Zone Daily Charges

6.4.1 Daily charges would apply for each day a non-compliant vehicle is used within the GM CAZ, with one charge imposed per vehicle, per 'Charging Day' (midnight to midnight), however much a vehicle drives within the GM CAZ in that 24-hour period. The aim of the daily clean air zone charges is to:

- reduce NOx emissions sufficiently (and not to target other pollutants, although benefits are likely) by encouraging drivers to upgrade to a cleaner vehicle.
- for as few people as possible to choose to 'stay and pay', accepting that this may remain the best choice for infrequent visitors.
- be as low as possible whilst achieving these objectives.

6.4.2 Why have the proposed charges been modified since the initial conversation in 2019?

- Better understanding of the vehicle fleets and markets in GM and nationally.
- Better understanding of the likely behavioural response to the charges.
- A range of options have been tested to identify the lowest, most effective charge.

6.4.3 It is proposed to base the consultation on a revised charge for LGV's and minibuses, set at £10 compared to £7.50 per day in the conversation. The reason for this increase is that since the conversation the data and modelling that underpins the development of the GM CAP has been significantly updated particularly in terms of the behavioural changes GM expects to see. In the analysis used to assess the effectiveness of different charge levels for LGVs, a CAZ charge set at £7.50 delivered upgrades of under 48%, meaning that over half of non-compliant vehicles were choosing to stay and pay the charge or switch to a car, whereas the analysis suggested that increasing the charge to £10 would increase the upgrade to around 70%. At a lower charge level, the risk is that the scheme imposes costs through charges without delivering the necessary benefits of emissions reductions. It is assumed that minibus operators would respond in a similar way, but this could not be modelled because there was not sufficient information available to reliably assess cost sensitivity in the minibus sector.



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6.4.4 It is proposed to base the consultation on a revised charge for HGV's, buses and coaches of £60 compared to £100 per day in the conversation. The reason for this decrease is that since the conversation the data and modelling that underpins the development of the GM CAP has been significantly updated particularly in terms of the behavioural changes GM expects to see. In the analysis used to assess the effectiveness of different charge levels for HGVs, a CAZ charge set at £60 per day was shown to deliver very similar upgrade responses and benefits to compliance as a charge of £100 per day. £60 was assessed to be the lowest possible charge delivering equivalent benefits. It is considered that coach and bus operators would respond in a similar way, but this could not be modelled because there was not sufficient information available to reliably assess cost sensitivity in these sectors. It is therefore recommended that the same charge of £60 per day is applied to all heavy vehicles.

6.4.5 The proposed daily charge for licensed hackney cabs and licensed private hire vehicles remains at £7.50 per day.

#### 6.5 Clean Air Zone Implementation Date

6.5.1 In the May GMCA report GM advised that the implementation of a GM-wide CAZ was delayed. It can now be confirmed that the programme is now working to an implementation date of Spring 2022.

6.5.2 GM anticipates that once implemented the Clean Air Zone will remain in full operation until at least the second half of 2026. If it is demonstrated by the second half of 2026 that two consecutive years' of compliance with legal limit value for NO<sub>2</sub> of an annual mean of 40 µg/m<sup>3</sup><sup>9</sup> has been met, and there is confidence that compliance will continue to be maintained then, subject to GM governance processes, GM will notify the Secretary of State of its intention to revoke the Charging Scheme Order and commence the decommissioning of the GM Clean Air Zone.

#### 6.6 Clean Air Zone Exemption for LGVs and minibuses until 2023

6.6.1 The government have accepted GM's case for exempting LGVs and minibuses to 2023.

#### 6.7 Vehicle Finance Offer

6.7.1 In its Outline Business Case (OBC) Greater Manchester said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

6.7.2 The Clean Air conversation in 2019 showed that vehicle finance is needed to help owners upgrade their vehicle as introduction of the GM Clean Air Zone is disrupting vehicle renewal cycles and some will need help in getting access to finance.

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<sup>9</sup> as set by the Ambient Air Quality Directive (2008/50/EC)

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6.7.3 In response to this Greater Manchester (GM) has developed a Vehicle Finance measure to address and reduce the adverse impacts on individuals, companies and organisations of financing an upgrade to a compliant vehicle without reducing the effectiveness of the Clean Air Zone.

6.7.4 This measure has been designed to facilitate access to vehicle finance to a wider range of applicants than would ordinarily be the case and where access to credit isn't normally an issue the cost of the monthly finance will be more affordable.

6.7.5 Vehicle Finance will utilise the GM CAP Clean Commercial Vehicle Fund and Clean Taxi Fund to offer eligible owners of a non-compliant vehicle the option to seek funding as either a lump sum grant or as a contribution towards vehicle financing, they will be able to choose the option which best suits their individual circumstances.

- Lump sum grant contributes to the cost of replacement – the applicant funds the remaining costs with private purchase or their own financing arrangements.
- Vehicle finance contributes to the cost of financing a replacement vehicle through GM's arrangements either a lease or Hire Purchase – the applicant pays monthly for an agreed finance period.

6.7.6 The measure will be available to small, micro businesses, sole traders, self-employed, charities & and social enterprises, registered<sup>10</sup> in GM and in ownership of a non-compliant vehicle (HGVs, LGVs, Coaches, Minibuses, Hackneys and Private Hire Vehicles). More information on the measure can be found at Appendix 4.

## 6.8 Temporary exemption for Wheelchair accessible taxis

6.8.1 Wheelchair accessible (WAV) Hackney Cabs and Private Hire Vehicles (PHV) offer a vital service for disabled people and are often the only mode of travel available to them. 26% of taxi users, compared to 9% of users of other modes, report that they have a health problem or disability that limits their day-to-day activities, and 26% of over 65s say that they cannot use buses due to a disability – both demonstrating the importance of taxis in providing accessibility for disabled and elderly people<sup>11</sup>. To maintain accessibility for disabled people and mitigate a risk of a reduction in the number of WAV Hackney Cabs and PHVs operating in the region, GM licensed Wheelchair Accessible Hackney Cabs & PHVs will be given a temporary exemption until 2023. Other areas have offered exemptions for WAV taxis on this basis and the temporary exemption for WAV Hackney Cabs and PHVs does not affect the year of compliance with NO<sub>2</sub> legal limits.

## 6.9 Temporary exemption for GM registered coaches

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<sup>10</sup> taxi & PHV need to be licensed in GM

<sup>11</sup> November 2019 Hatch Regeneris "CAZ Commercial Vehicle Socio-Economic Impacts Research"

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- 6.9.1 Compliant Euro 6 coaches have been available since 2013, however the majority of the fleet registered and believed to be operating in GM is non-compliant, with Euro 3 the most common age category. This is because coaches have a long running life and upgrade to a compliant vehicle is very expensive, at up to £280k for a new vehicle. Most coach operators are small businesses and have very small fleets of 1-5 vehicles, operating within tight margins. Coaches provide services for vulnerable groups, particularly children, elderly people and those on low incomes. To maintain accessibility for these groups and mitigate a risk of reduced coach operations, coaches registered to a business address within GM will be eligible to apply for a temporary exemption until 2023, subject to legal review including state aid implications. Vehicles that are used on a registered bus service in GM are not eligible for this exemption. A temporary exemption for coaches does not affect the year of compliance with NO<sub>2</sub> legal limits.
- 6.10 Personal Use Discount for Private Hire Vehicles licensed with one of the ten Greater Manchester Local Authorities
- 6.10.1 The Clean Air conversation in 2019 showed that a proportion of PHVs are used as a private car when not acting as a PHV. Private cars are not included in GM's Clean Air Zone and therefore owner drivers of GM-licensed PHVs (and PHVs leased full-time by 1 person), will be offered a discounted weekly charge of 5/7 of the total from implementation. This is in line with the position taken in other cities e.g. Leeds and can be facilitated through the Government's Hackney Cab and PHV Centralised Database which forms part of the wider digital infrastructure that is being developed to support the introduction of charging Clean Air Zones.
- 6.11 Try Before You Buy Hackney Scheme
- 6.11.1 The GM CAP will require Hackney Cabs and PHVs to meet stricter emissions standards, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these emissions standards to avoid a charge. There is also the ambition in the GM Five-Year Environment Plan (5YEP) for GM to be carbon neutral by 2038.
- 6.11.2 To invest in Zero Emission Capable<sup>12</sup> vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. GM has recently agreed to introduce a position for consultation on when GM Taxi/PHV ZEC should be ZEC. The MLS further proposes that all Hackney Carriages must be London-style wheelchair accessible vehicles. Due to the lack of second-hand ZEC Hackney Carriages on the market, all operators looking to upgrade to electric would likely to have to purchase new vehicles.
- 6.11.3 Deliberative research undertaken in October 2019 identified that Hackney and PHV drivers and operators noted the attractiveness of EVs, but showed concern about whether EV taxis were suitable, and whether there would be sufficient

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<sup>12</sup> This means having CO<sub>2</sub> emissions of no more than 50g/km and a minimum 30 mile zero emission range.

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dedicated charging infrastructure available. To be persuaded to upgrade to an EV, it is likely participants would need to be confident that use of the vehicles is demonstrably feasible. Measures will need to target affordability and other barriers to switching to an electric vehicle, as well as the current lack of charging infrastructure.

6.11.4 GM are proposing a ‘Try Before You Buy’ initiative for GM-licensed Hackney Carriage drivers to address uncertainties such as operating costs, range anxiety and availability of charging infrastructure. Nottingham City Council have run a trial of 3 EV Hackney’s for 1-month periods and since its launch in January 2019 have covered 43 trials and have successfully converted 20 of those drivers to electrified Hackneys. The GM scheme would aim to encourage a 40% increase in drivers moving to EV. Support to drivers will be further enhanced in this transition to EV with the Hackney EV running cost grant.

#### 6.12 Taxi Electric Vehicle Infrastructure

6.12.1 As set out above research has shown taxi drivers are concerned about the ability to charge EVs when out and about on shift. Therefore, electric vehicle infrastructure will be key in supporting the transition to ZEC taxis.

6.12.2 GM are proposing a network of 40 taxi only rapid electric vehicle charging points, tailored to locations to support ZEC taxis to operate across GM. This measure is complementary with the financial support offered through the Clean Taxi Fund, within which one of the proposed financial support mechanisms is a running-costs grant for those who upgrade from a non-compliant vehicle to a ZEC vehicle.

#### 6.13 Removal of Sustainable Journeys and Electric Vehicle Infrastructure

6.13.1 In the update report on 29 May it was detailed that the government does not support the Sustainable Journeys measure as it only contributes to a minimal amount of NOx reduction in key locations. It also set out that Electric Vehicle Infrastructure is not needed for compliance and so would not be supported by implementation fund monies but government have committed to work with GM on securing alternative funding. The Office for Low Emission Vehicles (OLEV) were allocated £500m in the 11 March 2020 budget and TfGM on behalf of GM will be developing a business case to make the case to OLEV/Department for Transport.

**Proposals for the Clean Air Zone** – Government has awarded GM £36m for the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures.

Clean Air Zone: Boundary	Primarily aligned with the administrative boundary of Greater Manchester Authorities excludes the Strategic Road Network (SRN) <sup>13</sup> . <a href="https://cleanairgm.com/which-roads-are-affected/">https://cleanairgm.com/which-roads-are-affected/</a>
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<sup>13</sup> The SRN consists of roads which are not managed by local and regional GM authorities, namely motorways and trunk roads managed by Highways England. The SRN is illustrated on the Highways England Network Management Map available at: <https://www.gov.uk/government/publications/roads-managed-by-highways-england>

Clean Air Zone: Times of Operation	24 hours a day, 7 days a week
Clean Air Zone: Vehicles Affected	<ul style="list-style-type: none"> <li>• Licensed Hackney Carriage</li> <li>• Licensed Private Hire Vehicle</li> <li>• Bus</li> <li>• Coach</li> <li>• Minibus</li> <li>• LGV</li> <li>• HGV</li> </ul>

6.14 **Proposals for Licensed Hackney Carriages** – GM has asked for £10.4m of funding plus delivery costs.

Clean Air Zone: Exemptions	Wheelchair Accessible (WAV) Hackney Carriages which are licensed to one of the 10 Greater Manchester Authorities, as of the [end date of GM CAP consultation] will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)
Clean Vehicle Funding	<p>A one off grant of £10,000 towards the running costs of a Zero Emissions Capable Vehicle OR access to vehicle finance, offering an average subsidy of £10,000 with the total subsidy capped at £14,000.</p> <p>OR a grant of £5,000 towards the LPG retrofit of a Euro 5 vehicle less than ten years old.</p> <p>Funding ask of £10.4m would provide funding to upgrade around 1,050 vehicles. Total in-scope non-compliant fleet is estimated to be 1,200 vehicles at the point of CAZ implementation.</p>

6.15 **Proposals for Licensed Private Hire Vehicles** – Government has awarded GM £10.2m as an initial tranche of funding. Further funding is required to support delivery costs.

Clean Air Zone: Exemptions	Wheelchair Accessible (WAV) Private Hire Vehicles which are licensed to one of the 10 Greater Manchester Authorities, as of the [end date of GM CAP consultation] will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	PHVs (owned or leased full-time by 1 person) licensed to one of the 10 GM Local Authorities and also used as a private car - Registered keepers of non-compliant PHVs which are also used as a private car will be eligible to apply for a discounted charge of 5/7 of the weekly total from 2021.
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)

Clean Vehicle Funding	<p>Private Hire WAV or minibus: A grant of £5,000 for a compliant 6+ seater vehicle OR access to vehicle finance, offering an average subsidy of £5,000, with the subsidy per vehicle capped at £7,000.</p> <p>Non-wheelchair accessible Private Hire Vehicles: A grant of £1,000 for replacement with a compliant internal combustion engine vehicle OR access to vehicle finance, offering an average subsidy of £1,000, with the subsidy per vehicle capped at £2,000.</p> <p>OR a grant of £2,000 for replacement with a compliant hybrid or plug-in hybrid OR access to vehicle finance, offering an average subsidy of £2,000, with the subsidy per vehicle capped at £3,000.</p> <p>OR a grant of £2,500 towards the running costs of a Zero Emissions Capable vehicle.</p> <p>Funding ask of £10.2m would provide funding to upgrade around 4,600 vehicles. Total in-scope non-compliant fleet is estimated to be 5,300 at the point of CAZ implementation.</p>
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**6.16 Proposals for Buses** – Government has awarded GM £14.7m as an initial tranche of funding. As set out at paragraph 3.7 alongside this, GM is proposing to the Government that it requires circa £9m of funding plus delivery costs to support the replacement of non-compliant vehicles operating on registered bus services in GM that cannot be retrofitted.

Clean Air Zone: Exemptions	None
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	<p>Bus retrofit - Up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system</p> <p>Bus replacement - Up to £16,000 for purchase or lease of a compliant vehicle</p> <p>Funding ask would provide funding to retrofit or towards upgrade of all non-compliant buses operating in GM, around 1,500 vehicles in total (noting that a further c350 are being retrofitted under the CBTF).</p>

**6.17 Proposals for Coaches** – Government has awarded GM £4.4m as an initial tranche of funding.

Clean Air Zone: Exemptions	Coaches registered to a business address within GM and not used on a registered bus service within GM will be eligible for a temporary exemption until 31st December 2022.
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Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	<p>A grant of £16,000 per vehicle for replacement OR access to vehicle finance, offering an average subsidy of £16,000, with the subsidy per vehicle capped at £23,000.</p> <p>OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS)</p> <p>Funding ask of £4.4m would provide funding to upgrade around 275 vehicles.</p>

6.18 **Proposals for Minibuses** – Government has awarded GM £2m as an initial tranche of funding.

Clean Air Zone: Exemptions	<p>Community Minibuses – Those operating under a permit under section 19 or section 22 of the Transport Act (1985), issued by a body designated by the Secretary of State are eligible for a permanent exemption.</p> <p>Minibuses which are not used as a licensed taxi, PHV or on a registered bus service, will be eligible for a temporary exemption until 31st December 2022.</p>
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	<p>A grant of £5,000 per vehicle OR access to vehicle finance, offering an average subsidy of £5,000, with the subsidy per vehicle capped at £7,000.</p> <p>Funding ask of £2m would provide funding to upgrade around 400 vehicles.</p>

6.19 **Proposals for LGV** – GM has asked for £80m of funding plus delivery costs.

Clean Air Zone: Exemptions	Light Goods Vehicles (LGVs) will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	<p>A grant of £3,500 per vehicle OR access to vehicle finance, offering an average subsidy of £3,500, with the subsidy per vehicle capped at £5,000.</p> <p>Funding ask of £80m would provide funding to upgrade around 23,100 vehicles, around 40% of the in-scope non-</p>

	compliant fleet.
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6.20 **Proposals for HGV** – Government has awarded GM £7.6m as an initial tranche of funding.

Clean Air Zone: Exemptions	Specialist Heavy Goods Vehicles – Certain types of heavily specialised HGVs, such as those used in construction or vehicle recovery.  Non-road-going vehicles – Certain types of non-road going vehicles which are allowed to drive on the highway such as agricultural machines; digging machines; and mobile cranes (T1, T2 or T3 vehicle types)
Clean Air Zone: Discounts	Registered keepers of privately-owned commercial vehicles (<3.5t)), and registered to an address in GM, will be eligible to apply for a discounted charge of that of an LGV.
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of up to £5,500 per vehicle, dependent on vehicle size OR access to vehicle finance, offering an average subsidy of up to £5,500 with the subsidy per vehicle capped at £8,000.  OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS)  Funding ask of £7.6m would provide funding to upgrade around 2,000 vehicles, around half the in scope non-compliant fleet.

6.21 An Equalities Impact Assessment that considers the draft proposals at a GM level, can be found at Appendix 5.

## 7 GOVERNANCE

7.1 TfGM has been leading on the development of the GM CAP on behalf of the ten GM local authorities. However, the duty to secure compliance with the March 2020 ministerial direction falls on the 10 GM local authorities. The latest direction by the Secretary of State under section 85 of the Environment Act 1995 places a duty directly on each of the GM authorities to take steps to implement the relevant local plan for NO<sub>2</sub> compliance.

7.2 Once the GM CAZ is operational there will be a number of aspects which will require continued joint working across the GM Authorities, which may be achieved through delegations, agreements, memoranda of understanding or a combination of these. The CAZ will incur operating costs and generate revenues, any net surplus of which must be applied in accordance with restrictive rules in the TA 2000, in facilitating the achievement of local transport policies.



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7.3 Some aspects of the delivery of the CAZ will require formal arrangements to be put in place. This section of the report considers the formal governance mechanisms to underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures, namely;

- the GM 'Operating Body', a public sector body which will be responsible for day to day operation of the CAZ in particular, the implementation of other GM CAP measures.

#### Operating Body

7.4 The 'Operating Body' should be a public sector body which will be responsible for day to day operation of the CAZ in particular, and the implementation of other GM CAP measures. Appendix 6 sets out further detail on the assumed responsibilities / activities of the 'Operating Body'.

7.5 The GM Clean Air Steering Group have reviewed a number of options – see Appendix 6 – and this options analysis has concluded that TfGM should act as the Operating Body and take on responsibilities for the CAZ integrating GM CAP delivery within their wider strategic GM responsibilities to operate the GM Clean Air Service.

7.6 Given that the ten GM local authorities are to cooperate and put in place arrangements with a view to achieving objectives they have in common no particular public procurement implications are anticipated from the proposal to appoint TfGM as the Operating Body.

7.7 Further information on the assumed responsibilities of the Operating Body can be found at Appendix 6.

7.8 A further report will be submitted in due course setting out the details of the proposed delegations to the Operating Body.

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### Charging Authorities

- 7.9 The relevant powers for ensuring compliance with the Direction also rest with the 10 GM local authorities as the “local plan for NO<sub>2</sub> compliance” referred to in the Direction involves “a Charging Clean Air Zone Class C,” which in legal terms is a charging scheme under the Transport Act 2000 (TA 2000).
- 7.10 Such a charging scheme may be made by an authority (known as a ‘charging authority’) in respect of roads for which it is the local traffic authority or jointly by a number of them. It can also be made by one or more such authorities with a combined authority.
- 7.11 It is proposed that a further report will be brought forward to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

### Political oversight

- 7.12 If the GM local authorities agree that TfGM will act as the Operating Body it is considered prudent and good practice for an ‘Authority’ to act as an oversight body in respect of the GM CAP, responsible for holding the Operating Body to account and also to exercise functions relating to the oversight of the CAZ including monitoring and policy setting.
- 7.13 It is proposed that a further report will be brought forward to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

### Management Group

- 7.14 To ensure that each participating authority retains Strategic Management of the GM Clean Air Service as it impacts on them, it is proposed that a “Clean Air Management Group” is established to have responsibility for management oversight of the GM Clean Air Service in line with the policies and decisions of the participating authorities. It would comprise senior nominated officers of the participating authorities who would have responsibility for day to day liaison with the service. Appendix 6 sets out further detail on the assumed responsibilities of the Clean Air Management Group.

## **8 MINIMUM LICENSING STANDARDS AND THE GM CLEAN AIR PLAN**

- 8.1 Taxi/PHV services are a significant part of GM’s transport offer. In 2018, GM’s ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda are now also a major consideration.
- 8.2 As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the GM Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant GM policies, at a GM level.

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8.3 There are four areas of focus for the MLS:

- Drivers: Criminal Records Checks; Medical Examinations; Local knowledge test; English language; Driver training; Driving Proficiency; Dress Code.
- Vehicles: Vehicle emissions (diesel Euro 6 and above, petrol Euro 4 and above with an ambition for a zero-emission capable fleet); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for Private Hire Vehicles); Vehicle livery (common GM design with Council logo incorporated); Accessibility (all Taxis to be wheelchair accessible); Vehicle testing; CCTV; Executive Hire; Vehicle design and licensing requirements.
- Operators: Private Hire Operators/staff will require basic criminal record check; more stringent requirements in relation to booking records; Operators to take more responsibility for the behaviour of their drivers.
- Local Authorities: Applications may be submitted up to 8 weeks in advance of license expiry; Once determined, license issued within 5 working days; Agree to develop common enforcement approach and a framework to which licensing fees are set; Councillors to receive training before they hear applications.

8.4 Given the decarbonisation challenge, highlighted elsewhere in this report, sectors such as transport need to take very significant action now to reduce carbon emissions. For taxis and PHVs to contribute will require them to switch to zero-emission capable (ZEC) vehicles. To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure.

8.5 Therefore, the following dates for ZEC adoption are proposed as part of the MLS consultation:

- From 2025 all new to license vehicles would need to be ZEC; and
- From 2028 all vehicles would need to be ZEC, meaning an entirely zero emission Taxi/PHV fleet across GM by 2029.

8.6 The trade has asked for certainty, funding, and long lead in times for these changes. This is extremely challenging within the current and emerging policy environment. Officers have developed policy proposals that can meet these needs as far as possible, which is why parallel consultations will be undertaken for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.

8.7 Ultimately the collaborative approach that the MLS represents will help achieve the vision of a strong, professional and healthy taxi and private hire sector providing safe and high-quality services to residents and visitors across the whole of Greater Manchester. This vision sees taxis and Private Hire as a crucial part of the overall transport mix, that can consistently deliver safe and high-quality services for the public. The proposed MLS will help deliver improved safety, customer focus, higher environmental standards and accessibility.

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8.8 In addition, GM understands that, like many parts of the economy, and in particular the transport sector, the taxi and private hire trade have been severely impacted by COVID-19, lockdown and the effects of social distancing policies. Therefore, the MLS consultation, which is a matter for the 10 district councils, will include questions designed to elicit a fuller and more informed understanding of the wider effects of COVID-19 on the economic health and sustainability of the taxi and private hire trades.

## **9 NEXT STEPS**

9.1 Officers will:

- Continue dialogue with JAQU to secure a clear response from government on GM's outstanding clean air funding asks;
- Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures;
- Continue preparations to move to a statutory public consultation on the GM Clean Air Plan;
- Continue work to understand the possible impacts of COVID-19 on the GM CAP; and
- Prepare further reports to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

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## **10 Financial Implications**

- 10.1 The Clean Air Plan developed by the GMCA relies on Government Grant funding and income from Clean Air Zone charges of £7.50 per day for taxis and private hire vehicles, £10 per day for light goods vehicles and minibuses, and £60 per day for heavy goods vehicles, buses and coaches. The plan includes a £174m fund to finance the upgrading of freight vehicles, taxis and buses. The fund will be targeted to support private sector operators. The Government has so far committed to providing an initial tranche of funding of £75m for the scheme set up, procurement and grants or loans but does not support all of the measures proposed in the plan.
- 12.2 The implementation, contractual arrangements and administration of the Clean Air Plan/Zone will be undertaken by the GMCA and will be funded via the above-mentioned government grant and fines income. Consequently, there are no direct financial implications for the Council at this stage. However, once more is known about the application of Clear Air Zone charges and specifically which vehicles they will apply to, the Council will need to review their impact on both its directly operated transport fleet and any commissioned services that rely on vehicles subject to the proposed charges. Clear Air Zone charges are therefore likely to give rise to an additional budget pressure which will need to be reflected in future iterations of the Council's Medium-Term Financial Strategy and accompanying estimates. (James Postle)

## **13 Legal Services Comments**

- 13.1 Legal issues are addressed in the main body of the report (Colin Brittain)

## **14 Co-operative Agenda**

- 14.1 The work is being undertaken through collaboration of the 10 GM authorities supported by Transport for Greater Manchester.

## **15 Human Resources Comments**

- 15.1 N/A

## **16 Risk Assessments**

- 16.1 A full risk log supports the various projects which form part of the full programme currently under development.

## **17 IT Implications**

- 17.1 N/A

## **18 Property Implications**

- 18.1 N/A

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**19 Procurement Implications**

19.1 N/A

**20 Environmental and Health & Safety Implications**

20.1 Cleaner air is supported for all through the proposals being drafted.

**21 Equality, community cohesion and crime implications**

21.1 N/A

**22 Equality Impact Assessment**

22.1 A full EIA is planned to take account of the impact of all the measures proposed.

**23 Key Decision**

23.1 Yes

**24 Key Decision Reference**

24.1 NEI-09-19

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## APPENDIX 1 – GM RESPONSE TO DFT’S DECARBONISING TRANSPORT – SETTING THE CHALLENGE

1. Greater Manchester welcomes the opportunity to feedback on DfT’s Decarbonising Transport – Setting the Challenge [‘the document’] and give our views on the actions required to put the UK’s entire transportation system on a plausible pathway to deliver the greenhouse gas reductions urgently needed to achieve carbon neutrality. GM broadly agrees with the 6 strategic priorities and welcomes the opportunity to participate in the workshops to help develop these further.
2. Greater Manchester agrees with the acknowledgement in the document that the decarbonisation of transportation is not optional and that urgent action is needed to put the UK on a trajectory of becoming carbon neutral by 2050. It is encouraging that government, in addition to identifying freight and logistics as playing a key role, has recognised within its strategic priorities the need to accelerate modal shift to public transport and active travel and that many of the solutions lie within the localities where unique opportunities and challenges lie. As mentioned throughout the document, delivering carbon neutrality will not be possible without a major change in travel behaviours and a fundamental shift in the way people and goods are moved.
3. Greater Manchester aims to be a carbon neutral city-region by 2038. The pathway to the Greater Manchester 2040 Transport Strategy’s Right Mix vision focuses on changing travel behaviour towards public transport, active travel, more local travel, and more travel to town and city centres in order to reduce car mode share from 61% of trips in 2017 to no more than 50% of trips in 2040. Although the Right Mix takes us some way towards Greater Manchester’s carbon neutral target, more challenging reductions in car travel are likely to be necessary if Greater Manchester is to meet the carbon budgets that underlie the target. Central government will need to take the lead if Greater Manchester is to achieve those major changes in travel behaviour.
4. It is disappointing to note that government policies and strategies do not appear at present to be joined up. The document explicitly states that embodied carbon is out of scope, as is that of the power generation and distribution for transport and construction of infrastructure, as these are considered elsewhere by Government. Whilst GM recognises that travel energy carbon costs are often most easily understood and addressed in the near-term, the carbon costs of infrastructure is a necessary component for a coherent decarbonisation strategy. The need for joined-up thinking was identified in HMT Infrastructure Carbon Review<sup>14</sup> which states “the overarching recommendation is that Government and industry clients should work together to make carbon reduction a requirement on all infrastructure projects and ....real value will come from joining up the value chain and unleashing

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/260710/infrastructure\\_carbon\\_review\\_251113.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/260710/infrastructure_carbon_review_251113.pdf)

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innovation". PAS 2080<sup>15</sup> mirror these aspirations and promote carbon reduction in the value chain and it is recommended that a similar PAS be developed for transport.

5. The apparent lack of a joined-up approach may lead to inappropriate technologies and solutions being pursued and implemented; as was the case with the promotion of diesel vehicles over petrol to help reduce carbon emissions where siloed decision-making resulted in much higher traffic-generated emissions of nitrogen dioxide (NO<sub>2</sub>) and contributed to the UK government's failure to meet the 2010 legal limit for roadside NO<sub>2</sub>. In addition, an urgent review of the Bus Service Operators' Grant<sup>16</sup> (BSOG) is needed, as it is based on annual fuel consumption and therefore is actively encouraging the use of fossil fuels: instead, subsidy ought to encourage and stimulating the adoption and use of electric vehicles for bus, the most heavily used public transport mode in GM and throughout the country. Additionally the 2011 Budget saw a freeze on fuel duty which has meant that its real value is currently the lowest since November 1994.<sup>17</sup>
6. Finally, the valuation of carbon in transport appraisal is not raised within the consultation document. The economic value of reducing carbon as contained in the DfT Transport Appraisal Guidance is in need of urgent revision to ensure that it plays a driving role in the economic case for transport interventions and investments. Indeed, it is questionable whether we have sufficient information about the social costs of carbon emissions to justify trading-off those costs against other benefits in a transport appraisal. If that practice is to continue, a precautionary approach should be used to valuing carbon, reflecting uncertainty about its true long-term costs.

### **Moving People**

7. The principle focus of the document in its discussion of carbon neutrality by 2050 is around the shift to the use of electric vehicles. Although it accepts that car travel will need to be reduced, the work undertaken for the GM Environment Plan by the Tyndall Centre has demonstrated that it is not plausible that such a reduction in carbon could be achieved without a substantial reduction in total kilometres travelled, if the UK is to remain within its carbon budgets. The omission of a range of impactful actions that realistically will enable the carbon reductions to be made is a serious shortcoming and must be addressed in the Plan. Changes to mode of transport alone will not be enough; changes to the pattern of trip origins and destinations will also be needed. It is surprising that in fig 6 an EV is identified as zero carbon yet an electric train is not.
8. Greater Manchester has a significant strategic road network comprising approximately 170km of mostly motorway, carrying around 5.5million kilometres of vehicle traffic per annum. There is a greater length of strategic road network in GM

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<sup>15</sup> PAS 2080:2016 Carbon Management in Infrastructure – BSI Group

<sup>16</sup> BSOG is a grant paid to operators of eligible bus services and community transport organisations to help them recover some of their fuel costs.

<sup>17</sup> Petrol and diesel prices – House of Commons Briefing Paper, Number 4712, 16 June 2020



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than in any other City Region area. It is for this reason that GM needs a joined-up approach to managing local and strategic roads and clear policy alignment around highway capacity enhancements which could lead to more car travel. The cost of travel plays an important role in the choice of transport mode and as a result of freezing fuel duty, this has meant that once a vehicle has been purchased it is relatively cheap to run, making this a challenge for public transport to compete.

9. It is also important to recognise that there is concern over the potential increase in non-exhaust fine particulate matter generated by EVs, when compared to the equivalent conventional vehicle. The Air Quality Expert Group (AQEG) identified that EV's can weigh up to 24% more than a conventional ICE equivalent, resulting in more brake, tyre and road wear<sup>18</sup>. The AQEG have recommended an immediate priority that non-exhaust emissions are recognised as a source of ambient concentrations of airborne particulate matter, even for zero exhaust emissions vehicles.<sup>19</sup> It is these fine particulates that have been linked to the poor health outcomes and loss of life years.
10. The document identifies the fact that most journeys are made for leisure purposes and that for 87% of car users, their current lifestyles mean that they need to own a car. Again, it is not realistic that simply nudging people into “the purchase of a new type of vehicle, moving to greater sharing of transport to increase utilisation, or switching modes” will be sufficient to achieve the behaviour changes that in turn will enable the very challenging carbon reduction targets to be met. In the short term there may be merit in providing more information to the public on the real cost of vehicle ownership and comparing this to other more sustainable modes of transport. Beyond this, the Transport Select Committee and others have identified the need for future policies, as the shift to electromobility will no longer provide even the limited road transport pricing impact that fuel duty currently provides to encourage behaviour change. Any national policy to encourage more journeys by active travel or public transport modes will need to consider how best to shift the relative pricing of transport to more fully take into account the carbon costs in the absence of current motoring duties and taxes. A similar approach is also required in the context of future transport interventions, particularly for large scale transport infrastructure.
11. For Greater Manchester to decarbonise transport to meet its 2038 target, it is estimated that 63% of cars will need to be zero-tailpipe-emission by 2025. Based on current car ownership, that is a shortfall of 800,000 vehicles, out of a current car/van fleet of 1.3 million. With global production of passenger EVs projected to be 8.5m by 2025 (10% of total vehicle sales) and 54m (58% of sales) by 2040<sup>20</sup>, the carbon neutral aspirations of GM and the UK government cannot rely on only EVs as the solution. Work undertaken by Anthesis<sup>21</sup> for GM has suggested that by 2030

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<sup>18</sup> Air Quality Expert Group – Non-Exhaust Emissions from Road Traffic

<sup>20</sup> Bloomberg's New Energy Finance – Electric Vehicle Outlook 2019 <https://about.bnef.com/electric-vehicle-outlook/>

<sup>21</sup> Scatter for GMCA – Technical Annex June 2019

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a reduction of 25% in passenger-kms travelled is needed in addition to decarbonising transportation by 51%. Place-based solutions are fundamental to delivering this, creating attractive walkable residential areas that encourage shorter walk-trips instead of longer car-trips.

12. Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 and meeting its agreed carbon budgets. Early work undertaken by Greater Manchester has shown that delaying action by 5 years would adversely affect the achievement of its cumulative carbon budget to the extent that our target would not be met.
13. The infrastructure needed to support the decarbonisation agenda of both transportation and heat requires the electricity grid to be fit for purpose. The document refers to installing EV charging points in new-build, however there is no reference to retrofitting these to existing property other than by grants applied for by EV owners, nor the ability of the substations to sustain the power needed to charge EVs and the projected electricity needed to heat homes. The document makes no reference to the insight used to determine the best location for EV charging points and the suitable mix of fast/rapid and ultra-rapid chargers. There needs to be joined up thinking to ensure that suitable locations are chosen, particularly given the heavy reliance on on-street parking in many residential areas. Research underpinning our draft Electric Vehicles Charging Infrastructure (EVCI) strategy identifies that whilst the private sector contribution to the network will be valuable, there is limited evidence of it delivering the network needed to meet our clean air and low carbon targets and to support the ambitions of the 2040 transport strategy. Government must support a robust and widespread network of alternative fuel infrastructure necessary to accelerate the uptake of zero tailpipe emission vehicles, to facilitate the move away from ICE vehicles.
14. Furthermore, if active travel and public transport are to be the first, natural choice, then it must also be the most convenient and cost-effective method to travel. Insight is needed to determine the appropriate mix of EV charger types and location to ensure the early uptake of EVs but also support the promotion of modal shift to active and sustainable transport. EVs are not carbon neutral, with embodied carbon accounting for 50% less life-time carbon than a typical internal combustion engine car<sup>22</sup>. Therefore, it is important to achieve the right mix of modes of transport early on, to ensure future carbon budgets are not put at risk.
15. It is disappointing that Government does not have a current carbon target for buses and that it has left that to the Confederation for Passenger Transport (CPT). The Document misquotes the CPT's strategy, suggesting that all buses are to be ultra-low or zero emission by 2025 (2023 in some urban areas), when in fact the commitment from the CPT is only to purchase next generation ultra-low or zero emission buses from 2025 (but starting from 2023 in some urban areas). With

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<sup>22</sup> ICCT – Effects of battery manufacturing on electric vehicles life-cycle greenhouse gas emissions - February 2018

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buses operating for at least 15 years from purchase, this risks excessive delay and further carbon costs. Moreover, with buses providing the primary source of NOx emissions in a number of our town centres and contributing an average of 822g/km<sup>23</sup>; GM is very concerned about the very slow adoption of zero emission vehicles in the bus industry. At the current rate of progress it will take 300 years before the UK bus fleet is fully composed of zero emission vehicles, according to the Low Carbon Vehicle Partnership<sup>24</sup>.

16. If a shift to public transport is a strategic priority, then it is concerning to see that Government is waiting for a natural renewal of the fleet; and that is even more the case given the likely impact of the Covid pandemic on fleet replacement plans. Additionally, current policies that support retrofitting buses to Euro VI are also counter-intuitive and although they will help improve the quality of the air locally, they will not improve the efficiency of the vehicles, instead reducing their efficiency by up to 3%<sup>25</sup> in an urban setting and consequently increasing carbon emissions. Carbon emissions need to be considered holistically together with local air quality. Furthermore, the current policy to subsidise bus operators' use of fuel through the Bus Service Operators Grant (BSOG) is counter-intuitive. It is however encouraging that a National Bus strategy is to be launched in 2020 and that the BSOG is to be reviewed by Government to ensure that it supports the environment.
17. The Greater Manchester 2040 Transport Strategy identifies that the bus network plays a vital role in tackling congestion and providing access to work, leisure and other destinations and that there is a need to increase bus patronage. The Strategy proposes Quality Bus Transit corridors where whole-route upgrades of key bus corridors, with a strong focus on quality and reliability will attract new users.
18. There is also no reference to the role that light rail or long-distance bus/coach travel can play in decarbonising leisure travel, especially (in the latter case) since the majority of long-distance journeys are for leisure purposes.
19. The document does little to progress the decarbonisation agenda for rail and largely reflects a direction of travel set by existing Government policy. Despite a clear manifesto commitment by the Government for "more electrification", details on the scale, design and location of such programmes remain vague, although there is an industry expectation that more will be known following the publication of the Traction Decarbonisation Strategy, which Network Rail are leading, later this year. The document is right to state that rail is a relatively low-carbon form of transport

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<sup>23</sup> Carbonindependent.org using DEFRA's carbon calculator  
<https://www.carbonindependent.org/20.html#:~:text=the%20CO2%20emissions%20relate%20purely,buses%20is%20822%20g%20%2F%20km>

<sup>24</sup> TfGM research

<sup>25</sup> Bus retrofitting with diesel particulate filters: Real world fuel economy and road worthiness.

<https://www.sciencedirect.com/science/article/pii/S1001074217317643>  
[https://ars.els-cdn.com/content/image/1-s2.0-S1001074217317643-fx1\\_lrg.jpg](https://ars.els-cdn.com/content/image/1-s2.0-S1001074217317643-fx1_lrg.jpg)

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and efficient in moving high volumes into city centres and for long distance trips. Heavy rail moves the highest volume of people into Greater Manchester's regional centre during the am peak. Data on carbon dioxide (CO<sub>2</sub>) emissions per passenger km in GM estimated that rail produces 60.9g CO<sub>2</sub> per passenger kilometre, bus in comparison was estimated at 102.9g CO<sub>2</sub> per passenger kilometre<sup>26</sup>. However, rail tends to have longer term investment requirements for rolling stock and infrastructure compared to other modes, so there is a risk that technological development in other modes of transport could undermine rail's comparative advantage in relation to carbon if decisions regarding the decarbonisation of rail are not made soon.

20. The document highlights the need for coordinated investment in both rail infrastructure and rolling stock which will be key to meeting decarbonisation targets. Crucial to this will be the ability to identify the right interventions for the right locations as innovation in hydrogen and battery power cannot be relied upon to deliver the scale and pace of change needed.
21. There is widespread support for electrification both politically and within the rail industry, as it is considered a proven technology and has several benefits, such that electrification<sup>27</sup>:
- means 60% lower carbon emissions than diesel trains;
  - is 35% cheaper than diesels to operate;
  - has 20% lower lease costs;
  - offers better reliability - between 140% and 230% increase in distance travelled between failures;
  - delivers improved passenger comfort;
  - enables faster journey times due to superior braking and acceleration; and
  - ensures quieter operation<sup>28</sup>.
22. Government must also consider that the UK finds itself with a shortage of suitable diesel trains and electrics are available for cascade from other franchises. Given the Government's aspiration to reduce, and ultimately end, the use of diesel trains by 2040, companies will struggle to justify investment in diesel stock even where the lack of infrastructure requires them. Conversely, electrification could allow for a closer alignment between the banning of diesel and petrol cars by 2035 and new diesel trains in a similar timeframe.
23. Government must reconsider the role of cycling and walking if they are to be a serious contender to replace car journeys. The transport authorities have been implementing the activities discussed within the document to promote these modes of transport for many years and appreciates that much more is needed to support carbon neutrality. Greater Manchester's Bee Network contributes is one such

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<sup>26</sup> Carbon Footprinting of Policies, Programmes and Projects – AEA Technology 2009

<sup>27</sup> RIA electrification Cost Challenge (2019)

<sup>28</sup> RIA electrification Cost Challenge (2019)

[https://www.riagb.org.uk/RIA/Newsroom/Stories/Electrification\\_Cost\\_Challenge\\_Report.aspx](https://www.riagb.org.uk/RIA/Newsroom/Stories/Electrification_Cost_Challenge_Report.aspx)

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activity with a vision for the city region to become the very first to have a fully joined up cycling and walking network, covering over 1000miles.

24. Government need to actively introduce policies to enable significant and rapid change at levels that we have not seen to date. The light touch approach taken throughout the document may not be enough to ensure that cycling and walking are the preferred option. Policies, strategies and decision-making need to be joined up with comprehensive, interlinked, cross- boundary infrastructure that is suitable to make cycling and walking the easiest option for travel; where people are given priority over cars, rather than the other way around. In this context, regulatory reform that equips local transport and highway authorities with the right powers to plan and deliver safe walking and cycling routes is crucial, for example in terms of innovative road layouts including measures such as implied zebra crossings, and enforced where appropriate, for example in relation to moving traffic offences. Most importantly, holistic land-use and transport planning is needed in order to create the conditions suitable for the shorter journeys for which active travel is relevant and not designed around the car. Will the government's proposed speeding-up of the planning system in England reflect the need for holistic planning of land-use and transport to achieve rapid reductions in GHG emissions from transport? Or will it accelerate the creation of car-dependent development, undermining alternatives to car travel?

## **Moving Goods**

25. Although freight is identified as a key player in decarbonising transport, there is no clear direction on how this will be achieved. The current approach to voluntary reductions in GHG emission of 15% by 2025 and the introduction of regulations to set binding CO2 emission reductions, are too little too late. As identified earlier, to meet the targets set by Government, urgent action is necessary. Investing in technology that only reduces emissions by 15% risks locking those vehicles into the fleet for 10-15 years to come. Rather, the accelerated advancement in alternative technologies such as hydrogen is necessary or, alternatively, the acceptance that in the short term there is no alternative to diesel power for freight vehicles and that the associated carbon emissions must be offset elsewhere. E-cargo bikes for last mile delivery are a sustainable solution to the increased popularity of vans. Micro-consolidation centres do not appear within the document, nor the recognition that out-of-town consolidation centres give the opportunity of greater efficiency for the distribution of goods to the final customer by low carbon means. This leads to the need for a national freight strategy with enough resilience to make a difference and reduce -tonne-km moved.
26. Freight trains makes a significant contribution to the economy and environment of Greater Manchester because each freight train replaces up to 60<sup>29</sup> HGVs that would need to be operated in their place, according to the Rail freight Group (RfG). The RfG also highlights that rail freight reduces CO2 emissions by up to 76% compared

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to road transport, produces ten times less small particulate matter and as much as fifteen times less nitrogen oxide for the equivalent mass hauled.

27. Rail freight is wholly in the private sector and operated on purely commercial terms (by independent businesses with long term investments and commitments in capital, people, terminals and rail network access); therefore, the aspirations of the industry are not always shared in a wider strategy domain. The vast majority of freight trains are currently hauled by diesel locomotives. Only a very few freight trains operated into Greater Manchester are hauled by electric locomotives and the freight terminals and routes are largely not electrified and historically it has made more economic sense for the Freight Operating Companies (FOCs) or Rolling Stock Companies (ROSCOs) to invest in diesel locomotives.
28. If the Government commits to greater electrification, then the sector will be incentivised to invest in new equipment (circa £3 million per loco). Electric locomotives are a tried and tested existing technology. They are able to haul longer aggregates trains, thereby improving the economics for both FOCs and ROSCOs and potentially mitigate the need for some additional paths; there appears to be no reason railways serving quarries might not also be electrified. Government must work closely with the freight industry to provide assurance for the long-term investment in electric locomotives and to ensure the business is viable by guaranteeing freight paths under a mixed-use network.
29. Neither of the alternative technologies of battery or hydrogen have the energy density, range or sustained power capability to match the performance of diesel trains on freight services. This means that it is essential that electrification is extended to include all freight routes if there is any chance of achieving decarbonisation. With the small profit margins of the freight operators and limited network capacity, there is no option to reduce the length or weight of freight services to match other technologies. There is a possibility that battery technology may be suitable for last mile haulage or for shunting in freight terminals, but this will need to support rather than replace the need for electrification.

## **Aviation & Maritime**

30. Greater Manchester recognises the challenges faced by both the aviation and maritime sectors in decarbonising their fleet, from both a weight and range perspective and that further research and development is needed. Regarding aviation, Greater Manchester's five-year Environment Plan recognises the carbon emissions as a national issue, with an assumption that emissions nationally from all flights should hold steady to 2030 and then reduce to zero by 2075 and that such emissions are monitored.



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## Summary

31. Whilst new vehicle technologies are important, delivering carbon neutrality will not be possible without a significant change in travel behaviours and a fundamental shift in the way people and goods are moved. The DfT Plan to Decarbonise Transport, whilst a welcome initiative in principle, does not yet set out a set of measures that are realistically capable of achieving the changes in the required timeframe.
32. Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 – the next five years are critical to set us on the right path to meet our carbon budgets.
33. If active travel and public transport are to be the first, natural choice, then they must also be the most convenient and cost-effective ways to travel.
34. A reduction of passenger kms travelled is needed and whilst local polices can influence this, it is Government policy that will underpin its delivery. We need the Transport Decarbonisation Plan to set a consistent National Policy aligned with international agreements, that regions and localities can deliver to make rapid, meaningful progress in reducing transport's contribution to the climate emergency.
35. Policies to tackle carbon emissions must be integrated into wider policy-development to reduce the possibility of unintended consequences and to ensure a holistic approach is taken. Embodied carbon in infrastructure and vehicles; and the need for low-carbon electricity generation must all be included in the final strategy.
36. The next stage in the Government's approach to decarbonising transport, scheduled for autumn 2020, will be crucial. Whilst Government may have fairly assessed the scale of the challenge to date, the response outlined in their approach to date is insufficient. The final plan will need to set out a clear set of tangible actions and measures of the scale and impact required for implementation in the shortest time possible, so all stakeholders can play their full role in the challenge to decarbonise transport.

### **Actions GM recommends are needed to be addressed in the Transport Decarbonisation Plan**

#### Policy

- A clear and binding framework is needed for joined up policy and strategic decisions, where whole life carbon is considered, to include embodied carbon and carbon from power production not just carbon in use, together with a review of the national roads investment strategy to take into account the impact on carbon.
- Planning policy must change to ensure that future developments do not encourage the increased need to travel, particularly by car. (There are worrying signs that

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proposed changes in planning policy by the government could have the opposite effect).

- National plans are needed to ensure that investment in cycling and walking infrastructure is joined up and effective.
- Policies that encourage employers to allow employees to work from home.
- Policies that make the cost of travelling by car relatively more expensive than sustainable and public transport modes.
- The economic value of reducing carbon as contained in the DfT Transport Appraisal Guidance is in need of urgent revision to ensure that it plays a driving role in the economic case for transport interventions and investments.

### Behavioural

- There needs to be less travel, with active and sustainable transport becoming the first choice because it is easier, cheaper, or faster than non-sustainable modes. This may only be possible by increasing the cost of using non-sustainable modes of transport or reducing the relative cost of sustainable modes.
- Active Travel must be convenient with due regard given to the need for shower facilities at places of work and difficulties of storing bikes at home, when living in high rise buildings. In addition, means of securing valuable e-bikes at transportation hubs need to be available when using mixed-mode travel options.
- E-bikes can play an important role in filling the gap in suburban areas where public transport may not be an option. Carefully planned and robust EV charging infrastructure will help support and encourage the uptake.
- New and emerging modes such as E-scooters are also important in bridging gaps and connecting transport modes.

### Rail

- Emerging technologies (battery and hydrogen) might help with the reach of the solutions but will not act as a silver bullet to the problems and will not replace the need for significant additional electrification.
- Evidence from the rail industry suggests that electrification can be delivered at a lower cost if design and funding methods are improved.
- A national rolling programme of electrification is needed to enable the rail industry to deliver schemes at significantly lower cost, through supply chain certainty, while retaining learning and skills and incentivising investment and innovation.
- Replace bi-mode trains with full electric trains where possible and cascade bi-modes to other routes without continuous electrification as a medium-term solution.
- Don't forget the significant commercial incentives required to attract longer term sustainable investment in the freight industry.
- This needs to happen quickly to meet the timescales – lots of network still to be electrified.

### Car

- Appreciation that EVs alone are not the solution and that a reduction in miles travelled is also necessary.
- Early and rapid electrification of the car fleet is needed.



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- Sustainable infrastructure that allows recharging of vehicles in a way that supports behaviour and transport mode change and the reduction in distance travelled.
  - There is a need for standardisation of charging connectors (Universal Plug/socket) for EV charging to simplify charging and make all charging points suitable for any vehicle – at the moment there are several types in use.

### Bus

- The consultation paper notes that 5% of journeys were made by bus in the UK but that these journeys only accounted for 3% of GHG emissions. (Paragraph 2.21 of the consultation document). Bus is already comparatively green and Battery Electric Bus technology is now a reality on our streets that can make the industry even greener. Unfortunately, up-front costs of investment are far higher than for diesel buses while the BSOG system reduces the operating cost differential in favour of retaining diesel operation. As a result, at the current rate of conversion, it will take over 300 years before the entire UK fleet is converted.
- Therefore, the investment announced so far (funding for 4,000 zero emission buses) is very welcome, GM would like to see more details on how this money will be made available to the industry and over what time period.

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## **APPENDIX 2 – GM MINISTERIAL DIRECTION – MARCH 2020**

1.0 Attached as a supplementary paper.

## **APPENDIX 3 – GM CAP POLICY FOR CONSULTATION**

1.0 Attached as a supplementary paper.

## **APPENDIX 4 – VEHICLE FINANCE OFFER**

1.0 In its Outline Business Case (OBC) Greater Manchester said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

1.1 The Clean Air conversation in 2019 showed that vehicle finance is needed to help owners upgrade their vehicle as introduction of the GM Clean Air Zone is disrupting vehicle renewal cycles and some will need help in getting access to finance.

1.2 In response to this Greater Manchester (GM) has developed a Vehicle Finance measure to address and reduce the adverse impacts on individuals, companies and organisations of financing an upgrade to a compliant vehicle without reducing the effectiveness of the Clean Air Zone.

1.3 The Vehicle Finance measure will provide access to affordable finance amongst eligible applicants who require assistance in funding the cost of a compliant vehicle upgrade. It has been designed to address some of the potential reasons that finance might typically be refused:

- Affordability – the ability or otherwise of applicants to meet finance re-payments.
- Thin credit file – applicants not having enough information in their credit reports to generate a high enough credit score to be approved for credit.

1.4 Vehicle Finance will utilise the GM CAP Clean Commercial Vehicle Fund and Clean Taxi Fund to offer eligible owners of a non-compliant vehicle the option to seek funding as either a lump sum grant or as a contribution towards vehicle financing, they will be able to choose the option which best suits their individual circumstances.

- Lump sum grant contributes to the cost of replacement – the applicant funds the remaining costs with private purchase or their own financing arrangements.
- Vehicle finance contributes to the cost of financing a replacement vehicle through GM's arrangements either a lease or Hire Purchase – the applicant pays monthly for an agreed finance period.

1.5 The measure will be available to small, micro businesses, sole traders, self-employed, charities & and social enterprises, registered<sup>30</sup> in GM and in ownership of a non-compliant vehicle (HGVs, LGVs, Coaches, Minibuses, GM Licensed Hackneys and Private Hire Vehicles).

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<sup>30</sup> taxi & PHV need to be licensed in GM

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- 1.6 Access to the clean air vehicle funds will be via a dedicated website which will guide applicants through a series of steps to:
- Quickly understand if they are eligible for the scheme against set criteria;
  - Create of a user account to facilitate their application for funding and to supply information about their business to evidence that they are eligible;
  - Detail the non-compliant vehicle they wish to replace; and
  - Access a panel of lenders, if they wish to apply for finance.
- 1.7 Those seeking the vehicle finance will need to:
- Hold a UK bank account in the name of the applicant or business; and
  - Consent to the Lending Body carrying out credit reference searches on their credit history.
- 1.8 Those seeking the vehicle finance will benefit in the following way:
- More affordable vehicle prices from lenders due to the anticipated volume of vehicles to be replaced.
  - Monthly repayments made more affordable through the assistance of Clean Air funding.
  - Payments spread out over a period of time to minimise the impact on business budgets.
- 1.9 It should be noted that:
- Applicants for vehicle funding will require a 10% deposit contribution (cash or vehicle trade-in value).
  - Lending decisions will rest with finance provider.
  - Some applicants eligible for Clean Air Funds may not be able to secure finance due to their circumstances however they will still be eligible for a lump sum grant.
  - Funds will NOT be paid directly to Applicants, they will be issued with an electronic voucher and advised of the options available to them.
- 1.10 Why is the GM Vehicle Finance offer more affordable? The key objectives of the measure serve to:
- i. Facilitate access to vehicle finance to a wider range of applicants than would ordinarily be the case
  - ii. Where access to credit isn't normally an issue the cost of the monthly finance will be more affordable.
- 1.11 Through the procurement of a vehicle finance supplier, GM will gain for all prospective applicants:

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- Savings through the negotiation power of a larger buying population (versus a single applicant) and procurement to enable more applicants to meet the prospective affordability criteria set by vehicle funders.
  - Access to more affordable finance by allowing the clean air vehicle funding to subsidise the cost of lending (dependent on the status of the applicant and the amount of credit they are seeking to obtain).
  - Transparency over the cost of vehicles through the procurement process to ensure value for money for public funds.

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## APPENDIX 5 – EQUALITY IMPACT ASSESSMENT

1.0 Attached as a supplementary paper.

## APPENDIX 6 – OPERATING BODY OPTIONS & RESPONSIBILITIES

1.0 The 'Operating Body' will be a public sector body which will be responsible for day to day operation of the CAZ in particular, and the operation of other GM CAP measures. Paragraph 16.7 sets out further detail on the responsibilities / activities of the 'Operating Body'.

1.1 The Clean Air Steering Group assessed seven options for the potential bodies that could discharge the role of the Operating Body. They were:

1. TfGM;
2. GMCA;
3. One (or more) of the ten Greater Manchester local authorities on behalf of remaining nine (or less);
4. An arms-length body of a Greater Manchester family organisation – established through the setup of a Teckal company;
5. A Local Authority Trading Company (LATC) to offer services to other Local authorities with similar requirements;
6. External local authority to Greater Manchester to deliver on behalf of Local authorities (e.g. Leeds / Birmingham etc.); and
7. Partnership with other local authority(ies) external to Greater Manchester (e.g. Pan Northern Clean Air Plan Delivery Body / Partnership).

1.2 Based on an initial high-level assessment, the group determined that Options 1 to 4 should be shortlisted for further assessment. That assessment subsequently led to it being agreed that TfGM were best placed to become the Operating Body and there were two options (Option 1 – TfGM and Option 4 – Teckal company established by TfGM) to be taken forward by TfGM for consideration in further detail.

1.3 TfGM is willing accept the Operating Body function and take on responsibilities for the CAZ integrating GM CAP delivery with wider strategic GM responsibilities which would be known as the "GM Clean Air Service" (Option 1).

1.4 There are a number of tax implications with TfGM becoming the Operating Body, the principles of which are yet to be agreed by HMRC, primarily around the corporation tax liability and VAT.

1.5 The corporation tax liability might arise if the charging scheme creates a surplus, at which point the surplus would be taxed at TfGM's standard rate. If the scheme operates at a deficit no corporation tax will be payable. TfGM are in dialogue with HMRC about including this activity within TfGM's 'Simplification Agreement' which would take the activity outside the scope of taxation.

1.6 The status of the VAT treatment is yet to be agreed between TfGM and HMRC. The expectation, and the current working assumption, is that all input VAT incurred will

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be recoverable on the implementation and operation of the scheme, although the mechanism for this needs to be agreed.

1.7 Operating Body – assumed responsibilities: Activities that may not be contracted out by the Operating Body:

- Issuing PCNs on behalf of the charging authorities to individuals who have failed to pay and managing refunds as appropriate (within agreed policy).
- Consideration of representations against PCN notices (internal appeals).
- Making of representations on behalf of the charging authorities' on any appeal to an external adjudicator.
- The making of any arrangements under section 192 of the 2000 Act.
- Authorising those to act as “authorised persons” for the purpose of exercising powers under Part 6 of The Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013
- Management of the suppliers contracted to deliver the three discrete elements of the Charging Zone, namely Signage, CAZ Service and Debt Recovery.
- Keeping policy under review particularly in relation of discounts and exemptions.
- Financial Management of received funds and application of net proceeds.
- Deciding whether to Issue Charge Certificates where a penalty charge notice is not paid before the end of a relevant period (within agreed policy framework).
- Any decision to recover non-payments through Debt Management.
- Determining whether the circumstances are ones in which a PCN is not to be issued within the agreed policy e.g. when a HE Emergency Diversion Route (EDR) is activated.
- Provision of a set of accounts for the scheme.
- The monitoring and evaluation of the measures.
- Reporting performance of the CAZ and supporting measures to the Clean Air Committee.
- Proposing changes to the Clean Air Policy Framework.
- Complying with any direction given by the SoS in respect of traffic signs or the provision of specified information (assuming the necessary delegations have been provided by the charging authorities to the Operating Body) in relation to the CAZ.

1.8 Activities that may be contracted out by the Operating Body to approved suppliers:

- Capturing imagery from ANPR Cameras.
- Manage relationship, and interface, with JAQU Portal. Ensure data is transferred between local and central system securely, expeditiously and in the correct format.

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- Manage relationship with other data utilising bodies as directed by the Operating Authority (as directed by Home Office guidance).
  - Reconciling Payments from JAQU Portal.
  - Identifying captured ANPR data with the reconciled payment data.
  - Answering customer complaints & queries.
  - Recovery of non-payments through Debt Management.
  - Installing and maintaining the ANPR and signage network.
  - Manage mobile ANPR camera deployment.
  - Process applications for exemptions (and discounts) on behalf of the charging authorities within the agreed scheme rules as contained in the charging scheme order’.
  - Maintain and ensure accuracy of GM Whitelist (vehicles exempt from charges).
  - Identifying and working with repeat payment avoiders within the agreed policy. Framework.
  - The monitoring of the GM Diffusion tubes network.
  - Undertake and align CAZ communications / Marketing campaigns with wider GM campaign activity.
  - When instructed by the Operating Body, decommission the CAZ.
  - Operational Administration of the Clean Commercial Vehicle Fund within the agreed policy.
  - Operational Administration of the Clean Taxi Fund within the agreed policy.
  - Operational Administration of Vehicle Finance Scheme within the agreed policy.

#### 1.9 Clean Air Management Group – assumed responsibilities

Responsible for management oversight of the GM Clean Air Service in line with the policies and decisions of the participating authorities.

- To have day to day oversight of the performance of the GM Clean Air Service and supporting measures and holding the operating body to account;
- To oversee Clean Air Zone communications / Marketing campaigns and interfaces with wider GM campaign activity;
- To ensure the GM Clean Air Service is adequately resourced to achieve its objectives;
- To brief the Authorities Leadership Teams on progress, development of solutions and any risks/issues associated with the service;
- To provide appropriate steer for the direction of the GM Clean Air Service and development of measures/solutions;
- To receive and appropriately challenge information presented on the GM Clean Air Service;

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- To provide input to general GM Clean Air Service-related decisions; and
  - To brief senior officers and elected members within their organisations on the information presented and agreed at the Management Group in particular prior to consideration of matters by the Clean Air Committee.



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D I R E C T I O N

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## ENVIRONMENT ACT 1995

### Environment Act 1995 (Greater Manchester) Air Quality Direction 2020

The Secretary of State, in exercise of the power conferred by section 85(5) of the Environment Act 1995(a), gives the following direction.

In accordance with section 85(6) a copy of this direction will be published in the London Gazette.

The Secretary of State makes this direction having determined that it is necessary in order to meet obligations placed upon the UK under the EU Ambient Air Quality Directive(b).

#### **Citation, commencement and application**

1.—(1) This direction may be cited as the Environment Act 1995 (Greater Manchester) Air Quality Direction 2020 and comes into force on the day after it is made.

(2) This direction applies to—

- (a) Bolton Metropolitan Borough Council;
- (b) Bury Metropolitan Borough Council;
- (c) Manchester City Council;
- (d) Oldham Metropolitan Borough Council;
- (e) Rochdale Borough Council;
- (f) Salford City Council;
- (g) Stockport Metropolitan Borough Council;
- (h) Tameside Metropolitan Borough Council;
- (i) Trafford Metropolitan Borough Council;
- (j) Wigan Metropolitan Borough Council.

#### **Interpretation**

2. In this direction—

“the 2000 Act” means the Transport Act 2000(c);

“the authorities” means —

- (a) Bolton Metropolitan Borough Council;
- (b) Bury Metropolitan Borough Council;
- (c) Manchester City Council;

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(a) 1995 c.25.

(b) 2008/50/EC OJ No. L 152, 11.06.08, p.1.

(c) 2000 c.38.

- (d) Oldham Metropolitan Borough Council;
- (e) Rochdale Borough Council;
- (f) Salford City Council;
- (g) Stockport Metropolitan Borough Council;
- (h) Tameside Metropolitan Borough Council;
- (i) Trafford Metropolitan Borough Council;
- (j) Wigan Metropolitan Borough Council.

“AQP” means the UK plan for tackling roadside nitrogen dioxide concentrations 2017, drawn up by the Secretary of State in accordance with regulation 26(1) of the Air Quality Standards Regulations 2010(a);

“full business case” means a document that sets out the commercial and contractual arrangements, affordability, and management arrangements to ensure successful delivery of the scheme detailed in the local plan for NO<sub>2</sub> compliance;

“interim full business case” means a full business case that has not completed all local level sign-offs by the authorities;

“local plan for NO<sub>2</sub> compliance” means the detailed scheme (excluding any associated mitigation measures) which the authorities identified as part of the AQP to deliver compliance with the legal limit value for nitrogen dioxide in the shortest possible time that was considered by the Secretary of State on 16 March 2020 the approved measures of which are summarised in Schedule 1;

“local transport policies” has the meaning given by section 108(5) of the 2000 Act(b).

#### **Duty to implement the local plan for NO<sub>2</sub> compliance**

3.—(1) The authorities must take steps to implement the local plan for NO<sub>2</sub> compliance for the areas for which they are responsible.

- (2) The authorities must ensure that the local plan for NO<sub>2</sub> compliance is implemented so that—
  - (a) compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time, and by 2024 at the latest;
  - (b) exposure to levels above the legal limit for nitrogen dioxide are reduced as quickly as possible.

#### **Duty to submit additional documentation**

4. The authorities must submit to the Secretary of State a delivery plan that sets out the strategic, economic, commercial, financial and management detail of each individual measure in the local plan for NO<sub>2</sub> compliance as soon as possible and by 31 July 2020 at the latest.

#### **Duty to prepare a full business case and submit an interim full business case**

5.—(1) The authorities must continue with the work necessary to prepare a full business case for the areas for which they are responsible.

(2) An interim full business case must be submitted to the Secretary of State as soon as possible and by 30 October 2020 at the latest.

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(a) S.I. 2010/1001. A copy of the plan is available at: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>.

(b) Section 108(5) was inserted by section 7(1) and (2) of the Local Transport Act 2008 (c.26).

### **Inquiry in respect of a full business case or interim full business case**

6.—(1) The authorities must only exercise their power to hold a local inquiry, whether under section 170(2)(a) of the 2000 Act or otherwise, in relation to any scheme in their interim full business case or full business case in accordance with this Article.

(2) The authorities may only hold a local inquiry if it is necessary to do so, notwithstanding any other opportunities which the authorities have or could have provided for representations to be made in relation to the scheme.

(3) Before an inquiry is held in accordance with paragraph (2), the authorities must consult the Secretary of State and—

- (a) submit to the Secretary of State reasons why the authorities believe an inquiry is necessary,
- (b) submit a proposed timetable for the completion of the inquiry, and
- (c) inform the Secretary of State whether the inquiry will be in addition to or instead of any other opportunity to make representations about the scheme identified in the full business case.

(4) Where the authorities consult the Secretary of State under paragraph (3), the authorities can only begin the inquiry if it has received consent from the Secretary of State including for the timetable for the completion of the inquiry.

(5) In this direction, a reference to holding a local inquiry includes a reference to causing a local inquiry to be held.

### **Submission of the interim full business case to the Secretary of State**

7. When submitting the interim full business case, the authorities must provide the Secretary of State with the following information—

- (a) the date on which it is proposed that the scheme identified in the interim full business case will come into effect;
- (b) confirmation that all public consultation necessary in respect of the scheme identified in the full business case, has been completed (including where applicable consultation in accordance with section 170(1A), (1C) or (5)(a) of the 2000 Act(a));
- (c) a summary of any responses received in response to any consultation and of the changes (if any) made or proposed to the scheme identified in the interim full business case following that consultation (if this information is not available it can be submitted in a further report by 30 November 2020 at the latest);
- (d) where the interim full business case proposes a scheme in connection with which the authorities intend to exercise powers under the 2000 Act, confirmation that the scheme facilitates the achievement of the local transport policies (where applicable) which apply in the authorities' area;
- (e) confirmation—
  - (i) that no local inquiry has been held or is due to be held, or
  - (ii) that a local inquiry has taken place in accordance with the consent and timetable agreed by the Secretary of State under Article 6 of this Direction.
- (f) the date by which a full business case will be delivered to the Secretary of State.

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(a) Section 170(1A) and (1C) were substituted, for subsection (1) as originally enacted, by section 111(2) of the Local Transport Act 2008. Section 170(1A) was amended by paragraph 110(2) of Schedule 6 to the Local Democracy, Economic Development and Construction Act 2009. Section 170(5) was amended by paragraph 6(2) of Schedule 5 to the Local Transport Act 2008.

### Revocation of previous direction

8. The Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 is hereby revoked.

### Variation, revocation or suspension

9. The authorities must not vary, revoke or suspend their implementation of the local plan for NO<sub>2</sub> compliance pursuant to Article 3, without the prior written consent of the Secretary of State.

### Guidance

10. The authorities, in taking steps under this direction, must have regard to relevant guidance issued by the Secretary of State.



Parliamentary Under Secretary of State for the Environment  
Department for the Environment Food & Rural Affairs

Rebecca Pow MP

16<sup>th</sup> March 2020

## SCHEDULE 1

Article 3

### Summary of local plan for NO<sub>2</sub> compliance measures

<i>Measures description</i>	<i>Deadlines</i>
Charging Clean Air Zone Class C with additional measures.	To be implemented as soon as possible and at least in time to bring forward compliance to 2024.

### EXPLANATORY NOTE

*(This note is not part of the direction)*

This direction directs Bolton Metropolitan Borough Council; Bury Metropolitan Borough Council; Manchester City Council; Oldham Metropolitan Borough Council; Rochdale Borough Council; Salford City Council; Stockport Metropolitan Borough Council; Tameside Metropolitan Borough Council; Trafford Metropolitan Borough Council; Wigan Metropolitan Borough Council, for the purposes of this direction are referred to as “the authorities”, to implement their local plan for NO<sub>2</sub> compliance and to prepare and submit to the Secretary of State certain further documentation and an interim full business cases. These steps need to be taken in respect of air quality under Part 4 of the Environment Act 1995 and as part of the UK plan for tackling roadside nitrogen dioxide concentrations 2017. The authorities’ local plan for NO<sub>2</sub> compliance was considered by the Secretary of State on 16 March 2020, and the approved measures must now be implemented to ensure compliance with the legal limit value for nitrogen dioxide is achieved in the authorities’ areas in the shortest possible time. Under section 85(7) of the Environment Act it is the duty of a local authority to comply with a direction given to it. A copy of this direction is available for inspection at Seacole Building, 2 Marsham Street, London, SW1P 4DF.

# Greater Manchester's Clean Air Plan to Tackle Nitrogen Dioxide Exceedances at the Roadside

## Policy for Consultation



Salford City Council



**Warning:** Printed copies of this document are uncontrolled

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<b>Reviewed by:</b> <b>Date:</b>	MEGAN BLACK JULY 2020		

## 1 Purpose of this document<sup>1</sup>

- 1.1 Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) to within legal limit values in the “shortest possible time”. In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as “Greater Manchester” or “GM”, are working together to develop a Clean Air Plan to tackle NO<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.
- 1.2 This is the GM CAP Policy. This document sets out the proposed policy position at consultation for each of the proposed measures to enable key audience groups who will be most affected by the proposed measures to engage with the consultation and respond in a meaningful way.
- 1.3 It provides the proposed policy positions for each of the measures, which together constitute the GM CAP. This document includes reference to specific technical materials which are published as part of the consultation. In doing so, it is intended to assist consultees in navigating the different materials published as part of the consultation.
- 1.4 This document does not and is not intended to provide detailed information on the processes that underpin the delivery of the Policy for the GM CAP, e.g. how discounts and exemptions will be applied for.
- 1.5 The intention is that GM CAP Policy will be reviewed in line with the findings from the statutory consultation.
- 1.6 The proposals set out within this document reflect analysis undertaken prior to the coronavirus (COVID-19) pandemic. Therefore, in addition to consultation feedback, the future development of this policy will be informed by further assessment of the impacts of COVID-19 on the GM CAP.
- 1.7 The public sector body which will be responsible for day to day operation of the CAZ, the implementation of other GM CAP measures, is assumed to be TfGM. An options appraisal concluded that TfGM should take on responsibilities for the CAZ integrating GM CAP delivery within their wider strategic GM responsibilities to operate the GM Clean Air Service.

## 2 Background

- 2.1 As a result of elevated NO<sub>2</sub> concentrations in major urban areas, since 2010 the UK has been in breach of the legal Limit Value for annual mean concentrations of nitrogen dioxide (NO<sub>2</sub>)<sup>2</sup>, as set by the European Ambient Air Quality Directive (2008/50/EC), which incorporates many World Health Organisation air quality standards into European Law. This legislation is transposed into English law through the Air Quality Standards Regulations 2010.

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<sup>1</sup> Yellow highlights indicate where cross references/links to wider consultation documents will need to be added once approved.

<sup>2</sup> The legal Limit Value for annual mean concentrations of NO<sub>2</sub> is 40µg/m<sup>3</sup>

- 2.2 The UK Government's Air Quality Plan<sup>3</sup> requires local authorities with persistent exceedances of the legal Limit Value, including those within GM, to undertake local action to consider the best option to meet legal NO<sub>2</sub> limits in the shortest possible time.
- 2.3 GM submitted an Outline Business Case (OBC) setting out the GM CAP proposals to the Government at the end of March 2019. In July 2019 a ministerial direction under the Environment Act 1995, the Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 was made, which requires all ten of the Greater Manchester (GM) local authorities to implement a charging Clean Air Zone Class C across the region, hereafter referred to as the Greater Manchester Clean Air Zone (GM CAZ).
- 2.4 The OBC included six measures to support implementation of the GM CAZ and to reduce the adverse impacts identified:
- Clean Bus Fund
  - Clean Commercial Vehicle Fund
  - Clean Taxi Fund
  - Vehicle Finance
  - Electric Vehicle Infrastructure
  - Sustainable Journeys
- 2.5 GM held a public engagement exercise known as the 'conversation' between early May and mid-June 2019 to help inform the GM CAP, and this was supplemented by more targeted stakeholder engagement with affected groups and businesses. In addition, further deliberative research has also taken place. Stakeholder dialogue has also continued throughout development of the GM CAP to support the detailed design of the package of measures.
- 2.6 These forms of engagement and dialogue have all informed the policy positions set out in this document. The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents>.
- 2.7 In March 2020, a further ministerial direction, the Environment Act 1995 (Greater Manchester) Air Quality Direction 2020<sup>4</sup> was made, requiring all ten of the Greater Manchester (GM) local authorities to implement a charging Clean Air Zone Class C across the region so that:
- (a) Compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time and by 2024 at the latest,
  - (b) Exposure to levels above the legal limit value for nitrogen dioxide are reduced as quickly as possible

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<sup>3</sup> Department for Environment, Food & Rural Affairs. 2017. UK plan for tackling roadside nitrogen dioxide concentrations. Available at: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>

<sup>4</sup> Environment Act 1995 (Greater Manchester) Air Quality Direction 2020. Available at: [\[Insert link to where the March 2020 Ministerial direction letter is published on the GM Clean Air website\]](#)



The March 2020 ministerial direction supersedes the July 2019 ministerial direction<sup>5</sup>.

- 2.8 In March 2020, GM were advised that the Government does not support the Sustainable Journeys measure as it would only contribute to a minimal reduction in emissions of nitrogen oxides (NO<sub>x</sub>) in key locations. Government also provided feedback that Electric Vehicle Infrastructure is not needed for compliance and so would not be supported by implementation fund monies, but that they would commit to working with TfGM on securing alternative funding. The Office for Low Emission Vehicles (OLEV) was allocated £500m in the 11 March 2020 budget. TfGM, on behalf of GM, will be developing the case for funding electric vehicle charging infrastructure within GM for submission to OLEV/Department for Transport.
- 2.9 Since submission of the OBC, GM has done further analysis to understand who is likely to be who economically vulnerable to the impacts of the GM CAZ. It may also be the case that the proposed amount of grant funding set out in this document to help upgrade to a compliant vehicle, may not be enough to adequately mitigate the potential adverse economic impacts for all those most vulnerable by the GM CAZ. GM is addressing this through the introduction of a Hardship Fund.
- 2.10 This document sets out the policy position at consultation for each of the proposed measures, which together constitute the GM CAP, namely:
- Greater Manchester Charging Clean Air Zone (Section 3)
  - Clean Bus Fund (Section 5)
  - Vehicle Finance (Section 6)
  - Clean Commercial Vehicle Fund (Section 7)
  - Clean Taxi Fund (Section 8)
  - Hardship Fund (Section 9)

### **3 Greater Manchester Charging Clean Air Zone (GM CAZ)**

3.1 GM has been directed by the Government to introduce a charging Clean Air Zone Class C across the region. This means that owners or registered keepers of the following vehicle types will be required to pay a daily charge for driving within the zone, if the vehicle does not comply with the vehicle emission standards in the Government's Clean Air Zone Framework<sup>6</sup>:

- Licensed Hackney Carriages
- Licensed Private Hire Vehicles (PHVs)

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<sup>5</sup> Environment Act 1995 (Greater Manchester) Air Quality Direction 2019. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/817395/air-quality-direction-greater-manchester.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817395/air-quality-direction-greater-manchester.pdf)

<sup>6</sup> Department for Environment, Food & Rural Affairs and Department for Transport. 2020. Clean Air Zone Framework. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)



- Buses
- Coaches
- Minibuses
- Light Goods Vehicles (LGVs)
- Heavy Goods Vehicles (HGVs)

Vehicles which meet the emissions standards will not be subject to charges. The CAZ vehicle categories and minimum emission standards as set out in the Clean Air Zone Framework<sup>7</sup> are provided in **Appendix 1**.

- 3.2 A central government database (vehicle checker) will determine if a vehicle is in scope for a charge. This vehicle checker is primarily linked to the Driving and Vehicle Licensing Agency (DVLA) database holding information on the classification of vehicles (often found on a V5C document). The vehicle checker can be accessed online at: <https://www.gov.uk/check-clean-air-zone-charge>. Any queries relating to the classification of vehicles is a matter for the registered keeper and the DVLA.
- 3.3 The GM CAZ will be implemented through a Road User Charging Scheme Order<sup>8</sup> with an estimated start date in Spring 2022.
- 3.4 GM anticipates that once implemented the Clean Air Zone will remain in full operation until at least the second half of 2026. If it is demonstrated by the second half of 2026 that two consecutive years' of compliance with the Legal Limit value for NO<sub>2</sub> of an annual mean of 40 µg/m<sup>3</sup> has been met, and there is confidence that compliance will continue to be maintained then, subject to GM governance processes, GM will notify the Secretary of State of its intention to revoke the Charging Scheme Order and commence the decommissioning of the GM CAZ.
- 3.5 **Table 1** provides a summary of the key characteristics of the proposed GM CAZ.

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<sup>7</sup> Department for Environment, Food & Rural Affairs and Department for Transport. 2020. Clean Air Zone Framework, Annex A – Clean Air Zone minimum classes and standards. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)

<sup>8</sup> Secondary legislation which empowers traffic authorities to charge road users, in accordance with the Transport Act 2000.

**Table 1: Key Characteristics of the GM CAZ**

Clean Air Zone: Boundary	Primarily aligned with the administrative boundary of Greater Manchester Authorities, excludes the Strategic Road Network (SRN) <sup>9</sup> . <a href="https://cleanairgm.com/which-roads-are-affected/">https://cleanairgm.com/which-roads-are-affected/</a>
Clean Air Zone: Times of Operation	24 hours a day, 7 days a week, 365 days per year
Clean Air Zone: Vehicles Affected	Licensed Hackney Carriages Licensed PHVs Buses Coaches Minibuses LGVs HGVs
Clean Air Zone: Exemptions	Certain vehicle types may be eligible for exemptions as detailed in para 3.8
Clean Air Zone: Discounts	Certain vehicle types may be eligible for discounts as detailed in para 3.8
Clean Air Zone: Daily Charges	<p>Daily charges would apply for each day a non-compliant vehicle is used within the GM CAZ, with one charge imposed per vehicle, per 'Charging Day' (midnight to midnight), however much a vehicle drives within the GM CAZ in that 24-hour period.</p> <ul style="list-style-type: none"> <li>• Licensed Hackney Carriages – £7.50 per 'Charging Day'</li> <li>• Licensed Private Hire Vehicles – £7.50 per 'Charging Day'</li> <li>• Buses – £60 per 'Charging Day'</li> <li>• Coaches – £60 per 'Charging Day'</li> <li>• Minibuses – £10 per 'Charging Day'</li> <li>• LGVs – £10 per 'Charging Day'</li> <li>• HGVs – £60 per 'Charging Day'</li> </ul> <p>Owners or registered keepers of non-compliant vehicles used within the GM CAZ will be required to pay the relevant charge via a Central Government Payment Portal. The Government intends that a user can pay 7 days in advance, including the journey date (Charging Day), or 7 days retrospectively including the journey date (Charging Day).</p>
Penalty for non/late payment of CAZ charge	£120 (in addition to the daily charge) will be applied to all relevant vehicles (reduced to £60 plus the daily charge if paid within 14 days of Penalty Charge Notice being issued)

<sup>9</sup>The SRN consists of roads which are not managed by local and regional GM authorities, namely motorways and trunk roads managed by Highways England. The SRN is illustrated on the Highways England Network Management Map available at: <https://www.gov.uk/government/publications/roads-managed-by-highways-england>

- 3.6 **Enforcement** of the GM CAZ will be undertaken in accordance with the prescribed process set out within Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013.
- 3.6.1 The GM CAZ will use a network of automatic number plate recognition (ANPR) cameras to identify vehicles which are non-compliant. Where non-compliant vehicles are identified by the ANPR system to be travelling within the GM CAZ and charges have not been paid, owners or registered keepers will be notified of a penalty charge via a Penalty Charge Notice (PCN). Data collected through the ANPR system will be used for the purposes of managing the GM CAZ and will be handled in accordance with the General Data Protection Regulations (GDPR) and Data Protection Act 2018.
- 3.6.2 If the person or organisation named on the PCN pays the amount specified on the PCN within 14 days, the amount payable is reduced to £60 (in addition to the daily charge).
- 3.6.3 If the person or organisation named on the PCN does not either pay the amount specified on the PCN (known as a 'representation') within 28 days of it being issued, then a Charge Certificate would be issued and the penalty charge would be increased to £120 (in addition to the daily charge).
- 3.6.4 A representation to challenge a PCN cannot be made once the Charge Certificate has been served. However, the person or organisation named on the Charge Certificate can make a Statutory Declaration if they did not receive the PCN or they have not received a response to a representation. Failure to pay the cumulative fine specified on the Court Order may result in enforcement agents being instructed to recover the monies owed.
- 3.7 **Discounts and Exemptions** – whilst there is a general presumption that the requirements for charging CAZs will apply to all vehicles according to the relevant zone class, there will be certain circumstances where discounts or exemptions from a charge will be appropriate.
- 3.7.1 The Government's Clean Air Zone Framework<sup>3</sup> sets out the permanent exemptions i.e. those which will be exempt from charges for all CAZs including the GM CAZ. These are in place due to some types of vehicle being particularly difficult or uneconomic to adapt to comply with the framework's requirements. They also cover vehicles that are engaged in particularly unique or novel operations. National, permanent exemptions that apply to all CAZs are set out in **Table 2**.

**Table 2: Permanent Exemptions to CAZ Charges, set by the Government**

Permanent exemptions	Description	Rationale	Further Information
Historic vehicles	Vehicles with a 'historic' vehicle tax class (vehicles built or first registered more than 40 years ago)	Exempt due to age and unsuitability for compliant retrofitting	A database of these nationally exempt vehicles will be managed via the Central Government Payment Portal, so vehicles will be automatically exempt with no additional action required by the owner or registered keeper.
Military vehicles	Vehicles in use by UK Armed Forces	Exempt from charges by virtue of Section 349 of the Armed Forces Act 2006	
Disabled Passenger Vehicle	Vehicles within the DVLA Disabled Passenger Vehicle tax class, used by organisations providing transport for disabled people.	This group of vehicles may include a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	
Specialist Emergency Service Vehicles	Specialist vehicles in use by emergency services, such as aerial ladders and major incident command vehicles.	This group of vehicles may include a range of specialist and/or novel or adapted vehicles where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	

3.8 In addition to stipulating national exemptions, the Government's Clean Air Zone Framework<sup>3</sup> makes provision for local authorities to consider allowing additional exemptions or discounts based on particular local circumstances, specifically highlighting the need to liaise with emergency services operating in the area to understand the type of vehicles in their fleets and the activities for which they are used. Further local exemptions and discounts can be proposed on this basis so long as they do not undermine the ability to achieve compliance in the shortest possible time.

3.9 GM is proposing the following local exemptions and discounts for the GM CAZ. These exemptions and discounts fall into three categories:

- Permanent local exemptions (set out in **Table 3**);
- Temporary local exemptions<sup>10</sup> (set out in **Table 4**); and
- Permanent local discounts (set out in **Table 5**).

<sup>10</sup> A temporary local exemption is time limited exemption, applied for a fixed period. Within this temporary local exemption period, eligible vehicles would not pay a charge. Following the expiry of a temporary local exemption, non-compliant vehicles will be charged. Note there may be a requirement to apply for discounts and exemptions.

**Table 3: Permanent local exemptions proposed by Greater Manchester**

Permanent local exemptions	Description	Rationale	Further Information
Specialist Heavy Goods Vehicles	Certain types of heavily specialised HGVs, such as certain vehicles used in construction or vehicle recovery.	This group of vehicles includes certain novel or adapted road going HGVs of a particularly specialised nature, meaning it may not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	It is proposed that owners or registered keepers of specialist HGVs will need to apply for this exemption, as there is no national database of these vehicles.
Non-road-going vehicles	Certain types of non-road going vehicles which are allowed to drive on the highway such as agricultural machines; digging machines; and mobile cranes	This group of vehicles includes a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	It is proposed that owners or registered keepers of non-road going vehicles not identified through DVLA vehicle classification will need to apply for this exemption.
Vehicles used by emergency services	Certain types of vehicles used by emergency services front line emergency and certain non-emergency vehicles	This group of vehicles includes a range of vehicles, associated with front line emergency response, and where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ, which are not captured by the national exemption.	It is proposed that a locally managed database of vehicles exempted will be developed in liaison with emergency services.
Community Minibuses	Those operating under a permit under section 19 or section 22 of the Transport Act (1985), issued by a body designated by the Secretary of State	These vehicles provide important access to employment, education and training for people who may otherwise be isolated, including those with mobility issues and located in areas with poor public transport accessibility. They also facilitate inclusion in social and community activities.	It is proposed that owners or registered keepers of community minibuses will need to apply for this exemption, as there is no national database of these vehicles.

Permanent local exemptions	Description	Rationale	Further Information
Showmen's Guild vehicles	Fairground/funfair vehicles which are registered with the Showmen's Guild	This group of vehicles includes a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the standards of the GM CAZ.	It is proposed that the Showman's Guild will notify GM of the vehicles registered with the Showman's Guild and that these vehicles will be exempted.
Driving within the zone because of a road diversion	<p>Vehicles driving within the zone because of a road diversion who would otherwise not have entered the GM CAZ.</p> <p>Applies only while the diversion is active and subject to non-compliant vehicles being on the designated diversion route.</p>	<p>This exemption is aimed at protecting road safety and recognises that vehicles may enter the GM CAZ for reasons outside of the driver's control.</p> <p>The exemption will apply to vehicles which enter the GM CAZ as a direct result of a road diversion only.</p>	It is intended that no additional action will be required by the owner or registered keeper of a non-compliant vehicle driving on a diversion route who would otherwise not have entered the GM CAZ.
Disabled Tax Class vehicles	Vehicles used by, or for the purposes of a disabled person which are exempt from vehicle tax.	<p>This exemption is complementary to the vehicle tax exemption for Disabled Tax Class vehicles.</p> <p>An exemption certificate will have been secured for vehicles within this group, following a successful application to the Driver and Vehicle Licensing Authority (DVLA) for exemption from vehicle tax. The vehicle must be used solely for the purposes of the disabled person.</p>	A database of these nationally exempt vehicles will be managed via the Central Government Payment Portal, so vehicles will be automatically exempt with no additional action required by the registered keeper.

Table 4: Temporary local exemptions proposed by Greater Manchester

Temporary local exemptions	Description	Rationale	Further Information
<p>LGVs and minibuses</p> <p>(which are not a licensed taxi or PHV or used to provide a registered bus service)</p>	<p>Light Goods Vehicles (LGVs) and minibuses which are not used as a licensed taxi, PHV or on a registered bus service, will be eligible for a temporary exemption until 31<sup>st</sup> December 2022.</p> <p>After 31<sup>st</sup> December 2022, non-compliant vehicles will be charged.</p>	<p>GM evidence indicates that the cost and availability of new, second and third hand compliant LGVs will not provide a viable or an affordable option for many operators (especially for the smallest businesses and sole traders) to upgrade to a compliant vehicle in 2022, given the scale of the GM CAZ.</p> <p>Introducing a charge in 2022 risks many operators having to switch from using an LGV to a pre-Euro 6 diesel car or stop trading.</p> <p>Given the number of LGVs operating in GM, there is also a high risk of there being insufficient time in advance of 2022 to administer the funding required to support affected parties to upgrade to compliant LGVs.</p>	<p>As proposed, this temporary exemption for LGVs and minibuses does not affect the projected year of legal Limit Value compliance with the GM CAZ in place, or the number of exceedances in 2023.</p> <p>It is proposed that this exemption will be managed centrally so eligible vehicles will be automatically exempt with no additional action required by the registered keeper.</p>
<p>GM licensed Wheelchair Accessible Taxi &amp; PHVs</p>	<p>Wheelchair Accessible Taxi and Private Hire Vehicles (PHVs), which are licensed to one of the 10 GM Authorities, as of the [date of the close of the consultation] will be eligible for a temporary exemption until 31<sup>st</sup> December 2022.</p> <p>After 31<sup>st</sup> December 2022, non-compliant vehicles will be charged.</p>	<p>Wheelchair accessible Taxis and Private Hire Vehicles offer a vital service for disabled people and are often the only mode of travel available to them.</p> <p>26% of taxi users report that they have a health problem or disability that limits their day-to-day activities, and 26% of taxi users over 65s say that they cannot use buses due to a disability<sup>11</sup>.</p> <p>The cost of upgrade to a wheelchair accessible vehicle (WAV) is high and</p>	<p>As proposed, a temporary exemption for wheelchair accessible taxis and PHVs does not affect the year of compliance or the number of exceedances in 2023.</p> <p>It is expected that this exemption will be facilitated through the Government's Hackney Cab and PHV Centralised Database, which forms part of the wider digital infrastructure that is being developed to support the introduction of charging Clean Air Zones.</p>

<sup>11</sup> November 2019 Hatch Regeneris "CAZ Commercial Vehicle Socio-Economic Impacts Research"

Temporary local exemptions	Description	Rationale	Further Information
		<p>availability of second-hand vehicles is poor (especially for London-style Taxis).<sup>12</sup></p> <p>The application of GM CAZ charges in 2022 could therefore affect disabled people's access to taxi/PHV services, by reducing the number of wheelchair accessible vehicles operating in the region.</p>	<p>Therefore, no additional action will be required by the registered keeper.</p>
<p>Coaches and buses registered to a business address within GM and not used on a registered bus service within GM.</p>	<p>Coaches and buses registered to a business address within GM and not used on a registered bus service within GM will be eligible for a temporary exemption until 31st December 2022.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>Although compliant Euro VI coaches have been available since 2013, the majority (67%) of the fleet operating within GM is not compliant with the GM CAZ emission standards<sup>13</sup>.</p> <p>This is because coaches have a long running life and upgrade to a compliant vehicle is very expensive.</p> <p>69% of coach operators are small businesses and have very small fleets of 1-5 vehicles.</p> <p>There is a risk that even with funding support - coach operators cannot reasonably comply with the GM CAZ emission standards by 2022 and that this creates a risk of reduced coach operations.</p> <p>In comparison to buses, retrofit solutions are also relatively immature, affecting availability.</p>	<p>Analysis shows that coaches make up under 0.5% of total traffic<sup>14</sup> and as proposed, a temporary exemption for coaches is not projected to affect the year of compliance or the number of exceedances of the legal Limit Value in 2023.</p> <p>Owners or registered keepers of coaches and buses registered to a business address within GM and not used on a registered bus service within GM will need to apply for this exemption, as there is no database of these vehicles.</p>

<sup>12</sup> Insert source of evidence based upon final suite of consultation deliverables

<sup>13</sup> Insert source of evidence/analysis based upon final suite of consultation deliverables

<sup>14</sup> Insert source of evidence/analysis based upon final suite of consultation deliverables



Temporary local exemptions	Description	Rationale	Further Information
		<p>This in turn risks affecting accessibility and the provision of services for vulnerable groups, particularly children, elderly people and those on low incomes.</p> <p>We also recognise that there are buses used within GM for private enterprise, such as wedding transport, which if non-compliant may be subject to a GM CAZ charge.</p>	
Outstanding finance or lease on non-compliant vehicles	<p>Non-compliant vehicles subject to finance or lease agreements entered into before [date of the close of the consultation] which will remain outstanding at the time at which the GM CAZ becomes operational, will be eligible for a temporary exemption until the agreement ends or until 31st December 2022, whichever is sooner.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>A move to a compliant vehicle is not considered feasible due to outstanding finance, which was entered into before information on the GM CAZ had been made publicly available.</p>	<p>Owners or registered keepers of non-compliant vehicles which are subject to outstanding finance or lease agreements at the time at which the GM CAZ becomes operational will need to apply for this exemption, as there is no national database of these vehicles.</p>
Limited supply (awaiting delivery of a compliant vehicle)	<p>Owners or registered keepers of non-compliant vehicles that can demonstrate they have placed an order for a compliant replacement vehicle or retrofit solution, will be eligible for a temporary exemption until such a time as they are in receipt of the compliant replacement vehicle or retrofit solution, or for 12 weeks, whichever is sooner.</p>	<p>Upgrade to a compliant vehicle is not immediately possible due to an issue with the supply of a compliant vehicle or retrofit solution on order, which is considered outside of the control of the applicant.</p>	<p>Registered keepers of non-compliant vehicles who can evidence that they have placed an order for a compliant replacement vehicle or retrofit solution, which is yet to be received, will need to apply for this exemption, as there is no national database of these vehicles.</p>

**Table 5 Permanent local discounts proposed by Greater Manchester**

Permanent local discounts	Description	Rationale	Further Information
<p>PHVs (owned or exclusively contracted by 1 person) licensed to one of the 10 GM Local Authorities and also used as a private car</p>	<p>Owners or registered keepers of non-compliant PHVs which are also used as a private car will be eligible to apply for a discounted charge of 5/7 of the weekly total (proposed to be £37.50 per week) from 2022.</p>	<p>This responds to previous consultation feedback which highlighted the large proportion of PHVs that are also used as a private car when not in service, and private cars will not be subject to charges under the GM CAZ.</p> <p>The discounted charge is based upon the proportion of the week that vehicles could reasonably be expected to be in service.</p>	<p>Owners or registered keepers of non-compliant PHVs licensed to one of the 10 GM Local Authorities which are also used as a private car will need to apply for this exemption.</p>
<p>Leisure vehicles in private ownership (&gt;3.5t)</p>	<p>Owners or registered keepers of leisure vehicles (&gt;3.5t) in private ownership (e.g. motor caravan (&gt;3.5t), motorised horse box (&gt;3.5t)), and registered to an address in GM for not less than twelve (12) full consecutive calendar months prior to the date of application, will be eligible to apply for a discounted charge.</p> <p>The vehicle would be eligible for consideration for a charge equivalent to the LGV daily charge (proposed to be £10 a day), rather than the HGV daily charge (proposed to be £60 a day).</p> <p>The discount will be subject to providing evidence that the vehicle is not used for commercial purposes.</p>	<p>A small proportion of HGVs will be in private ownership, largely used for leisure purposes, e.g. motor caravans (&gt;3.5t) and motorised horseboxes (&gt;3.5t). This group of vehicles includes a range of specialist and/or adapted vehicles, which are often bought second or third hand where it may generally not be feasible to upgrade to a vehicle compliant with the emission standards of the GM CAZ.</p> <p>This approach recognises feedback received during the "Clean Air Conversation".</p>	<p>Owners or registered keepers of leisure vehicles in private ownership which have a gross weight above 3,500kg will need to apply for this discount.</p>

## 4 Funding to upgrade to compliant vehicles

4.1 GM proposes the following package of funding support to help owners or registered keepers of non-compliant vehicles with the cost of upgrading their vehicles so they are compliant with the emission standards required by the implementation of a GM CAZ, so as not to be subject to a charge. The aim of the funding is to mitigate the negative socio-economic effects of the GM CAZ. The funding proposals are:

- A Clean Commercial Fund to provide financial support for the upgrade of non-compliant LGVs and HGVs, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders, individuals and the charity/voluntary sector.
- A Clean Taxi Fund to provide financial support for the upgrade of non-compliant GM Licensed Hackney Carriage and private hire vehicles.
- A Clean Bus Fund to provide financial support for the upgrade of non-compliant buses registered to run services across Greater Manchester.
- A Hardship Fund to support individuals, companies and organisations who are considered to be the most vulnerable to the potential economic impacts of the GM CAZ.

4.2 This means that the owners or registered keepers of a non-compliant vehicle that will be subject to the GM CAZ charges may be eligible to apply for financial support towards upgrading to a compliant vehicle, subject to meeting eligibility criteria.

4.3 GM is proposing that financial support is:

- only offered for vehicles that do not comply with the relevant GM CAZ emission standards and are not eligible for a permanent national or local exemption;
- provided for the replacement of a non-compliant vehicle with a compliant vehicle on a 'like-for-like' basis – i.e. financial support will not be available to facilitate upgrade of a non-compliant vehicle to a compliant vehicle of a different vehicle type (e.g. LGV, HGV) or Euro Category (e.g. N1, N2) (see Appendix A, **Table A1** for details of vehicle types and Euro Categories);
- facilitated directly with accredited suppliers of retrofit and replacement upgrade options, to ensure maintenance of a comprehensive audit trail, accountability for public funding and to reduce the risk of fraudulent activity and misappropriation of funds. The exceptions to this are the Clean Bus Fund and running cost grants under the Clean Taxi Fund;
- with the exception of the Clean Bus Fund, limited to a maximum of 10 vehicles per Applicant, with a maximum of 8 vehicles for Hackney Carriages and 5 vehicles for HGV retrofit;
- managed and administered centrally on behalf of the 10 GM authorities; and

- only available insofar as it complies with UK government and European requirements, including but not limited to State Aid Regulations<sup>15</sup>.

## 5 Clean Bus Fund

- 5.1 **Retrofit** – In the OBC, GM set out that the Clean Bus Fund would provide a financial support mechanism to, where possible, retrofit buses with older engine standards to the less polluting Euro VI standard. This funding would apply to buses registered to run services across the region.
- 5.2 In March 2020 the Government awarded £14.7m as an initial tranche of funding to retrofit buses running services in GM that have older engines which are not compliant with the GM CAZ emission standards. The Government's Joint Air Quality Unit<sup>16</sup> (JAQU) has confirmed that this funding can be delivered as a continuation of Clean Bus Technology Funds and is to be distributed as soon as possible.
- 5.3 As such, a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available and administered through an extension of the existing system in place under the Clean Bus Technology Fund (CBTF). Financial support will be available to vehicles that have operated for a minimum of 6 months on a GM registered bus service and are less than 13 years old. As this funding mechanism is distinct from the wider delivery of the GM CAP, no consultation feedback is requested on this aspect of the policy.
- 5.4 **Replacement** – In the OBC GM estimated 350 buses could not be retrofitted and it would be for the market to find a solution. This estimate has now been revised based on further evidence and it has been established that there are more than 500 non-compliant buses that cannot be retrofitted operating in GM. GM is proposing to the Government that it requires circa £9m of funding to support the replacement of non-compliant vehicles operating on registered bus services in GM.
- 5.5 On the award of government funding GM proposes that a grant of up to £16,000 will be available towards the cost of replacing a non-compliant bus registered to run services across GM with a compliant vehicle which meets GM CAZ emission standards.
- 5.6 Applicants would need to be able to demonstrate that:
- they are the registered operator for a registered bus service operating in GM;
  - they have not been in receipt of, or be subject to a current Application for, public sector clean air funding in GM or elsewhere in the United Kingdom for upgrade (retrofit or replacement) of the same vehicle(s) that is to be upgraded through the GM Clean Bus Fund;

<sup>15</sup> The UK has left the EU and is now in a transition period, while the UK and EU negotiate additional arrangements before new rules come into place from 1 January 2021. The current rules on state aid continue to apply during the transition period. The final GM CAP policy will need to comply with any government state aid rules or subsidy control framework that are in place.

<sup>16</sup> A joint unit of the DfT and the Department for Environment, Food and Rural Affairs, has led the Government's current work to try and ensure the UK is compliant with EU limit values for nitrogen dioxide in the shortest time possible.

- they have been operating on a registered bus service, within GM, for not less than twelve (12) full consecutive calendar months prior to the date of application;
- the vehicle has been registered to the applicant for not less than twelve (12) consecutive calendar months prior to the date of application, evidenced through the V5C Registration Document;
- the vehicle has a valid MOT, road tax and suitable insurance to operate a bus passenger service at the date of application;
- the upgraded vehicle will be compliant with the GM CAZ emission standards as a minimum;
- the upgraded vehicle will continue to operate on a registered bus service within GM for a minimum of 5 years following receipt of funding. If it is replaced or taken out of service in GM it must be replaced by a vehicle which meets the same emissions standard and passenger capacity, or better, e.g. a compliant double decker bus must be replaced with another compliant double decker bus, and must be of the same age or younger.

5.7 **Management of funds** – If the fund is oversubscribed, it is proposed that, in addition to applicants meeting the eligibility criteria, a process could be applied which seeks to maximise air quality benefits, i.e. funding could initially be targeted towards the upgrade of the oldest vehicles first.

## 6 Vehicle Finance

6.1 In its OBC, GM said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

6.2 Feedback received as part of the Clean Air conversation in 2019 indicated that vehicle finance is needed to help owners upgrade their vehicle as introduction of the GM Clean Air Zone is disrupting vehicle renewal cycles and some will need help in getting access to finance.

6.3 In response to this GM has developed a Vehicle Finance measure to address and reduce the adverse impacts on individuals, companies and organisations of financing an upgrade to a compliant vehicle, without reducing the effectiveness of the GM CAZ.

6.4 The Vehicle Finance measure will provide access to affordable finance for eligible applicants who require assistance in funding the cost of upgrading to a compliant HGV, LGV, Coach, Minibus, GM licensed Hackney Carriage or GM licensed Private Hire Vehicle. It has been designed to address some of the potential reasons that finance might typically be refused, including:

- Affordability – the ability or otherwise of applicants to meet finance repayments.
- Thin credit file – applicants not having enough information in their credit reports to generate a high enough credit score to be approved for credit.

6.5 Vehicle Finance will utilise the GM CAP Clean Commercial Vehicle Fund and Clean Taxi Fund to offer eligible owners of a non-compliant vehicle the option of either a lump sum grant or a finance contribution towards vehicle finance for upgrade to a compliant vehicle. Applicants will therefore be able to choose the option which best suits their individual circumstances. These options are as follows:

- Lump sum grant contributes to the cost of replacement or retrofit – the Applicant funds the remaining costs with their own capital or financing arrangements; or
- Vehicle Finance contributes to the cost of financing a replacement vehicle through the GM scheme, through either a lease or Hire Purchase – the Applicant pays monthly for an agreed finance period.

6.6 All financial support set out in the following sections includes a proposed amount of grant funding and the alternative figure, available as a contribution towards vehicle finance. Eligibility criteria for both of these options is detailed in Sections 7 – Clean Commercial Vehicle Fund and 8 – Clean Taxi Fund.

6.7 In addition to meeting the eligibility criteria set out in Sections 7 and 8, those seeking vehicle finance will need to:

- hold a UK bank account in the name of the applicant or business;
- consent to the Lending Body carrying out credit reference searches on their credit history;
- require a 10% deposit contribution (cash or vehicle trade-in value);
- note that lending decisions will rest with finance provider; and
- recognise that whilst they may be eligible for a non-repayable grant through Clean Air Funds, they may not be able to secure a vehicle finance agreement due to their individual circumstances.

## 7 Clean Commercial Vehicle Fund

7.1 GM has set out to the Government an ask of £98m for the Clean Commercial Vehicle Fund (CCVF), to provide a financial support mechanism for the upgrade of LGVs and HGVs, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.

7.2 **HGVs** – In March 2020, the Government awarded GM £7.6m as an initial tranche of funding towards the upgrade of HGVs, by either retrofitting vehicles currently in use, so that they subsequently meet the GM CAZ emission standards, or replacing non-compliant vehicles with compliant vehicles. Funding will be available to both commercial and private owners or registered keepers of non-compliant HGVs.

- 7.3 GM is proposing that a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available, OR a replacement grant of up to £5,500 per vehicle, dependent on vehicle size. Alternatively, access to vehicle finance will be available for replacement of non-compliant vehicles, offering an average finance contribution of up to £5,500 with the finance contribution per vehicle capped at £8,000.
- 7.4 Replacement grants for upgrade of non-compliant HGVs are proposed to be tiered as follows:
- 44t articulated up to £4,500 per vehicle
  - 32t rigid up to £5,500 per vehicle
  - 26t up to £4,500 per vehicle
  - 18t up to £3,500 per vehicle
  - <7.5t up to £2,500 per vehicle
- 7.5 **LGV** – GM is proposing to the Government that it requires £80m of funding towards replacing non-compliant vehicles with those that meet the GM CAZ emission standards.
- 7.6 Subject to the award of government funding to GM, it is proposed that a replacement grant of up to £3,500 per vehicle will be available, OR access to vehicle finance, offering an average finance contribution of £3,500, with the finance contribution per vehicle capped at £5,000.
- 7.7 **Minibuses** (which are not a GM licensed taxi or PHV or used on a GM registered bus service) – In March 2020 the Government awarded £2m as an initial tranche of funding towards replacing non-compliant vehicles with those that meet the GM CAZ emission standards.
- 7.8 GM is proposing that a replacement grant of up to £5,000 per vehicle will be available, OR access to vehicle finance, offering an average finance contribution of £5,000, with the finance contribution per vehicle capped at £7,000.
- 7.9 **Coaches and Buses** (which are not used on a GM registered bus service) – In March 2020 the Government awarded £4.4m as an initial tranche of funding towards the upgrade of coaches, by either retrofitting vehicles currently in use, so that they subsequently meet the GM CAZ emission standards, or replacing non-compliant vehicles with compliant vehicles.
- 7.10 GM is proposing that a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available, OR a replacement grant of up to £16,000 per vehicle. Alternatively, access to vehicle finance will be available for replacement of non-compliant vehicles, offering an average finance contribution of £16,000, with the finance contribution per vehicle capped at £23,000.

## 7.11 Applicants for the CCVF would need to be able to demonstrate that:

- they are either:
  - a small business<sup>17</sup>,
  - a micro business/entity<sup>18</sup>;
  - Self-employed / sole trader<sup>19</sup>;
  - an entity regulated by the Charity Commission (including registered, active charities and active charities exempted from registration);
  - a social enterprise<sup>20</sup> (including non-profit organisations); or
  - a private owner (owner or registered keeper) of non-compliant vehicles<sup>21</sup> which are not used for commercial purposes.
- they have had a registered address within GM for not less than twelve (12) full consecutive calendar months prior to the date of Application.
- they have not already been in receipt of government clean air funding for the purpose of upgrade of the same non-compliant vehicle that is the subject of the application, in GM or elsewhere in the United Kingdom;
- they are not in receipt of, or have made a successful application for, an Office of Low Emission Vehicle (OLEV) grant for the acquisition of the same compliant vehicle that is the subject of the GM CCVF application;
- they have not received and do not expect to receive more than 200,000 Euros (or equivalent) of state aid from any source over a period of three fiscal years, if seeking funding support for the upgrade of a non-Road Freight Transport vehicle<sup>22</sup>. This figure is inclusive of any discounts, exemptions, grants or Vehicle Finance secured through the GM CAP or any other funding source, including the grant applied for.

<sup>17</sup> A business/company will be considered 'small' if it has any 2 of the following:

- a turnover of £10.2 million or less;
- £5.1 million or less on its balance sheet;
- 50 employees or less;

As defined by Companies House, August 2019

<sup>18</sup> A company will be considered a micro-entity if it has any 2 of the following:

- a turnover of £632,000 or less;
- £316,000 or less on its balance sheet;
- 10 employees or less;

As defined by Companies House, August 2019

<sup>19</sup> Applicants are probably self-employed / a sole trader if any of the following apply:

- you are paid for goods and services you provide;
- you need to prove you're self-employed, for example to claim Tax-Free Childcare or you make voluntary Class 2 National Insurance payments to help you qualify for benefits;
- you submit tax returns (last financial year) for your income;
- you have business insurance or employer's liability insurance;
- you are considered self-employed by HMRC;
- you have a business bank account.

<sup>20</sup> A business is a social enterprise if it is able to demonstrate it:

- operates as a business with primarily social/environmental objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners;
- does not pay more than 50 per cent of profit or surplus to owners or shareholders, as a social enterprise principally reinvests profit or surplus into the enterprise instead of paying it to owners or shareholders
- is registered with Companies House as an active company in the UK (or the Financial Conduct Authority if a cooperative); AND
- According to the legal structure may be beneficiary of government funds.

<sup>21</sup> LGVs, HGVs, minibuses, or buses and coaches which are not used to operate a registered bus services within GM.

<sup>22</sup> This category includes all HGVs and LGVs which are used for the purposes of performing road freight transport for hire or reward.



- the non-compliant vehicle must be registered to the Applicant, or an authorised employee, director or trustee of the Applicant/organisation, for not less than twelve (12) consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle must have been registered to an address in GM for not less than twelve (12) consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle has a valid MOT (or annual test)<sup>23</sup>, road tax and insurance, as appropriate for the vehicle use/organisation, at the date of Application;
- the non-compliant vehicle will be replaced by a compliant vehicle, or upgraded via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified emission reduction system, to meet GM CAZ emission standards;
- where in private ownership, the vehicle must not be used for commercial purposes;
- the business / organisation / trader / private owner will continue to have a base location in GM for not less than twelve (12) full consecutive calendar months following receipt of funding.

7.12 **Management of Funds** – It is proposed that financial support will be available through sequential funding rounds. These would target funding towards individuals and the smallest businesses within GM, and initially directed towards those who are likely to be most economically vulnerable to the impacts of the GM CAZ. GM is particularly interested in views on the management of the Clean Commercial Vehicle Fund through the consultation [[hyperlink to Consultation questions](#)]. The proposed funding rounds are set out below:

- an initial round of funding will be open to eligible owners or registered keepers of a non-compliant vehicle of Euro Emission standard 4 (Euro 4) or older, with the exception of small businesses;
- a second round of funding would be open to eligible owners or registered keepers of a non-compliant vehicle, with the exception of small businesses; and
- subject to available funds, a third round of funding would be open to eligible owners or registered keepers of a non-compliant vehicle, inclusive of small businesses.

<sup>23</sup> An annual test (MOT) applies for a lorry, bus or trailer. Further information is available at: <https://www.gov.uk/getting-an-mot/vehicles-exempt-from-mot>

## 8 Clean Taxi Fund

- 8.1 The Clean Taxi Fund (CTF) will provide a financial support mechanism to support the upgrade of non-compliant Hackney Carriages<sup>24</sup> and private hire vehicles (PHVs).
- 8.2 The GM CAP Policy assumes that the Minimum Licensing Standards proposed by GM<sup>25</sup> for Hackney Carriages and PHVs, which complement the GM CAP, are implemented in parallel with the GM CAZ.
- 8.3 **Hackney Carriages** – GM is proposing to the Government that it requires £10.4m of funding towards replacing or retrofitting (Liquid Petroleum Gas (LPG) conversion) non-compliant vehicles to meet the GM CAZ emission standards.
- 8.4 Subject to the award of government funding to GM, it is proposed that the following grants will be available:
- A grant of up to £10,000 will be available towards the running costs of purpose-built wheelchair accessible ZEC vehicles; OR,
  - Access to vehicle finance towards the cost of upgrade to a purpose-built wheelchair accessible ZEC vehicle, offering an average finance contribution of £10,000, with the total finance contribution capped at £14,000; OR,
  - A grant of £5,000 towards the LPG retrofit of a Euro 5 vehicle less than ten years old will also be available.
- 8.5 **PHVs** – In March 2020, the Government awarded £10.2m as an initial tranche of funding towards replacing non-compliant vehicles with compliant alternatives to meet the GM CAZ emission standards.
- 8.6 The following grants will be available for:
- Private Hire WAV or minibus – a grant of £5,000 towards the cost of a compliant 6+ seater vehicle, OR access to vehicle finance, offering an average finance contribution of £5,000, with the finance contribution per vehicle capped at £7,000.
  - Non-wheelchair accessible Private Hire Vehicles:
    - a grant of £1,000 towards the cost of a compliant internal combustion engine vehicle OR access to vehicle finance, offering an average finance contribution of £1,000, with the finance contribution per vehicle capped at £2,000.
    - OR a grant of £2,000 towards the cost of a compliant hybrid or plug-in hybrid<sup>26</sup> OR access to vehicle finance, offering an average finance contribution of £2,000, with the finance contribution per vehicle capped at £3,000.

<sup>24</sup> i.e. those vehicles with a Hackney Carriage License.

<sup>25</sup> [Link to MLS Consultation Pages]

<sup>26</sup> Which is not eligible/supported by an Office for Low Emission Vehicles (OLEV) Plug-In Grant. <https://www.gov.uk/plug-in-car-van-grants>

- OR a grant of £2,500 will be available towards the running costs of a ZEC vehicle<sup>27</sup>.

8.7 Applicants for the CTF would need to be able to demonstrate that:

- they have been trading and operating as a licensed Hackney Carriage or private hire driver or operator with one of the 10 Local Authorities in GM for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application;
- they are the owner or registered keeper of a non-compliant vehicle which is and has been licensed for the purposes of Hackney Carriage or a private hire services with one of the 10 Local Authorities in GM for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application;
- the non-compliant vehicle to be upgraded has been registered to the Applicant for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle will be replaced by a compliant vehicle, or upgraded via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) approved emission reduction system, to meet GM CAZ emission standards.
- the non-compliant vehicle has current road tax and business insurance at the date of Application, with evidence of such provided with the Application;
- they will declare that they will remain licensed with one of the 10 GM Local Authorities for the purpose of performing Hackney Carriage or private hire duties within GM for two (2) years following the receipt of funding; and
- they have not received and do not expect to receive more than 200,000 Euros (or equivalent) of state aid from any source over a period of three fiscal years, if seeking funding support for the upgrade of a non-Road Freight Transport vehicle. This figure is inclusive of any discounts, exemptions, grants or Vehicle Finance secured through the GM CAP or any other funding source, including the grant applied for.

8.8 **Management of Funds** – It is proposed that funding will be offered on a first-come-first-served basis, once an applicant has evidenced that the eligibility criteria are met.

8.9 **Try Before You Buy Hackney Scheme** – the GM CAP and the proposed GM MLS will require Hackney Carriages to meet stricter emissions standards, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these emissions standards to avoid a charge. There is also the ambition in the GM Five-Year Environment Plan (5YEP)<sup>28</sup> for GM to be carbon neutral by 2038, which will be supported by the uptake of ZEC vehicles.

<sup>27</sup> Which is eligible/supported by an Office for Low Emission Vehicles (OLEV) plug-in grant. <https://www.gov.uk/plug-in-car-van-grants>

<sup>28</sup> Greater Manchester Five Year Plan. Available at: [https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded\\_3.pdf](https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded_3.pdf)

- 8.10 To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. GM has recently agreed to introduce common Minimum Licensing Standards (MLS) - including a position for consultation on when GM Taxi/PHV ZEC should be ZEC. The MLS further proposes that all Hackney Carriages must be 'London-style Black Cab' wheelchair accessible vehicles. Due to the lack of second-hand ZEC Hackney Carriages on the market, all operators looking to upgrade to electric would likely to have to purchase new vehicles.
- 8.11 Deliberative research undertaken in October 2019 identified that some Hackney Carriage and PHV drivers and operators noted the attractiveness of EVs, but would not consider upgrading to one, even with the suggested investment in charging infrastructure. To be persuaded to upgrade to an EV, it is likely participants would need to be confident that use of the vehicles is demonstrably feasible.
- 8.12 Research undertaken in October 2019 has shown taxi drivers are concerned about the cost and suitability of electric vehicle upgrades and the ability to charge EVs when out and about on shift. Measures will therefore be needed to target affordability and other barriers to switching to an EV, as well as the current perceived lack of charging infrastructure.
- 8.13 To tackle the barriers to making the switch to an EV, GM is proposing a 'Try Before You Buy' initiative for GM-licensed Hackney Carriage drivers. The opportunity to hire the vehicle prior to making an investment should help to address identified uncertainties around operating costs, range anxiety and availability of charging infrastructure. Nottingham City Council have run a trial of 3 EV Hackneys for 1-month periods and since its launch in January 2019 have covered 43 trials and have successfully converted 20 of those drivers to electrified Hackneys. The GM scheme would aim to encourage a 40% conversion rate of those taking up the trial. Support to drivers will be further enhanced in any onward transition to EV with the Hackney EV running cost grant (see paragraph 8.4).
- 8.14 **Taxi Electric Vehicle Infrastructure** – As set out above research has shown taxi drivers are concerned about the ability to charge EVs when out and about on shift. Therefore, dedicated electric vehicle infrastructure will be key in supporting the transition to ZEC taxis.
- 8.15 GM is proposing a network of 40 taxi-only rapid electric vehicle charging points, tailored to locations to support ZEC taxis to operate across GM. This measure is complementary with the financial support offered through the Clean Taxi Fund, within which one of the proposed financial support mechanisms is a running-costs grant for those who upgrade from a non-compliant vehicle to a ZEC vehicle.

## 9 Hardship Fund

- 9.1 Since submission of the OBC and following the feedback received as part of the Clean Air conversation in 2019, GM considers that it is individuals and the smallest businesses who will be most economically vulnerable to the GM CAZ charge and that the proposed amount of grant funding to help upgrade to a compliant vehicle may not be enough to adequately mitigate the potential adverse economic impacts.
- 9.2 GM is proposing a Hardship Fund of at least £10m to support individuals, companies and organisations who are assessed to be most economically vulnerable to the CAZ charge.
- 9.3 GM is currently considering the scope and scale of support required. This assessment is also being considered in light of the impact of the COVID-19 pandemic. It is possible that the groups affected by the GM CAP may require different levels of financial assistance than had been assessed at the time of the submission of the OBC to the Government.
- 9.4 GM knows that the transport sector has already been impacted by the pandemic, and government policies to stem its spread. The sector's ability to recover from revenue loss, whilst also being expected to respond to pre-pandemic clean air policy priorities by upgrading to a cleaner fleet, will clearly require further assessment and consideration. Therefore, the consultation [\[hyperlink to Consultation questions\]](#) is asking questions about the impact of COVID-19 to inform a technical briefing note for decision makers and the amount of hardship funding to be made available.

## 10 Fraudulent Activity and Misappropriation

- 10.1 GM is proposing that if an applicant is found to have abused the application process for the funds, vehicle finance, discounts or exemptions (e.g. falsified information), such that there is a risk of misappropriation, the right is reserved to terminate applications for funding or take enforcement action to recover awarded grants where information provided is not truthful or accurate.
- 10.2 Furthermore, any applicants found to have abused the application process or made a fraudulent application will not be eligible for any existing GM CAZ exemptions, discounts or financial support and GM will refer the matter to the relevant authorities where applicable.

## Appendix A – Clean Air Zone vehicle categories and minimum emission standards as set out in the UK Government’s Clean Air Zone Framework

**Table A1 – CAZ vehicle categories and minimum emission standards as set out in the Clean Air Zone Framework<sup>29</sup>**

Vehicle Type	Euro Category	Minimum <sup>30</sup> CAZ Compliant Euro Emission Standard	Example vehicles <sup>31</sup>
Bus	<b>M3</b> (Gross Vehicle Weight over 5000kg and more than 8 seats in addition to the driver)	Euro VI	Public Buses (single decker, double decker and midi), Coaches (single and double decker).
Coach		Euro VI	
HGV	<b>N2</b> (Gross Vehicle Weight <sup>32</sup> over 3500 kg and ref. mass over 2610 kg) <b>N3</b> (Gross Vehicle Weight over 5000 kg)	Euro VI	Articulated vehicles, rigid HGVs, flatbed lorries, concrete mixers, 2-axle lorry, some motorised caravans (>3.5t) and motorised horseboxes (>3.5t).
Minibus	<b>M2</b> (Gross Vehicle Weight not exceeding 5000 kg, reference. mass not exceeding 2840 kg and more than 8 seats in addition to the driver)	Euro 6 and VI (diesel) Euro 4 and IV (petrol)	Minibuses (excluding those which are licensed as a Taxi or Private Hire Vehicle – see Taxi and Private Hire Vehicles below).
LGV	<b>N1</b> (Gross Vehicle Weight not exceeding 3500 kg and reference. mass not exceeding 1305 kg)	Euro 6 (diesel) Euro 4 (petrol)	Vans (short and long wheelbase), some car derived vans, some light 4x4 utility vehicles and pickups.
Hackney Carriage and Private Hire Vehicles	Minibus – <b>M2</b> (Gross Vehicle Weight not exceeding 5000 kg, reference. mass not exceeding 2840 kg and more than 8 seats in addition to the driver) <b>M1</b> Passenger vehicle with up to 8 seats in addition to the driver	Euro 6 (diesel) Euro 4 (petrol)	Vehicles licensed as Hackney Carriages and/or Private Hire Vehicles.

<sup>29</sup> Defra and DfT. 2020. Clean Air Zone Framework, Annex A. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)

<sup>30</sup> Note the minimum compliant standard is specified in Table 3.1.2. Vehicles which meet Euro 5 (V) and 6 (VI) petrol standards will also be compliant.

<sup>31</sup> As set out by Greater Manchester. These example vehicles do not feature in the Government Guidance and are provided for guidance only.

<sup>32</sup> The weight of a vehicle or trailer, including the maximum load, that can be safely carried when it is being used on the road. This will be listed in the owner’s manual. Also known as the maximum authorised mass (MAM) or permissible maximum weight.

# Greater Manchester's Clean Air Plan to Tackle Nitrogen Dioxide Exceedances at the Roadside

## Equality Impact Assessment at Consultation



Salford City Council



Oldham Council

TRAFFORD COUNCIL



**Warning:** Printed copies of this document are uncontrolled

<b>Version Status:</b>	DRAFT FOR APPROVAL	<b>Prepared by:</b>	ARUP
<b>Reviewed by:</b>	MEGAN BLACK		
<b>Date:</b>	JULY 2020		

## **1 Introduction**

1.1 This is the Equality Impact Assessment (EqIA) to support the consultation process for the GM Clean Air Plan (GM CAP).

1.2 The assessment considers the potential for the GM CAP to result in disproportionate or differential equality effects on people with protected characteristics. The assessment is made at the scale of Greater Manchester and builds on the EqIA that was published at the Outline Business Case stage in March 2019.

## **2 Scope of an Equality Impact Assessment**

2.1 An EqIA is a recognised, specific process, used to inform the development of policies in order to facilitate maximum positive outcomes and to avoid or minimise adverse impacts on equality groups.

2.2 An EqIA considers the impact on nine protected characteristics:

1. age;
2. disability;
3. gender reassignment;
4. marriage and civil partnership;
5. pregnancy and maternity;
6. race;
7. religion or belief;
8. sex; and
9. sexual orientation.

2.3 An EqIA does not directly consider the impact on those communities that are economically disadvantaged or that have high level of social deprivation, unless there is a clear correlation with a protected characteristic. A separate socio- economic assessment is being undertaken for the GM CAP that will consider these factors.



### 3 Requirement of public bodies

3.1 Under Section 149 of the Equality Act (2010), public bodies are subject to the Public Sector Equality Duty, which requires that, they have due regard to the need to:

- a) Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act;
- b) Advance equality of opportunity between persons who share a protected characteristic and persons who do not share it; and
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.2 The aim of the EqIA is to identify whether people with protected characteristics could be affected by the GM CAP disproportionately or differentially:

- **Disproportionate effects** arise when an impact has a proportionately greater effect on people with protected characteristics than the rest of the population.
- **Differential effects** arise where people with protected characteristics could be affected differently from the rest of the population, due to a particular need or sensitivity.

### 4 Future development of the Equality Impact Assessment for the GM Clean Air Plan

4.1 The EqIA will be reviewed in line with the findings from the statutory consultation to reflect any changes in the final projects' policies. This will inform a final EqIA for the FBC. Simultaneously, each of the Greater Manchester Local Authorities will develop a specific report for their particular districts, highlighting significant differences in comparison to the GM-wide findings. The ten local reports will act as appendices to the final EqIA for the Full Business Case.

# Equality Impact Analysis

## Section one: Initial Screening

<b>Analysis Reference</b>	210720
<b>Department</b>	Transport Strategy
<b>Team or Service Area</b>	Clean Air Project
<b>Officer completing the analysis</b>	ARUP
<b>Phone</b>	
<b>Email</b>	
<b>Type of activity</b>	Project
<b>Title of activity</b>	GM Clean Air Plan to tackle Nitrogen Dioxide Exceedances at the Roadside

Under current equality legislation, TfGM is required in the exercise of our functions to have due regard for the need to:

*eliminate unlawful discrimination, harassment and victimisation;  
advance equality of opportunity between persons who share a relevant characteristic, and persons who do not share it; and  
foster good relations between those who have a protected characteristic and those who don't.*

*Equality Analysis (formally referred to as Equality Impact Analysis (EQIA)) is a tool that will help you to consider equalities issues when drawing up or reviewing a strategy, project, policy, process or procedure which affects the delivery of services and the employment practice of Transport for Greater Manchester (TfGM). Equality Analysis will improve the work of TfGM by making sure it does not unlawfully discriminate against people and that it fulfils its duties under current equality legislation and where possible, it promotes equality.*

*You will need to demonstrate where appropriate that there has been engagement with beneficiary groups and at the end of this analysis you will need to provide documentary evidence of all the information you have taken into account during this process.*

### Question 1

*Is this a new or existing activity?*

Existing

### Question 2

*What is the main aim and purpose of the activity?*

The main aim of this activity is to undertake a feasibility study and produce a region wide plan - the Greater Manchester Clean Air Plan (GM CAP) to address exceedances of nitrogen dioxide. Greater Manchester is taking a collaborative and collective approach to meet the Government requirement to produce a feasibility study in accordance with the HM Treasury's Green Book, identifying the measures that will deliver compliance within the shortest possible time.

The feasibility study has completed the Outline Business Case stage and GM is now ready to consult on the package of measures proposed to tackle nitrogen dioxide exceedances.

These include:

- A chargeable Class C Clean Air Zone across GM
  - o Phase 1: (assumed from 2022) daily penalty for non-compliant buses, taxis/PHV and HGVs
  - o Phase 2: (assumed from 2023) expanding to non-compliant LGVs
- Vehicle Renewal Schemes (financial incentives to upgrade non-compliant vehicles) for Commercial vehicles, Taxis and Private Hire Vehicles and Buses.
- Vehicle Finance – access to affordable finance amongst eligible applicants who require assistance in funding the cost of a

compliant vehicle upgrade.

The proposal DOES NOT IMPACT THE USE OF PRIVATE CARS.

The proposal is being made now to comply with a government requirement. It is being coordinated centrally to ensure consistency across the region and compliance with government guidance.

### Question 3

*List the main elements of the activity. (for strategies list the main policy areas):*

The statutory consultation on the detailed proposals, including the proposed charging Clean Air Zone, will need to be conducted in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.

Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.

In light of the restrictions much of this activity will have to be conducted in a virtual way, using digital tools such as webinars, attendance at virtual meetings and social media. GM will also include opportunity for telephone and postal correspondence for those who may not have digital access.

GM is confident that given the connections made to an extensive number of stakeholders through the Clean Air Conversation in 2019, this will engage with the key audience groups who will be most affected by the proposed measures.

### Question 4

*If this is a new/proposed activity or a change to an existing activity please explain why the proposal being made for what reason?*

This assessment builds on the document that was published at the Outline Business Case (OBC) stage in March 2019, assessing equality impacts in more detail, which has been prepared ahead of the statutory consultation process.

This is an overarching high level impact assessment for the consultation and the local authorities will carry out their own impact assessments at full business case (FBC) stage.

### Question 5

*What outcomes does the activity aim to achieve?*

A feasibility study that sets out the measures proposed to address nitrogen dioxide exceedances in Greater Manchester which has been developed collectively by all Greater Manchester local authorities, and co-ordinated by TfGM, in line with Government direction and guidance.

### Question 6

*Who are, or will be, the main beneficiaries of the activity?*

*Please tick one or more of the following*

Travelling public	No
TfGM staff	No
Partners including Operators	No
Suppliers	No
Others - please specify	Yes
	People living, working and travelling in Greater Manchester.

### Question 7

*Do you need to consult with people who might be affected by it directly or indirectly? Please justify your response*

Plan to consult - Who do you plan to consult and when?

A programme of research, analysis, public and stakeholder engagement took place throughout 2019 and has continued since submission of the OBC. This has given us more information to identify the potential impact of the proposals on low income workers; key business sectors such as retail and leisure, transport and distribution; and on small local businesses.

A public 'conversation' on the outline proposals ran from 13 May 2019 to 30 June 2019, seeking wide-ranging feedback from the general public, businesses and stakeholders on the proposed measures for achieving compliant NO2 levels in Greater Manchester. Around 3,300 responses were received over the seven-week period, including responses from umbrella groups representing more than 50,000 members. Around 70% of the responses were residents of Greater Manchester and 16% were businesses in Greater Manchester. These results, along with outputs from wider stakeholder engagement with a range of groups, have been used to inform the development of the more detailed proposals.

As required by the Transport Act 2000, a statutory consultation on the more detailed proposals, including the proposed charging CAZ, will be undertaken in 2020. Stakeholder dialogue and other awareness-raising activity around the proposals and the wider issue of air pollution will continue leading up to the consultation on the detailed plan.

The key audience groups for the public conversation are those who will be most affected by the proposed measures.

This engagement will all inform the further development and detailed design of the measures and will help to refine the that will comprise the Full Business Case.

### Question 8

*Having due regard for equality duty involves:*

*Removing or minimising disadvantages suffered by people due to their protected characteristics; Taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people; Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. Please complete the table below and give reasons, evidence and comment, where appropriate, to support your judgement(s).*

*Use the table below to record where you think that the activity could have a positive impact on any of the target groups or contribute to promoting equality, equal opportunities or improving relations within equality target groups. Use the table below to record where you think that the activity could have an adverse impact on any of the equality target groups i.e. it could disadvantage them and impact is high. Use the last column in the table below to give reason/comments/evidence where appropriate to support your judgement*

## Equality Impact Analysis

Age			
Target Group	Positive	Adverse	Comment/Evidence
Children and Young People (aged 19 and under)	High	Low	<p>Young people are more sensitive to changes in air quality and will therefore benefit more quickly from improvements in air quality. Young people would therefore benefit differentially.</p> <p>Young people are more reliant on public transport, taxi and PHVs and may also be more likely to use minibuses and community transport. Any changes in provision would have a disproportionate impact on this group in relation to access.</p> <p>Younger people are generally more fit, are more reliant on public transport and generally do not drive. They are therefore more likely to respond to initiatives of behavioural change towards more active forms of travelling.</p> <p>Young people are more reliant on public transport,taxis and PHVs to transport them to places of work,education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

## Equality Impact Analysis

Older People (aged 60 and over)	High	Low	<p>Older people are more sensitive to changes in air quality and will benefit more quickly from improvements in air quality therefore having a differential effect.</p> <p>Older people are more reliant on public transport, taxi and PHVs and may also be more likely to use minibuses and community transport. Any changes in provision or fare increases would have a disproportionate impact on this group in terms of access and affordability.</p> <p>Older people are more reliant on public transport, taxis and PHVs to transport them to places of health services and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Disability			
Target Group	Positive	Adverse	Comment/Evidence
People with physical impairments (Includes mobility, co-ordination, lifting and carrying, manual dexterity, wheelchair user)	Medium	Low	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

## Equality Impact Analysis

<p>People with communication or sensory impairments (Includes blind/partially sighted, deaf/hard or hearing, difficulty speaking)</p>	<p>Medium</p>	<p>Low</p>	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>People with a learning disability or cognitive impairment (Includes conditions which affect ability to learn, understand, read, remember, and concentrate eg. Downs Syndrome, autism, ADA)</p>	<p>Medium</p>	<p>Low</p>	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>People with mental health problems (Includes depression, schizophrenia)</p>	<p>Medium</p>	<p>Low</p>	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>People with long standing illness/health condition (Includes cancer, HIV, MS, diabetes, heart disease, epilepsy, continence)</p>	<p>Medium</p>	<p>Low</p>	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>Other disability/impairment not covered by any of the above</p>	<p>Medium</p>	<p>---</p>	<p>People with certain disabilities (particularly if these relate to respiratory problems) are likely to be more sensitive to changes in air quality and will benefit more quickly from improvements in air quality. This would be a differential effect.</p> <p>People with physical impairments are more reliant on public transport, taxi and PHVs because they are more likely to not drive. They are also more likely to use community transport. Any changes in provision would have a disproportionate impact on this group in terms of accessibility to services, work and social activities.</p> <p>Disabled people are more reliant on public transport, taxis and PHVs to transport them to places of work, education, and social/leisure activities. Increased travel costs incurred would disproportionately impact this group in terms of personal affordability.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Gender			
Target Group	Positive	Adverse	Comment/Evidence
Men	Medium	Medium	Taxi drivers and bus drivers are over 90% more likely to be male than female. Any increased business costs are therefore likely to be disproportionately experienced by men.
Women	Medium	---	There is no evidence that this group would experience disproportionate or differential effects as a result of the GM CAP.
Transgender People	Medium	---	There is no evidence that this group would experience disproportionate or differential effects as a result of the GM CAP.

Race			
Target Group	Positive	Adverse	Comment/Evidence
Asian or Asian British Backgrounds (This includes Pakistani, Indians and Bangladeshi, Chinese or any other Asian background)	High	Low	<p>People from black and minority ethnic community backgrounds are more likely to live in areas of GM where air quality is currently poorest. They will therefore disproportionately benefit from improvements in air quality.</p> <p>People from black and minority ethnic community backgrounds are more reliant on public transport therefore increased costs would affect them disproportionately.</p> <p>A high proportion of taxi drivers are from black and minority ethnic community backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

## Equality Impact Analysis

<p>Black or Black British Backgrounds (This includes Caribbean, African or any other black background)</p>	<p>High</p>	<p>Low</p>	<p>People from black and minority ethnic community backgrounds are more likely to live in areas of GM where air quality is currently poorest. They will therefore disproportionately benefit from improvements in air quality.</p> <p>People from black and minority ethnic community backgrounds are more reliant on public transport therefore increased costs would affect them disproportionately.</p> <p>A high proportion of taxi drivers are from black and minority ethnic community backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>Mixed /Multiple Ethnic Groups (This includes White and Black Caribbean, White and Black African, White and Asian or any other mixed background)</p>	<p>High</p>	<p>Low</p>	<p>People from black and minority ethnic community backgrounds are more likely to live in areas of GM where air quality is currently poorest. They will therefore disproportionately benefit from improvements in air quality.</p> <p>People from black and minority ethnic community backgrounds are more reliant on public transport therefore increased costs would affect them disproportionately.</p> <p>A high proportion of taxi drivers are from black and minority ethnic community backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>White British Background (This includes English, Scottish &amp; Welsh, Irish and Gypsy or Irish Travellers)</p>	<p>Medium</p>	<p>---</p>	<p>People from a traveller background could potentially be differentially affected by the CAZ charges from an affordability perspective.</p> <p>More insight into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
<p>Non-British White Backgrounds (This includes Irish, Polish, Spanish, Romanians and other White backgrounds)</p>	<p>Medium</p>	<p>---</p>	<p>More insight into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>



## Equality Impact Analysis

Arabs	High	Low	<p>People from black and minority ethnic community backgrounds are more likely to live in areas of GM where air quality is currently poorest. They will therefore disproportionately benefit from improvements in air quality.</p> <p>People from black and minority ethnic community backgrounds are more reliant on public transport therefore increased costs would affect them disproportionately.</p> <p>A high proportion of taxi drivers are from black and minority ethnic community backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
Any other background not covered by any of the above	---	---	

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## Equality Impact Analysis

Religion/Belief			
Target Group	Positive	Adverse	Comment/Evidence
Buddhists	Medium	---	<p>In some Greater Manchester Local Authority areas there is a higher percentage of drivers of taxis and private hire vehicles from black and minority ethnic communities (Asian) backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group. There could be a correlation between race and religion, suggesting a potential equality impact for this group.</p> <p>No quantitative evidence has been found to support this.</p> <p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

## Equality Impact Analysis

Christians	Medium	---	<p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqlA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Hindus	Medium	---	<p>In some Greater Manchester Local Authority areas there is a higher percentage of drivers of taxis and private hire vehicles from black and minority ethnic communities (Asian) backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group. There could be a correlation between race and religion, suggesting a potential equality impact for this group.</p> <p>No quantitative evidence has been found to support this.</p> <p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Jews	Medium	---	<p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqlA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

<p>Muslims</p>	<p>Medium</p>	<p>---</p>	<p>In some Greater Manchester Local Authority areas there is a higher percentage of drivers of taxis and private hire vehicles from black and minority ethnic communities (Asian) backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group. There could be a correlation between race and religion, suggesting a potential equality impact for this group.</p> <p>No quantitative evidence has been found to support this.</p> <p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Sikhs	Medium	---	<p>In some Greater Manchester Local Authority areas there is a higher percentage of drivers of taxis and private hire vehicles from black and minority ethnic communities (Asian) backgrounds. Any increases in business costs are therefore likely to be experienced disproportionately by this group. There could be a correlation between race and religion, suggesting a potential equality impact for this group.</p> <p>No quantitative evidence has been found to support this.</p> <p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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## Equality Impact Analysis

Others	Medium	---	<p>No evidence has been found in this study to suggest a correlation between religion and a differential / disproportionate health impact from improved air quality.</p> <p>More analysis into this is required at a local authority level when LA specific reports are produced to support the GM EqIA for the FBC.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
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Sexual orientation			
Target Group	Positive	Adverse	Comment/Evidence
Gay men	Medium	---	<p>There is no evidence that this group would experience disproportionate or differential effects as a result of GM CAP.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>



## Equality Impact Analysis

Lesbians	Medium	---	<p>There is no evidence that this group would experience disproportionate or differential effects as a result of GM CAP.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>
Bisexual	Medium	---	<p>There is no evidence that this group would experience disproportionate or differential effects as a result of GM CAP.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government's COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

Other			
Target Group	Positive	Adverse	Comment/Evidence
Other	High	Low	<p>Extremely low-dose exposures to pollutants during windows of vulnerability in utero and in early infancy may result in health effects throughout their lifespan.</p> <p>Pregnant women will benefit from improvements in air quality. This would be a differential effect.</p> <p>As set out at Q3, during the consultation GM will engage with the key audience groups who will be most affected by the proposed measures. in a way that adheres to guidance around social distancing contained in the Government’s COVID-19 recovery strategy.</p> <p>Every reasonable effort will be made to enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way to make it as inclusive as possible, in the circumstances.</p> <p>For further information on health impacts: see Q19.</p>

**Question 9**

*If this activity involves new build or alteration to existing building, has any consideration been given to provision of a multi-faith room?*

Not applicable

**Question 10**

*Have you identified two or more high adverse impacts in the table above?*

No

**Question 11**

*If you have identified one high adverse impact or any medium/low adverse impacts, what improvements to the activity would/could you make to mitigate high/medium/ low adverse impact? Please give details of the improvements you plan to make.*

**Question 12**

*Have you set up equality monitoring systems to carry out regular checks on the effects your activity has on:*

Equality Group		Details
Age	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Disability	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Gender	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Race	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Religion/Belief	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Sexual orientation	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.
Other	No	Not applicable at this stage - monitoring activity will be developed at the Full Business Case.

**Question 13**

*How will you measure the success of this activity? (Including any corporate performance measures)*

The success of the GM CAP will be measured through a programme of outcome and output measurement, which is contained in the draft Monitoring and Evaluation Plan which is an appendix to the Management Case of the Outline Business Case.

The key measure of success will be through air quality monitoring, specifically NO2 compliance.

**Question 14**

*In question 10 above you may have outlined improvements to the activity which will mitigate a high, medium and/or low adverse impact/s. How will you ensure that everyone involved in the activity knows and understands what improvements you intend make and is able to put the activity into practice with those improvements?*

Current mitigation measures are set out in the comment boxes. Engagement activity - described in Q7 - will all help to refine the proposals that will be set out in the Full Business Case.

**Question 15**

*Are there any elements within this activity that require a separate Equality Impact Analysis?*

No

## Equality Impact Analysis

**Question 16**

Please confirm that during the implementation of this activity, where appropriate, TfGM's corporate strategies and procedures will be followed. If your answer to any of these questions is "no", explain why you will not be following the strategy or procedure.

Strategy/Policy	Yes	Details
Communication with members of the public - TfGM's Corporate Communications Strategy will be followed	Yes	
Procurement - TfGM's Procurement Strategy will be followed	Yes	
Consultation and Engagement - TfGM's Consultation and Engagement Strategy will be followed	Yes	
Projects - Project Management Procedures will be followed	Yes	

**Question 17**

Is a Full Impact Analysis needed? If in question 8 you identified two or more adverse impacts then you should either abort the activity, or carry out a full analysis

No (not required)

DRAFT FOR

### Question 18

List all of the information that you have taken into account in carrying out this Equality Analysis

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### Question 19

#### Additional comments

This is an Equality Impact Assessment (EQIA) for the statutory consultation. A further and fuller assessment of economic and equalities impacts will be required at Full Business Case stage.

A programme of research, analysis, public and stakeholder engagement will continued throughout the consultation period. This will give us more information and identify potential impact of the proposal on low income workers; key business sectors such as retail and leisure, transport and distribution; and on small local businesses. Research information and the feedback from the engagement activity will influence the detailed design of the package of measures.

The EqIA will be reviewed in line with the findings from the statutory consultation to reflect any changes in the final projects' policies. This will inform a final EqIA for the FBC.

Simultaneously, each of the Greater Manchester Local Authorities develop a specific report for their particular districts, highlighting significant differences in comparison to the GM-wide findings. The ten local reports will act as appendices to the final EqIA for FBC.

#### Health Impacts

There is evidence showing the association of NO<sub>2</sub> on poor health outcomes. Epidemiological studies have shown that long-term exposure to air pollution (over years or a lifetime) reduces life expectancy, due to cardiovascular and respiratory diseases and lung cancer. Short-term exposure (over hours or days) to increased levels of air pollution can also have a range of health effects, including effects on lung function, asthma, as well as increases in respiratory and cardiovascular hospital admissions, and mortality. Additionally, outdoor air pollution can influence productivity and contribute to social costs such as increasing days off work and school due to restricted health.

#### Health impacts – Medium positive impact:

An improvement in air quality as a result of the Clean Air Zone will have a positive impact on the health of the whole population in GM. A result, it is concluded that all protected characteristics will experience at least a medium positive impact in relation to health from the GM CAZ. A further review of health evidence is in progress, to support the final EqIA for the Full Business case.

#### Health impacts – HIGH positive impact:

Some groups are particularly vulnerable to poor air quality including older people, children (particularly young children), pregnant women and people living with long-term health conditions or disability. Any improvements in air quality are therefore likely to differentially benefit these groups, and they have been assessed as benefitting from a HIGH positive impact from the GM CAZ. Areas of existing high pollution often correlate with low income communities and therefore any improvements in air quality would benefit these communities disproportionately. Economically disadvantaged groups are more likely to include the following protected characteristics: young people, unemployed, long term sick and people from black and minority ethnic community backgrounds. A further review of health evidence is in progress, to support the final EqIA for the Full Business case.

#### Supporting documents

None

<b>Process signed off by</b>	Megan Black
<b>Date completed</b>	20th July, 2020
<b>Validator's Comments</b>	
<b>Validated by</b>	Diversity and Inclusion Manager
<b>Date validated</b>	2020-07-21
<b>Next Review Date</b>	

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03 August 2020

Dear Sir/Madam

**Re: Consulting on Greater Manchester Clean Air Zone & Minimum Licensing Standards during Covid-19**

The Coronavirus has had and is still having a massive and devastating impact on the taxi trade up and down the country, including across Greater Manchester.

The repercussions for everyone have been unprecedented and with the whole UK on lockdown for over 10 weeks, the self-employed have suffered financial implications like never before with taxi passenger numbers almost vanishing.

With all shops, hair and beauty salons and most work places forced to close with staff furloughed or working from home, transport hubs closed and services massively reduced, and people advised not to go out; daytime work for the taxi trade was almost non-existent.

The closure of all nurseries, schools, colleges, universities, adult education, and day care centres severely affected those drivers who rely on contract work.

Sports events forced to cancel and bars, clubs, pubs and restaurants all having to shut meant no night or weekend work for the drivers.

Holidays and flights were all cancelled with an increasing number of travel restrictions causing airlines to ground planes, meant that drivers working the airport and those who rely on the tourist trade had no income.

Footfall in the shops and on the highstreets disappeared as shops closed and people stayed at home or self-isolated, following the government's social distancing advise.

By far the biggest users of taxis are the elderly, disabled, vulnerable and those with children; all the groups told to self-isolate and stay at home.

As more and more people had to work from home or self-isolate, as education institutions and public buildings closed, as shops, bars, pubs, clubs and restaurants closed, as sporting and social gatherings were cancelled – people stopped using taxis.

With taxi drivers coming into close and regular contact with the public, placing drivers at high risk of infection meaning; many made the decision not to work to protect themselves and their families.

Garages and MOT stations closed meaning cab owners were unable to get their vehicles repaired, and fleet owners had their cabs returned meaning many cabs were left parked up as driver were unable to make a living.

No passengers mean no fares, no fares mean no money, and no money meant taxi drivers and small businesses struggled or failed to survive. Passenger numbers are still down and nowhere near pre-Covid levels, with drivers struggling to make £40 working a 12-hour shift.

Many drivers have mortgages or rent to pay as well as already expensive taxi finance and insurance payments to make on top of that, and whilst mortgage and finance companies were sympathetic in

offering payment holidays, other bills still had to be paid and the payment holidays will still have to be paid back, with interest.

No business or financial institution in the world could have predicted what has happened and this crisis, unfortunately, has been the nail in the coffin for some drivers, with most of those who have survived now living day to day, with massive debts as a result.

Five months since the pandemic started, and with a local lockdown reinstated and Covid-19 still relentless in its devastating impact on our city region, the GM taxi industry is in a fight for survival.

The added pressures and financial impact of moving forward with CAZ and MLS at this moment in time will be devastating for taxi drivers, some of whom have had no income for months. To go ahead with these plans now would force thousands of hard-working, self-employed individuals out of work, with the costs involved simply unaffordable under current circumstances.

Families will be forced into financial hardship; homes will be lost, unemployment and mental health issues will increase, putting further pressure on our already overstretched benefits and social care systems.

The consequences will be disastrous for all self-employed and small taxi businesses across Greater Manchester, unless the right decision is made now; to delay the consultation on CAZ and MLS until a time when the full impact of Covid-19 on the trade can be assessed.

Yours faithfully,

#### **Greater Manchester Taxi Trade Coalition**

- Unite the Union Manchester
- Unite the Union Salford
- GMB Manchester
- Manchester TODA
- Manchester Hackney Association
- Tameside TODA
- Stockport TODA
- Oldham TODA
- Association of Trafford Taxi Drivers
- Rochdale Taxi Trade Group
- Airport Taxi Association
- The Hackney Drivers Association of Wigan
- The Hackney Drivers Association of Bolton
- The Hackney Drivers Association of Bury
- RMT Union Wigan



**Report to: Cabinet**

## **Kingfisher School expansion of PAN & Hydro Pool Replacement**

**Portfolio Holder: Cllr Shaid Mushtaq (Cabinet Member of Education and Skills)**

**Officer Contact:**

Carol Brown, Director of Environmental Services  
Emma Barton, Director of Economy

**Report author:**

Andrew Hall, Principal Regeneration Officer  
Ext. 3456

**24 August 2020**

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**Reason for Decision**

To seek additional funding support for classroom expansion and the replacement of the Hydro Pool, as a consequence of a budget shortfall, COVID 19 impacting on the finances of the project, and pending the release of the grant funders contribution.

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## Kingfisher School expansion of PAN & Hydro Pool replacement

### 1 Background

1.1 In January 2018 Cabinet approved the expansion of classrooms and the replacement hydro pool at Kingfisher School, total funding of £2,970,000.

1.2 Works commenced in November 2019 and the scheme is currently funded as below:

Original Council Funding (Reserves)	£ 750,000
Match Funding – external grant funding	£ 750,000
Additional Council Funding (Basic Need Grant Allocation)	£ 750,000
School Funding / Resources	£ 390,000
SEND Funding	£ 330,000
<b>Total Funding</b>	<b>£2,970,000</b>

### 2 Current Position

2.1 The purpose of the report is to seek additional funding from the Basic Needs Grant and agree to a temporary contribution pending the match funding grant contribution.

### 3 Consultation

3.1 The process for identifying school/settings expansion projects has been followed as set out in The Education Provision Strategy and through the Education Provision Group (EPG).

### 6 Financial Implications

6.1 As set out in the report in the restricted part of this agenda.

### 7 Legal Services Comments

7.1 As set out in the report in the restricted part of this agenda.

### 8. Co-operative Agenda

8.1 Objective 1: A Productive Place where business and enterprise thrive.

8.2 Outcome: Ensuring the creation of sufficient quality school places and effective, inspiring learning environments. Ensuring that the Local Authority is adhering to their statutory duty of providing school places in the borough and ensuring a higher percentage of families can go to a school of their preference.

8.3 Objective 3: A co-operative council delivering good value services to support a co-operative borough.

8.4 Outcome: Deliver our statutory duties and services to a good standard and ensure they are value for money.

### 9 Human Resources Comments

9.1 There are no HR implications as a result of this expansion (A Hall)

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**10 Risk Assessments**

10.1 As set out in the report in the restricted part of this agenda.

**11 IT Implications**

11.1 Not applicable.

**12 Property Implications**

12.1 As the property in question is not a corporate landlord asset owned by the Council, there are no property comments to be made in regard to this project. (Peter Wood)

**13 Procurement Implications**

13.1 As set out in the report in the restricted part of this agenda.

**14 Environmental and Health & Safety Implications**

14.1 There are no environmental or health and safety implications as a result of this decision. (A Hunt); (L.Smith)

**15 Equality, community cohesion and crime implications**

15.1 Admission authorities have a legal duty to comply with parental preference wherever possible. Consequently, Oldham's school place planning approach takes account of identified demand for places. In terms of equality, the proposal will positively increase the supply of school places and special educational need provision in the borough. (Andy Collinge)

**16 Equality Impact Assessment Completed?**

16.1 No

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 EDS-01-20

**19 Background Papers**

19.1 None

**20 Appendices**

20.1 None

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**Report to CABINET**

## **Oldham Community Leisure – Contract**

**Portfolio Holder:**

Councillor Z Chauhan – Cabinet Member Health and Social Care

**Officer Contact:** Rebekah Sutcliffe – Strategic Director  
Communities and Reform

**Report Author:** Neil Consterdine – Assistant Director Youth  
Leisure and Communities  
**Ext. 8734**

**24<sup>th</sup> August 2020**

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### **Reason for Decision**

The purpose of this report is to:

- Update on the Oldham Community Leisure (OCL) current position (including GloGym) as a result of Covid 19.
- Seek agreement to pay OCL loss of income without prejudice, based on a contractual position, due to a forced closure of its facilities as a result of Covid-19 for the period of the 1<sup>st</sup> April 2020 through to the 24<sup>th</sup> July 2020
- Agree that ongoing dialogue with OCL is required during operational recovery to ensure it continues as a going concern in the most efficient and effective manner.

### **Recommendations**

It is recommended that the Council agrees:

- 1) To pay OCL for loss of income without prejudice, based on a contractual position, due to a forced closure of its facilities as a result of Covid-19 for the period of the 1<sup>st</sup> April 2020 through to the 24<sup>th</sup> July 2020. Further detail is set out in the report in the restricted part of the agenda.
- 2) That an ongoing dialogue takes place during operational recovery to support the survival of OCL.

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**Oldham Community Leisure – Contract****1 Background**

- 1.1 Oldham Community Leisure (OCL) delivers the leisure offer through operating leisure centres owned by the Council, one private venture and a wider community offer. This is contracted through the Council (except the private venture).
- 1.2 The Covid-19 situation has presented a number of significant issues for Leisure and Sport. This includes the cancellation of all team sport activity from all National Governing Body of Sport. In addition, a forced closure of all leisure facilities. Therefore, OCL's Leisure facilities have been closed since close of play of the 20<sup>th</sup> March 2020 including its GloGym facility (the private venture). The Government prohibited reopening until the 25<sup>th</sup> July 2020.
- 1.3 Improving the health of our communities is even more important currently and in particular for those residents and communities that are vulnerable. Inactivity is the fourth leading cause of premature death worldwide. OCL are a key organisation that supports improving the health of our Borough. During lockdown OCL, as a social enterprise, have been extremely supportive of our community response to support our most vulnerable residents. This has included them offering Oldham Sports Centre as a venue to operate the foodbank from and staff to support this.

**2 Current Position**

- 2.1 Ongoing conversations have taken place with OCL to understand the impact of the Closure and Covid 19 and the mitigations they have put in place.
- 2.2 **Job retention scheme (furlough)** – OCL have had a maximum number of staff on furlough from first date of mandatory closure across OCL & Wellbeing Leisure in order to maximise the amount of financial support from central government. 95% of OCL staff have been initially furloughed, with wages topped up to normal earnings (due to pension risk), saving circa £0.160m per month. All but one GloGym staff members furloughed (no top up).
- 2.3 **GM position** – Other GM authorities, albeit they have differing contractual arrangements, are in a similar position to Oldham and are looking to support their Trusts.

In addition, Greater Manchester Chief Executives are commissioning an external consultant to examine the considerations and opportunities for achieving two aims in the light of the Covid-19 pandemic:

1. To sustain the public sector leisure infrastructure through the pandemic and beyond.
2. To maximise future contribution of the leisure providers to the population health picture in Greater Manchester as we seek to Build Back Better.

Timescales will tie in with GM Recovery Plan timescales; 0-2 months, 0-12 months, 12 months and beyond; weathering the storm, strengthening the sector long term so it can make its full contribution to locality recovery plans and GM Moving for GM Recovery. Critical is the survival of our Leisure provision during this period. The financial impact of Covid-19 on Leisure contracts and budgets is significant. Central Government needs to understand the impact and Local Government working with Leisure Providers work



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together on initial survival but also plan a redesigned recovery programme to deliver a Leisure and Physical Activity offer. This work and lobbying to Central Government from GM may present some opportunities.

**2.7 Contractual obligations** - There are both legal and financial complexities associated with this contract for both the loss of income claim due to the sports centre closures and how the Council can work with OCL during operational recovery.

**2.8 Impact - Next Steps Operational Delivery** – The Government announced that Leisure Centres could reopen from the 25<sup>th</sup> July 2020. Following meetings, it is clear OCL would be able to open for this date and in particular because of the work they have done during lockdown to safely open. OCL have put in place plans for a safe opening and the Council has also supported through its Public Health team. An area by area analysis on sites has been done and appropriate assessments on numbers allowed in each space and alternate use of some spaces along with new safety signage is in place.

Moving forward how the Council and OCL working together during operational recovery is critical. The centres may not be fully operational for some time.

### **3 Options/Alternatives**

3.1 Further detail is set out in the report in the restricted part of the agenda of the Cabinet meeting on the 24<sup>th</sup> August 2020.

### **5 Consultation**

5.1 Colleagues from across the council have been in regular dialogue with OCL.

### **6 Financial Implications**

6.1 Full financial implications are outlined in a separate report that will be considered in the restricted part of the Cabinet meeting on the 24<sup>th</sup> August 2020.

### **7 Legal Services Comments**

7.1 A separate note outlining the legal implications flowing from the government's order to close down centres from 20<sup>th</sup> March 2020 is considered in a separate report in the restricted part of the Cabinet meeting.

### **8. Co-operative Agenda**

8.1 The OCL contract supports the Councils cooperative values and often goes beyond what is set in the contract including running community events, supporting the leadership of the Borough and working with the voluntary sector. During lockdown OCL have been extremely supportive of our communities including allowing the use of its Oldham Leisure Centre Sports Hall to be used as a Foodbank distribution Centre. It has also supported this with its staff.

### **9 Human Resources Comments**

9.1 None

### **10 Risk Assessments**

10.1 In determining the level of support to be given to OCL the Council needs to manage a number of risks. These are outlined in the restricted report.

- 
- 11 **IT Implications**
- 11.1 None
- 12 **Property Implications**
- 12.1 None
- 13 **Procurement Implications**
- 13.1 From the guidance contained within PPN04 – COVID Supplier Relief, Procurement supports the recommendation within this report. (S. Boyd)
- 14 **Environmental and Health & Safety Implications**
- 14.1 There are no specific contract implications.
- 15 **Equality, community cohesion and crime implications**
- 15.1 None
- 16 **Equality Impact Assessment Completed?**
- 16.1 No
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 HSC-04-20
- 19 **Background Papers**
- 19.1 Background papers are outlined in a separate report that will be considered in the restricted part of the Cabinet meeting on the 24<sup>th</sup> August 2020.
- 20 **Appendices**
- 20.1 These are listed in the report in the restricted part of the agenda.



**Report to CABINET**

## **Extend The Unity Partnership Agreement with the Council**

**Portfolio Holder:**

Councillor Abdul Jabbar

**Officer Contact:** Helen Lockwood Deputy Chief Executive

**Report Author:** Elizabeth Cunningham Doyle Solicitor

**Ext.** 4740

**24<sup>th</sup> August 2020**

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### **Reason for Decision**

The existing partnership agreement between the Council and The Unity Partnership Limited is due to expire on 31<sup>st</sup> August. The purpose of this report is to request permission to extend the existing agreement for a further period of five years subject to an annual review of the delivery of the services.

### **Executive Summary**

See above

### **Recommendations**

1. Grant authority to extend the existing partnership agreement between the Council and The Unity Partnership Limited for a further period of five years subject to an annual review of the delivery of the services.
2. Delegate authority to the Director of Legal Services to affix the Council's seal to the Deed of Variation to the Unity Partnership Agreement.

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## **Extension of The Unity Partnership Agreement**

### **1 Background**

- 1.1 On 2<sup>nd</sup> July 2018 the Council acquired the remaining shares in The Unity Partnership Limited so that it became a wholly owned Council controlled company.

### **2 Current Position**

- 2.1 On 24<sup>th</sup> September 2019 the Council signed a partnership agreement with The Unity Partnership for the delivery of services to the Council. The agreement was for an initial period of 11 months and is now due to expire on 31<sup>st</sup> August 2020.
- 2.2 Cabinet members are invited to consider the extension of the existing service provision by The Unity Partnership Ltd for a further period of five years. This will be called the Extension Period.
- 2.3 The delivery of services under the partnership agreement during the Extension Period would be subject to an annual review by the Council. Should the Council decide that it no longer wishes to continue with the provision of services by The Unity Partnership Limited the Council could trigger the termination provisions within the partnership agreement and the template exit plan within the partnership agreement would be invoked.

### **3 Options/Alternatives**

- 3.1 Cabinet can approve the extension of the existing partnership agreement with The Unity Partnership Limited.
- 3.2 Cabinet can decide not to extend the partnership agreement and terminate the agreement in accordance with the terms and conditions of the partnership agreement.

### **4 Preferred Option**

- 4.1 The preferred option is to continue with the current arrangements for service delivery and extend the partnership agreement for a further period of five years subject to an annual review.

### **5 Consultation**

- 5.1 The Council conducted extensive consultation with stakeholders, employees and unions when embarking upon the proposal to acquire the shares and take over control of the company.

### **6 Financial Implications**

- 6.1 The existing Partnership agreement is due to expire on the 31<sup>st</sup> August 2020 and the preferred option is to extend this agreement by a further 5 years subject to annual reviews on service delivery.
- 6.2 UPL deliver a range of core services on behalf of the Council for an agreed core fee. The core fee is subject to annual review between the Council and UPL and any changes to the core fee is incorporated in the Council's budget setting process. (Nicola Harrop)

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- 7      **Legal Services Comments**
- 7.1      The Council entered into a formal partnership arrangement with the Unity Partnership on 24<sup>th</sup> September 2019 for the delivery of specific services to the Council as described in Schedule 1 to the Agreement. The Council is minded to grant an extension of the existing contractual arrangements with its wholly owned controlled company. As such, it is not required to carry out a formal procurement exercise because the company is considered to fall within the scope of the “Teckal” exemption in Regulation 12 (1) of the Public Contracts Regulations 2015.
8.      **Co-operative Agenda**
- 8.1      The provision of services by The Unity Partnership Limited assist the Council in meeting its co-operative agenda.
- 9      **Human Resources Comments**
- 9.1      N/A
- 10      **Risk Assessments**
- 10.1      The Council to manage its risks need to ensure its contractual relationship with Unity is managed in an appropriate manner and this report sets out how this contractual relationship will be managed for 5 years. The annual review will be important for the Council to manage its other risks such as linking the contract into its future financial resilience to ensure the present level of services provided remains affordable post pandemic (Mark Stenson).
- 11      **IT Implications**
- 11.1      The Unity Partnership Limited provides the Council’s support for its information technology.
- 12      **Property Implications**
- 12.1      There are no significant property implications with continuing the current partnership arrangements.
- 13      **Procurement Implications**
- 13.1      There is no requirement for a formal procurement process for the extension of a contract with a wholly owned “Teckal” company.
- 14      **Environmental and Health & Safety Implications**
- 14.1      N/A
- 15      **Equality, community cohesion and crime implications**
- 15.1      N/A
- 16      **Equality Impact Assessment Completed?**
- 16.1      N/A
- 17      **Key Decision**
- 17.1      Yes
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18      **Key Decision Reference**

18.1    FG-23-20.

19      **Background Papers**

19.1    None

20      **Appendices**

20.1    The appendix is attached to the report in the restricted part of the agenda.



## Report to CABINET

### **Supply of Plastic Waste Containers (NC-05-20)**

**Portfolio Holder:** Cllr Barbara Brownridge, Cabinet Member for Neighborhoods & Culture

**Officer Contact:** Helen Lockwood, Chief Exec – People & Place

**Report Author:** Mark Husdan – Op's Manager (Waste & Fleet)  
**Ext. 2144**

**24<sup>th</sup> August 2020**

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#### **Reason for Decision**

The waste management service requires authorization to award a 4-year contract for the ongoing supply of plastic waste containers.

#### **Executive Summary**

A tendering exercise has been carried out for the ongoing supply of plastic waste containers over the next 4 years. The Council has an obligation to supply recycling and general rubbish containers to residents. The containers are used to support new recycling activity, to replace old/damaged containers, to support its trade waste collection service and to support project work based on improving waste management performance.

#### **Recommendations**

To award the contract to the winning bidder (detailed within the report in the restricted part of the agenda).

## Supply of Plastic Waste Containers (NC-05-20)

### 1 Background

- 1.1 Oldham Council has a statutory obligation to collect waste from all domestic and commercial properties in Oldham.
- 1.2 In order to fulfil this statutory duty, households must have suitable waste and recycling containers to store waste in between collections.
- 1.3 Oldham Council currently delivers an average of 16,000 waste and recycling containers annually to households across the borough.
- 1.4 Oldham Council requires waste and recycling containers to satisfy demand from:
  - Residents who wish to start recycling for the first time
  - New commercial waste contracts
  - Residents who wish to swap their existing containers for a bigger/smaller size.
  - Containers for newly built properties
  - People whose existing bins are old and/or damaged and need replacing
  - People whose bins have gone missing
- 1.5 There is also a need for domestic bins to be removed from households and other places. For example, as part of being exchanged for a bigger or smaller bin, where a house has accumulated too many bins or where bins have been filled up and dumped in a public place
- 1.6 In addition to its domestic waste collections, the Council also operate a commercial waste service for customers. Our commercial customers also need bins delivering, removing, repairing or exchanging (for example, when beginning, changing or ending a contract with us to collect their waste).
- 1.7 There has been an increase for waste containers for domestic and commercial bins – through new houses being built, increasing turnover of tenants in rented properties and service efforts to expand commercial waste business/contracts.
- 1.8 In addition to this, the Council is continually involved in community project work, communications and service promotion activities to encourage residents to recycle wherever possible.

### 2 Current Position

- 2.1 The current contract is due to expire on 14<sup>th</sup> August 2020 and given this background, a procurement exercise has been carried out to manufacture Oldham Council's ongoing supply of plastic bins for the next 4 years.
- 2.2 The value of the contract is detailed in the report in the restricted part of the agenda.
- 2.3 An open OJEU procurement route was followed in accordance with Oldham Council's Contract Procedure Rules and EU Regulations. The OJEU Contract Notice (Reference Number 2020/S 075-178965) was published on 16<sup>th</sup> April 2020 using the CPV code 34928480. The Invitation to Tender (ITT) was published on the Chest e-procurement portal on 16<sup>th</sup> April 2020 with a closing date of 18<sup>th</sup> May 2020.



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- 2.4 4 bids were received; however, from an initial evaluation a submission was automatically disqualified for not providing and pricing all the products required.

	Technical Capacity	Price	Total
Bidder 1	32.90	38.81	71.71
Bidder 2	29.70	40.52	70.22
Bidder 3	39.90	45	84.90

- 2.5 The bids were evaluated by Mark Husdan (Operations Manager), Craig Dale (Head of Operations Services), Emily Molden (Senior Category Manager) and Emma Wall (Category Manager).

- 2.6 In accordance with the Council's Contract Procedure Rules, the evaluation of the tender sought to identify the submission offering the most economically advantageous bid, based on a combination of price, quality of service and social value.

- 2.7 The tender was weighed as follows

Section	Weighting
Technical Capacity	50%
Social Value	5%
Pricing	45%

- 2.8 The outcome of the evaluation process was that one bidder submitted the most economically advantageous tender in terms of quality and price. This information is in the report in the restricted part of the agenda.

### 3 Options/Alternatives

- 3.1 Option 1) To award the contract to the bidder, who submitted the most economically advantageous tender; offering high quality goods at a competitive price.
- 3.2 Option 2) To not award the contract. This option would leave the Council with no formal contract in place, prompting a new procurement exercise. This will increase the timescales in implementing a formal contract leaving the Council open to risk.

### 4 Preferred Option

- 4.1 Option 1) To award the contract to the winning bidder, who submitted the most economically advantageous tender; offering high quality goods at a competitive price.

### 5 Consultation

- 5.1 N/A

### 6 Financial Implications

- 6.1 The demand for new and replacement refuse bins from the residents of Oldham along with its trade waste customers amounts to 16,000 new units per annum. This proposal recommends entering into a new four-year contract for the supply of plastic refuse bins commencing in Mid-August 2020 in order to satisfy that need.
- 6.2 The value of the contract is detailed in the report in the restricted part of the agenda.
- 6.3 The Council charges domestic customers for grey bins (non-recyclable) and this generates income to the Waste Management Service.

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6.4 There is adequate resource within the base revenue budget for the Waste Management service to meet the cost of the contract net of the forecast income generated from charging domestic customers for non-recyclable bins.

**7 Legal Services Comments**

7.1 The Council has followed its own Contract Procedure Rules and used an open tender to select the most economically advantageous tender. (Elizabeth Cunningham Doyle)

**8. Co-operative Agenda**

8.1 The purchase of these plastic bins supports Oldham's cooperative agenda and specifically our values around working with our residents and businesses to keep our streets clean, as well as 'everyone doing their bit'. The Council providing these bins will potentially mean a reduction in fly tipping which support our Team Oldham Plan. Sarah Whittle – Ext 3480

**9 Human Resources Comments**

9.1 None

**10 Risk Assessments**

10.1 n/a

**11 IT Implications**

11.1 n/a

**12 Property Implications**

12.1 None

**13 Procurement Implications**

13.1 The Commercial Procurement Unit supports the recommendation outlined in the report. The procurement process has been carried out in line with both EU regulations and the Council's Contract Procedure Rules. Value for money has been achieved through this process; balancing quality and cost. (Emily Molden)

**14 Environmental and Health & Safety Implications**

14.1 Householders must have access to suitably sized recycling and waste bins to ensure they can recycle as much of their waste as possible and to dispose of all waste correctly, preventing it from escaping and littering the local neighbourhood' (Justine Addy).

**15 Equality, community cohesion and crime implications**

15.1 None

**16 Equality Impact Assessment Completed?**

16.1 No – not required.

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17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 NC-05-20

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : DN474461

Name of File :Supply of Waste Containers

Records held on the Chest e-procurement portal ([www.the-chest.org.uk](http://www.the-chest.org.uk)).

Officer Name : Emily Molden

Contact No : 0161 770 1643

20 **Appendices**

20.1 N/A

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