



**TRAFFORD**  
**COUNCIL**

**AGENDA PAPERS MARKED “TO FOLLOW” FOR  
EXECUTIVE MEETING**

**Date: Wednesday, 20 February 2013**

**Time: 6.00 pm**

**Place: Council Chamber, Sale Town Hall, Sale Waterside, Sale M33 7ZF**

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

**4. EXECUTIVE'S REVENUE BUDGET PROPOSALS 2013/14, THE  
INDICATIVE REVENUE BUDGET PROPOSALS 2014/15, AND PROPOSED  
CAPITAL PROGRAMME 2013/16**

To consider a report of the Executive Member for Finance and the Director of Finance, for recommendation to the Council.

The following reports will be considered further at the subsequent Council Meeting; Members are asked to ensure they bring them to both meetings.

**(a) Executive's Revenue Proposals 2013/14, Indicative Revenue  
Budgets Proposals 2014/15 and Proposed Capital Programme  
2013/16** 1 - 168

Executive's Revenue Budget Proposals 2013/14, Indicative Revenue Budget Proposals 2014/15, and Proposed Capital Programme 2013/16.

PLEASE NOTE: There are some amendments in this version as compared to that which was previously posted on the Council's website. The tables in s.4 of the report, showing movements from the Draft Budget Report, have been updated.

**THERESA GRANT**  
Chief Executive

**COUNCILLOR MATTHEW COLLEDGE**  
Leader of the Council

## Executive - Wednesday, 20 February 2013

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### Membership of the Committee

Councillors M. Colledge (Chairman), A. Williams (Vice-Chairman), S. Anstee, Dr. K.M. Barclay, Miss L. Blackburn, M. Cornes, J. Coupe, M. Hyman, A. Mitchell and M. Young

### Further Information

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This agenda was issued on **Wednesday, 13 February 2013** by the Legal and Democratic Services Section, Trafford Council, Quay West, Trafford Wharf Road, Trafford Park, Manchester, M17 1HH.

### TRAFFORD BOROUGH COUNCIL

**Report to:** Executive and Council  
**Date:** 20 February 2013  
**Report for:** Decision  
**Report of:** Executive Member for Finance and the  
Director of Finance

#### Report Title

**Executive's Revenue Budget Proposals 2013/14, the Indicative Revenue Budget Proposals 2014/15, and Proposed Capital Programme 2013/16**

#### Summary

This report sets out the Executive's proposed revenue budget for 2013/14, and included for the first time are the indicative revenue budget proposals for the following year, 2014/15. It also outlines the proposed capital budgets for 2013/16.

Overall the proposals will see the 2013/14 revenue base budget decrease by £(11.063)m, or (6.5)%, to £158.947m, when compared to an adjusted 2012/13 base budget of £170.010m. Taking into account budgetary pressures of £21.746m, total savings are proposed of £(18.685)m, with no increase in the level of Council Tax. Therefore, the Council will be able to take advantage of £(0.886)m of additional grant for a two year period.

The various cost pressures and investments are detailed in section 7 of the report. The major components include:

- Reduction in Government Funding £9.8m
- Inflation £5.2m
- Demography £2.5m
- Levies £1.8m

The savings put forward, £(18.7)m to achieve a balanced budget are summarised in section 7 and full details appear in the service schedules in annexes G to K.

Similar information is available for the indicative budget for 2014/15.

The Director of Finance has set out his view on the reasonableness and robustness of the budget, and the availability and adequacy of reserves, in annex M.

**The proposed budget for 2013/14 sets out the planned resource availability for the Council. The Executive's proposals are made having had regard to the findings of a public consultation exercise and a review by the Overview and Scrutiny Committee. A number of decisions on savings, following public consultation, are required and will be taken by the Executive on 4 March 2013.**

### **Recommendation(s)**

**It is recommended that the Executive propose to the Council to approve:**

- That the net Revenue Budget for 2013/14 is £158.947m, a decrease of £(11.063)m, or (6.5)%, when compared to an adjusted 2012/13 base budget of £170.010m;
- That the minimum level of General Reserve for 2013/14 be set at £6m, the same as in 2012/13 (Annex M);
- That there is no increase in the proposed Council Tax level for Trafford related services in 2013/14 (the valuation bands are as detailed in Annex A);
- That the fees and charges be set per the booklet available alongside this report on the Council's website, including specifically:
  - an increase in the weekly charge for Allotment fees in 2014/15 (12 month notice period is required);
  - cease contributions to Mersey Valley and Bollin Valley Partnerships in 2014/15 (12 month notice period required);

the financial impact of which are all included in the budget proposals in the report;

- That the overall Capital Investment Programme level of £77.0m be approved (Annex L).
- That the Prudential Borrowing Indicators be approved (Appendix 1, page 14, of the attached Treasury Management Strategy

**In recommending the above to Council, that the Executive will also present to Council:**

- The objective assessment by the Director of Finance of the robustness of budget estimates and adequacy of the General Reserve (Annex M).

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

Name: Cllr Sean Anstee Ian Duncan  
Extension: 4884 4884

**Background Papers:**

Budget Report 2012/13

Draft 2013/14 and Indicative 2014/15 Revenue Budget Proposals and draft Capital Programme 2013/16 of 22 October 2012

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2013/14 and indicative budget for 2014/15 cross cuts all key priorities and policies.
Financial	The report sets out the proposed budget for 2013/14, with indicative financial plans for 2014/15.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and council tax level. Budget proposals take account of various legislative changes as they affect Council services. The Council has begun the statutory processes associated with the effect of the proposed budget on staffing levels.
Equality/Diversity Implications	The likely impact of the budget proposals on issues of equality and diversity has been assessed and where appropriate will be mitigated.
Sustainability Implications	None arising out of this report.
Staffing/E-Government/Asset Management Implications	Human Resources – statutory processes have begun and the impact on staffing is still subject to consultation.
Risk Management Implications	An impact assessment of each budget proposal is undertaken as part of the overall budget setting process.
Health and Safety Implications	An impact assessment of each budget proposal is undertaken as part of the overall budget setting process.

**Consultation**

A budget consultation has been carried out, the details and results of which are shown in Section 2 of this Report.

**Reasons for Recommendation**

To enable the Council to set its Revenue Budget and Council Tax for 2013/14.

**Key Decision**

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

**Finance Officer Clearance** .....ID.....

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

**CORPORATE DIRECTOR'S SIGNATURE**

*(electronic)*.....

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



**TRAFFORD**  
**COUNCIL**

**Executive's  
Revenue Budget Proposals  
2013/14, indicative Revenue  
Budget Proposals 2014/15, and  
Capital Programme 2013/16  
20 February 2013**

## INTRODUCTION BY THE LEADER OF THE COUNCIL

### COUNCILLOR MATTHEW COLLEDGE

Welcome to the Executive's budget proposals for 2013/14 and indicative budget proposals for 2014/15. Following the Coalition Government's first emergency 'austerity' budget in July 2010 to address the national deficit, these proposals will reflect the fourth and fifth austerity budget since the economic crisis of 2008.

The effects of the challenging financial situation that the UK finds itself in has meant that Trafford Council has to deliver the services that we all rely on within significantly reduced resources. Over the next two years we expect Government support to reduce by £13.7 million, with an additional £1.6m of pressure caused by the changes to the Council Tax benefit system. It is also expected that austerity budgets will continue for a few years after this, and it is unlikely that funding and income will keep pace with rising costs and community need for many years after that.

In the past we have managed to find efficiencies and new income to reduce the impact on services, which have reduced the budget deficit by up to three quarters over the last three years. For the next two years less than half of the savings required are expected to come from policy choices that impact on front line services.

We are proud that we have the 20<sup>th</sup> lowest Council Tax in the country, and that we have managed to have no Council Tax rise in two years. We will continue to strip out inefficiencies, introduce new ways of delivering services through innovation and new technology and by working collaboratively with other organisations and the community itself.

Volunteers and voluntary organisations have been working with and alongside the Council for many years, from Friends of Parks organisations to mentors within Youth Offending Service and volunteers on Justice panels. In December 2011 we launched a campaign to strengthen the links, recognise the goodwill and good works, and to enable more people make that first step to a personally rewarding and enriching contribution to the community.

The campaign involved over 500 events across the Borough with over 15,000 volunteers participating. This included the first ever *Volunteer Awards* at a neighbourhood event in March 2012. We are now working closely with a third sector organisation to harness the interest and commitment we found. However, we already have 39 trained and committed volunteers extending our library service, and the Olympics attracted another 600 local volunteers which were essential in making it such an enjoyable, safe and successful event.

It is clear that the Council cannot continue to provide the same services in the same way into the future, and that a root change in the provision of services to the Community is needed. With this in mind, alongside the draft budget proposals we are also announcing a new vision and direction for the residents, businesses and other stakeholders for the Borough of Trafford. Together, with community leaders, volunteers, charities, public and private sector partners we will build on the success in our community:



## Your Environment

We have one of the best performing and low cost waste collection services in Greater Manchester.

The Borough has the lowest number of people killed or seriously injured road casualties in Greater Manchester.

## Your Community

2012 saw the introduction of e-books and Trafford is the first authority to loan out e-readers.

Crime reduced by 15.1% in the first six months of this fiscal year (April to September), with nearly 900 less victims of crime. Anti-social behaviour has fallen by 30.1%, over 1,300 less incidents, and violent crimes have reduced by nearly 11%.

In October 2012, the Council's CCTV service has been awarded a Divisional Commander's award by Greater Manchester Police for their collaborative work and making an 'outstanding contribution to front line policing'. In addition, the Environmental Health Team has also been working closely with the Police, and together have assisted in reducing commercial robberies in the Borough by 52% in 2011.

Trafford is the safest place in Greater Manchester, with the highest level of public confidence and satisfaction.

Over 300 new affordable homes will be built between 2012 and 2015.

## Your Economy

Trafford has the highest percentage of young people in employment, education or training in Greater Manchester, and despite the wider economic challenges the overall unemployment rate in the Borough has remained stable at 3.1% which compares favourably with the Greater Manchester average of 4.7%.

The Council has been operating a successful apprenticeship scheme, with 43 apprentices taken on so far, 5 of them now having permanent jobs with the Council. The apprentice scheme will be promoted further during the National Apprenticeship week, which commences on 11 March 2013.

Businesses either have, or have plans, to invest around £1bn of capital into the economic infrastructure of the Borough by building such developments as the new Paper Mill at Carrington, Tesco in Stretford, ITV Studios at Trafford Park, and the Power Plant at Partington.

## Your Children & Young People

13 of the Borough's 18 secondary schools are judged as outstanding by Ofsted, and collectively they have the second highest level in the country for achieving 3 or more A/A\* grade A-Levels, and are fourth highest at achieving 5 or more C-A\* GCSE grades.

Child obesity has dropped from 10.7% in 2008 to 8.2% in 2010, comparing favourably with a regional average of 9.9%.

There has been a 68% reduction in the number of young people entering the criminal justice system.

There has been an increase in the number of available foster parents.

#### Your Adult Social Care

50% of eligible adults now determine their own care provision through the personalisation programme.

Services to vulnerable adults have been rated as excellent by the Care Quality Commission.

#### Your Council

Local taxation collection rates have improved for the third year running and are the best in Greater Manchester at 97.8% for Council Tax and 97.4% for Business Rates.

The average time to process new benefit claims is the best in Greater Manchester at 14 days.

The Audit Commission continues to commend the Council for its disciplined approach and willingness to challenge itself in its drive to identify efficiencies and ways of improving services.

In November 2012 the Council was awarded 'Best Public Sector Organisation (over 250 people)' by the North of England Excellence Awards. In particular the judges commented on the Council's ability to adapt and change in response to external economic pressures whilst maintaining excellence of service to its customers.

**BACKGROUND and SUMMARY**  
**by THE EXECUTIVE MEMBER FOR FINANCE**  
**COUNCILLOR SEAN ANSTEE**

**Background**

Since 2005 it has been the clear policy of the Council to deliver value for money and a low Council Tax. This can only be achieved by a strong culture of financial management across all services.

Trafford Council has a proven track record and the recognition of the Audit Commission of delivering significant efficiencies, for setting robust and stable budgets, with minimal and reducing reliance on reserves, and for delivering improving high quality services within budget year after year.

From 2004 the Council has delivered £54.8m of permanent efficiencies, with an emphasis on management and back-office functions, reducing the risk to front line service delivery. The proposals outlined in this report contain provision for an additional £15.5m of efficiencies and changes in staff terms and conditions, which will bring the total to £70.3m. This level of efficiencies is equivalent to a Council Tax reduction of nearly 90%, and has assisted the Council in keeping Council Tax rises minimal such that the Borough currently has the lowest 'on the doormat' Council Tax in the North West of England.

The Council has internally invested in professional Procurement and Transformation teams, and also hosts the Association of Greater Manchester Authorities (AGMA) Procurement Hub and is the lead authority for the AGMA Improvement & Efficiency Commission. These teams have assisted in delivering much of the recent efficiencies, and will play a major role in contributing to future efficiencies. The AGMA I&E identified £9.2m for member authorities in 2011/12, of which Trafford benefited by £0.9m.

Since 2004/05 the average actual annual spend on services has been just £(283)k less than was budgeted which is an average of 1% below budget. This is an extraordinary achievement of controlling spend whilst ensuring that your Council Tax is spent on your services.

Successfully managing the treasury and tax functions over the same period and the resultant receipts from dividends, tax claims and improved debt collection, has helped generate a net benefit of £(25.0)m. This has assisted in funding one-off projects and improvements in Community Safety, our road network, and Town Centre investment, as well as maintaining a reasonable but healthy reserve balance to cope with organisational change and the financial consequences of issues such as equal pay.

As well as tackling historic overspending, the Council has also reduced its base budget reliance on reserves slowly but steadily from £2.7m in 2004/05 to £1.0m in 2012/13, which will reduce further to £0.9m in 2013/14, providing a more stable basis for future service delivery.

Where it has been in the interest of residents, the Council has engaged with other public sector organisations to share resources and capacity in delivering common community goals, improving the service to the customer, reducing 'red tape', ensuring greater customer focused services and delivering cost reductions.

Since 2005 the Council's policies and objectives, and in collaboration with partners, have delivered significantly improved customer focused services, secured significant permanent cost reductions, maintained a low Council Tax, tightly controlled expenditure, and established a culture of austerity and longer term planning.

In addition, the Council has stimulated local economic growth and brought new jobs to the Borough:

The Council has facilitated the £29m sports regeneration project centred around the Lancashire County Cricket Club which will complete in this year, and is expected to generate 240 jobs, 130 of which have been recruited to the new Tesco store. In addition, working in partnership with Manchester Investment Development Agency Services the new SAICA paper mill in Carrington will provide for a further 143 jobs.

Maintained low car parking charges which will continue stimulate the local economy for the benefit of our Town centres.

### **Summary of the draft 2013/14 and indicative 2014/15 Budgets**

The current economic climate poses many issues for the Council as it does for households and businesses across the Borough; suppressed income, low investment rates, and relatively high inflation.

The next two years will be the fourth and fifth national austerity budget whilst the Coalition Government addresses the national deficit. It is estimated that the Council will have a budget deficit of £38.9m over the next two years, £21.7m in 2013/14 and £17.2m in 2014/15 for which it will need to identify savings and funding, as a result of:

£14.5m reduction in sustainable Government funding, and an additional loss of £1.6m of support to the cost of benefits.

Inflation, increasing public expectation and demographic pressures in key services, increasing charges from levying bodies for waste disposal and passenger transport, and some reduction in income totalling another £22.8m.

In meeting this challenge the Executive have identified over the two years proposals for £(12.6)m of efficiencies, changes to employee terms and conditions of £(2.9)m, £(3.4)m of new income, which with the prudent use of reserves will reduce the budget gap by over half:

£5.1m of efficiencies driven by improved procurement and commissioning of goods and services, and reducing back-office overheads

£4.5m efficiencies and economy savings realised by remodelling services including working with partners, and refocusing to meet customer need, choice and control,

£1.9m by reducing running costs by the use of new technology such as thin client,

£1.1m from pro-active risk and financial management.

The revenue and capital budgets allow for investment in priority services areas:

An investment of £5.1m for Children and Adult Social Care to meet the expectations of increasing service demands, and;

the planned level of grants to provide equipment to elderly and vulnerable people so that they can continue to live in their own homes has been increased by £1m to a total of £4.2m, and;

doubling the investment by another £0.4m in communications and early warning equipment to support the vulnerable living in their own homes for longer, and;

£0.2m extra support so that those people who have suffered an accident or illness can return to their own homes sooner.

Additional grant will see an increase of £4.1m made available to educating young people.

Almost an extra £1m has been set aside for Social Fund and the transitional effects of welfare reform.

£145k for under-5 year old community projects.

The capital programme 2013/16, which has been enhanced by an additional £4.6m of resources and totals £77.0m, will allow for:

Improved roads £12.7m; 54km of highway, 66km of footway, 750 new street lighting columns, 10 major bridge refurbishments.

Schools improvements of £20m in 2013/14, including increasing the number of primary school places by 1,750, and another £26.5m of capital spend being planned for the later years.

Schemes supporting the local economy of £5.8m, which includes for an additional £2.0m for Town Centre investment to support and drive the local economy.

£1m investment in improving recycling rates which will reduce future growing pressures of waste disposal, being both green and efficient.

Priority investment of £5.4m in other Council assets to ensure continued service delivery.

Investment in technology and service innovation of £1.9m to improve services and enable service change and efficiency.

However, inevitably some choices to reallocate resources from some services to those of a higher priority need to be made in order to balance the budget. This report provides details on all of the proposals being put forward by the Executive by each services area and can be reviewed at annexes E through J.

Where decisions to reallocate resources have been taken, the emphasis has been on management and back-office functions. Of the estimated 171 positions that are at risk to be removed from the establishment 50% are in management and back-office roles. The Council will employ a number of processes to minimise the impact on the staff concerned, and estimates that around 108 are currently considered at risk.

The budget proposals also contain for a review of a number of staff terms and conditions, as well as introducing a more cost-effective car business use and leasing schemes, and reducing overtime, sickness and agency costs. The majority of these proposals are not planned to be introduced until 2014/15.

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## 1. EXECUTIVE SUMMARY

- 1.1 In approaching long term planning and budgeting the Council has since 2005 established a culture and key principles to deliver:

Sound financial management; expenditure contained within approved budget every year delivering a total £25.0m underspend, helping to keep the Council Tax low whilst enabling investment in priorities; such as £2.3m in Town Centres and £2.2m in fast tracking Highways improvements.

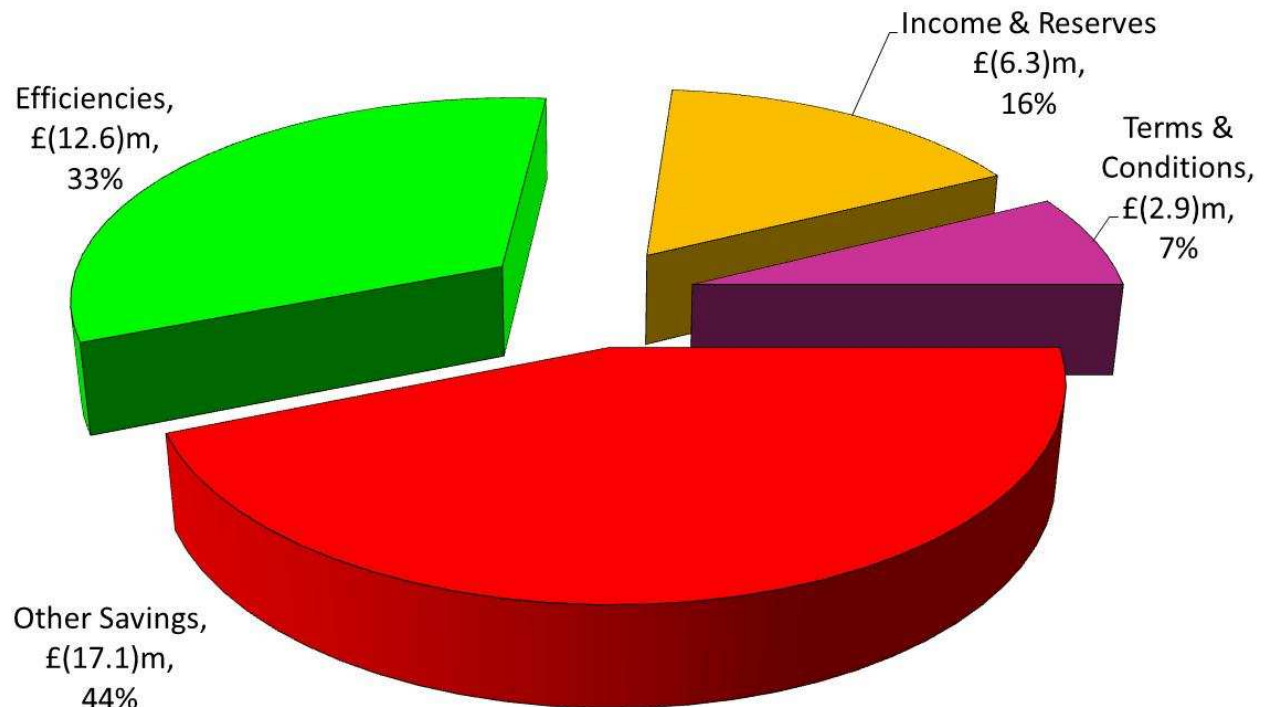
Value for money; £70.3m of permanent efficiencies delivered or planned equivalent to a nearly 90% reduction on the Council Tax, with a focus on reducing management and back-office inefficiency and investing in procurement and internal capacity to deliver rapid change.

Working collaboratively with partners; to deliver customer-focused service improvement, share resources and share costs.

Delivering excellence; a strong performance management culture, establishing clear vision and targets.

- 1.2 For 2013/15, 58% of the £38.9m budget deficit will be balanced by efficiencies, new income, changes to staff terms and conditions, and the use of reserves:

### 2013/15 Budget: Balancing the £38.9m deficit





- 1.3 Through collaboration the Council has not only reduced its own costs, but also assisted authorities across the rest of Greater Manchester and the North West achieve savings:

At the heart of delivering children and young people's services is the unique partnership between the Council's education and social services functions, and the Primary and Acute Care Trusts. This service centres around the needs of the child rather than the traditional delivery methods of the organisations which reduces unnecessary contact time and improves outcomes.

A new Human Resources computer system specified, procured and established in partnership with Stockport and Wigan Councils, a project referred to as SWiTch, avoided £2.5m of initial costs and has established a platform for a number of back-office revenue savings, and the project is a finalist in the 2012 Payroll World awards.

The CCTV team sharing accommodation and working closely with Greater Manchester Police, and in recognition of the success of this partnership they have been awarded a Divisional Commander's award for 'an outstanding contribution to front line policing' in October 2012. In addition, the Environmental Health Team has also been working closely with the Police, and together have assisted in reducing commercial robberies in the Borough by 52% in 2011.

- 1.4 Applying new technology and innovatively redesigning service the Council will reduce costs and/or improve customer-focused front line services:

Through integration and promoting independence, adult social services has saved £5.9m in 2011/12 whilst improving outcomes and customer choice.

Trafford is one of the first Councils to introduce the lending of e-readers as well as e-books as part of its innovative library services.

The Council's award winning phone application has been extended to work on other devices, and mobile technology friendly versions of Council's web site are being developed.

Modern advances such as thin client technology will be employed to reduce computer and communication costs by £0.9m.

81% of new claimants now use the e-benefit claim form, making it easier for them and reducing the input and administration time for the Council, so that it can maintain and improve on turning around new claims within 14 days.

A new business database is being developed to assist all Council departments in improving service provision and relationships with businesses.

- 1.5 At the forefront of the Council's commitment to the public is to improve accountability and transparency:

Trafford was one of the first Council's to publish all non-personal monthly expenditure (available under open-data on the website).

The Council has recently published infoTrafford ([www.infotrafford.org.uk](http://www.infotrafford.org.uk)), which allows public access to a large and growing number of datasets about their local community, such as crime statistic, real-time tracking of gritting lorries, and soon to be launched, detailed ward profiles.

- 1.6 At a time of reducing funding and increasing cost pressures and public expectations, the draft proposed budget has identified investment to support the most vulnerable, and to support the local economy:

An investment of £5.1m for Children and Adult Social Care to meet the expectations of increasing service demands, and;

the planned level of grants to provide equipment to elderly and vulnerable people so that they can continue to live in their own homes has been increased by £1m to a total of £4.2m, and;

doubling the investment by another £0.4m in communications and early warning equipment to support the vulnerable living in their own homes for longer, and;

£0.2m extra support so that those people who have suffered an accident or illness can return to their own homes sooner.

Additional grant will see an increase of £4.1m made available to educating young people.

Almost an extra £1m has been set aside for Social Fund and the transitional effects of welfare reform.

£56k to support community based projects in deprived areas designed to build skills, confidence, and improve access to jobs and better life choices.

A £77.0m capital programme over the next three years, with specific investment in Town Centres of £2.4m.

- 1.7 Further investment and support has been found to support Trafford businesses and local economy to assist economic recovery:

Maintaining some of the lowest car parking fees in the country in order to stimulate local economic growth for our Town Centres.

2013/14 will see the completion of a £29m sports regeneration programme centred around the Lancashire County Cricket Club, which is expected to create 240 new jobs in the area, and

the opening of the new Town Hall which consolidate 5 administration buildings, and will help the Council save £5m in maintenance and utility costs over the next 25 years.

Businesses have invested, or intend to invest, around £1bn of capital into the economic infrastructure of the Borough by building such developments as the new Paper Mill and Power Plant at Carrington, Tesco in Stretford, and ITV Studios at Trafford Park.

## 2. BUDGET CONSULTATION

- 2.1 The Council released detailed budget proposals for the coming two years, 2013-2015 and the consultation process began on 15 October 2012, allowing for a full three months of consultation for each specific proposal in year one of the plan.
- 2.2 The budget process was launched through, media briefings, a dedicated Budget Consultation 2013-2015 section on the Council's website, the delivery of a Budget themed Your Trafford to every household and staff briefings.
- 2.3 The website hosted a video message from the Leader and also areas which covered:
- Key messages
  - Financial background including details of how the Council is funded and
  - Vision 2015
  - New ways of working
  - Draft budget proposals
  - Details of how to get involved in the consultations
- 2.4 The website received 1,513 hits with 1,007 unique page views.
- 2.5 A number of the consultation methods were adopted by Directorates to ensure that they were able to reach their service users, families of the service user, providers and partner agencies. These included:
- 'Easy read' versions of the proposals,
  - Questionnaires and surveys, including an easy read version
  - Letters to service users
  - Face to face meetings and briefings
  - Public meetings
  - Dedicated helplines and email addresses
  - Use of brokers e.g. Age UK, Trafford Centre for Independent Living
- 2.6 The budget consultation ended on 14<sup>th</sup> January 2013 with over 3,000 service users and over 200 organisations responding to the consultations.
- 2.7 The following table outlines the number of responses received for the specific consultations:

Directorate	No. of respondents
CWB	331
CYPS	193
Transformation and Resources	399
ETO (Waste Management)	2204*
<b>TOTAL</b>	<b>3,127</b>

*\*2086 were respondents to the initial survey issued during June / July 2012, the remaining 118 were attendees at consultation events held during October and November.*

## Impact of consultation on service proposals

2.8 Directorates undertook specific consultations in relation to:

- **Communities and Well Being:**
  - Advocacy
  - Broome House
  - Charging
  - Community meals service
  - External Day support
  - Information and Advice (Council wide)
  - Katherine Lowe residential care home
  - Services for People with learning disabilities
  - Internal Day support (Pathways and Princess Centre)
  - Pre-paid cards
  - Public Health
  - Supported Living for Adults with a Learning Disability
  - Supporting People
- **Children and Young People's Services:**
  - Children's Centres
  - Complex and Additional Needs Service (Personalisation)
  - Youth Services
- **Transformation and Resources:**
  - Libraries
- **Environment, Transport and Operations:**
  - Waste collection

Highlighted below are the salient points arising from the consultations:

### Communities and Well Being

2.9 In relation to the budget consultation within the Communities and Wellbeing Directorate, there have been 311 forms returned, broken down as follows:

Form	Responses	% of total responses
Charging	92	27.8%
General Overview	88	26.6%
Supporting People	44	13.3%
General Overview (Easy read)	40	12.1%
Day Centres	34	10.3%
Meals	22	6.6%
Katherine Lowe	7	2.1%
Supported Living	4	1.2%
Carers	0	0.0%
<b>TOTAL</b>	<b>331</b>	<b>100%</b>

Details of the individual responses have been collated and are being considered.

- 2.10 The consultation asked a number of generic questions relating to the impact or the proposals overall:

**What do you think about Trafford's ideas in this leaflet to reduce costs?**

- 61% felt that Ideas to reduce costs are good as long as the most vulnerable are protected, 19.5% considered the ideas to reduce costs to be bad and will have a significant impact on vulnerable people and 7.3% thought the plans are reasonable and fair in the light of the current budgetary situation.

**How do you think these ideas will change the support you get?**

- 45% felt that the ideas would worsen their support, 27.5% thought there would be no effect with 12.5% hoping that it doesn't make a difference to support.

**How do you think these ideas will change the support other people get?**

- 37.8% believe that some will find it harder and that others will see no change, 27% felt that it will be very bad for a lot of people and 18.9% considered there would be little or no impact for most people.

**Children and Young People's Services**

- 2.11 A total of three consultations were undertaken with Children and Young Peoples Service with a total of 185 responses.
- 2.12 The Children's Centres received the highest number of responses, 185 in total. This is in the context of the Children's Centres having over 3,000 adult users. Of the responses received 73% stated that they did not support the proposals, 24% did support the proposals, 2% felt there was insufficient evidence and 1% stated 'don't know'
- 2.13 In relation to the Complex and Additional Needs Service (Personalisation) 200 families along with a number of agencies and health colleagues were invited to comment. A total of 8 responses were received with a number of verbal responses received at forums and meetings. Overall personalisation and the offer of personal budgets are seen as a positive as children, young people and families are given control and choice of services that meet their assessed needs. Some concern has been raised during the consultation related to how this will be implemented and the potential impact of this on individual families.
- 2.14 In relation to the Youth Service no responses were received from the public.

## **Transformation and Resources**

- 2.15 From the two library consultations, a total of 206 responses were received with regard to the use of volunteers across all libraries and 116 relating to the transfer of Greatstone Library to the Trafford Town Hall.
- 2.16 With regard to the use of volunteers across all libraries, 35.6 % supported this proposal, with 6.7% offering no views either way, 2.9% stating 'don't know' and 54.8% opposing the proposal.
- 2.17 In terms of the proposal to transfer Greatstone Library to the Town Hall, 30.4 % supported this proposal, with 29.3% offering no views either way, 14.5% stating 'don't know' and 25.7% opposing the proposal.

## **Environment, Transport and Operations**

- 2.18 The review of the waste and recycling collection process actually began in June 2012 followed by a series of public meetings held during the budget consultation process. The outcome of the consultation was presented to the Executive on 26<sup>th</sup> November, however a final decision was not able to be taken until negotiations with DCLG have concluded.
- 2.19 There were no specific budget proposals which required consultation from Economic Growth and Prosperity.
- 2.20 The feedback of the public consultation will be taken in to account in the operational decisions required to implement the budget should the Council approve the Executive's proposals. The relevant savings proposals have been highlighted in grey within the savings schedules attached to the Service Summaries at annexes G to K. The proposal on the Weekly Food Waste Collection Service, is expected to be considered by the Executive Portfolio Holder under delegated authority, on the 18 February 2013. The remaining proposals will be considered at the Executive on 4 March 2013, should the Council approve the budget framework.

### **3. SCRUTINY REVIEW & RECOMMENDATIONS**

- 3.1 The Executive submitted the draft 2013/14 and indicative 2014/15 Revenue Budget proposals and the 2013/16 draft Capital Programme to the Council's Scrutiny Committee on the 22 October 2012.
- 3.2 These proposals were reviewed by four topic groups established by the Scrutiny Committee, and a joint report of their findings and recommendations was issued to the Executive on 21 January 2013. The joint report made 14 recommendations along two themes:
- requests that the Executive provide future reports on the progress and impact of some of the proposals should they be approved by Council, and/or,
  - that the Executive either seek assurance or provide further assurance to Scrutiny that the impact and consequence of implementation of some proposals would be as anticipated.
- 3.3 The Executive accepted and formally responded to Scrutiny on 6 February 2013, having either provided additional information or undertaking to do so at an agreed future date. The details of the response can be found on the agenda for that Scrutiny meeting on the Council's website.



#### 4. CHANGES IN THE EXECUTIVE'S PROPOSALS FOLLOWING CONSULTATION

4.1 The Executive published its draft revenue and capital budget proposals on 22 October 2012. As a consequence of feedback from the various consultation exercises, Core Overview & Scrutiny, additional planning and review and the consequences of the February 2013 Local Government Finance Settlement, there are a number of changes to those draft proposals:

Changes to the revenue budget since the draft proposals of 22 October 2012	2013/14 (£000's)	2014/15 (£000's)
<b>22 October 2012</b>	<b>1,508</b>	<b>1,773</b>
Grant Settlement	3,979	1,545
Additional Savings	(705)	(52)
Cost Estimates	(2,201)	(202)
Proposed Grant to Partington Parish Council	32	(32)
Council Tax Freeze grant 2013/14	(886)	
Proposed use of Reserves	(850)	(1,150)
Council Tax Support Scheme	(1,066)	
Council Tax Surplus and Tax Base	208	50
To be Identified		(1,932)
<b>Total</b>	<b>0</b>	<b>0</b>

4.2 The consequences of the Local Government Finance Settlement are complex, especially when combined with the changes brought about by the Council Tax Support scheme replacing the current Council Tax Benefits regime, and these issues are discussed separately in section 6.

Grant Settlement		2013/14 (£000's)	2014/15 (£000's)
CFW	Increases in Learning Disability and Health Reform	(128)	(130)
CFW	Early Intervention Grant 2 year old top-slice	2,521	431
CFW	Social Fund	(5)	
CFW	Education Support Services and Academies top-slice	4,817	
CFW	Education Support Services Grant	(3,385)	
CFW	Health & Social Care Grant increases	(527)	216
EGP	Preventing Repossessions funding	82	
T&R	Benefit Administration Grant	127	137
C-W	Reduction in Council Tax Support	1,201	141
C-W	Additional New Homes Bonus	(311)	(235)
C-W	Changes in Formula Funding	(413)	985
<b>Total Changes</b>		<b>3,797</b>	<b>1,545</b>

- 4.3 In order to balance the budget following further reductions in Government funding announced in late December, additional savings proposals have been required. These additional savings proposals are listed below, and further details are contained within the respective service summaries and savings schedules at annexes F to J:

<b>Additional Savings</b>			<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>
CFW	E	Further procurement through market management	(80)	
CFW	E	Emergency Card Scheme	(16)	
CFW	E	Telecare extension	(200)	
CFW	E	Carers Development	(40)	
CFW	E	Support services, introducing new technology	(23)	
CFW	PC	Isobel Baillie Lodge	(60)	
ETO	PC	Street Lighting Maintenance	(60)	
ETO	PC	Environmental Enforcement Team review	(170)	
ETO	PC	Leisure Building Maintenance, brought forward a year	(35)	35
ETO	PC	Rephase Mersey & Bollin Valley	167	(167)
EGP	PC	Preventing Repossession		80
T&R	E	Reduce books purchases due to introduction of e-reading	(13)	
T&R	E	ICT infrastructure due to move to new Town Hall	(20)	
T&R	E	Moving Council Tax information from hard copy to WEB	(10)	
T&R	E	Rationalisation of management costs	(22)	
T&R	I	Sale of legal advice to external bodies	(18)	
T&R	PC	Financial Management Team further review	(125)	
C-W	T&C	Rephase of Terms and Conditions savings	20	
<b>Total Savings Proposals</b>			<b>(705)</b>	<b>(52)</b>

Key:

E: Efficiency I: Income PC: Policy Choice T&C: Staff Terms & Conditions

- 4.4 As work continued on the budget following the publication of the draft proposals, a number of changes have been brought about by reviewing cost estimates and rephasing savings proposals:

<b>Cost Estimates</b>		<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>
CFW	Rephase expenditure on Stronger Families initiative	(100)	100
CFW	Transfer of 2 year old Education to DSG	(469)	
CFW	Nursery Sustainability responsibility transfer to Schools	(131)	
CFW	Review of inflation estimates	(677)	
ETO	Waste levy; updated estimate and application of smoothing reserve	(500)	(49)
C-W	Budget adjustments relating to Council Tax Support & Benefits schemes	(136)	
C-W	Transport levy and Combined Authority estimates update	(82)	(174)
C-W	Carbon Reduction Allowances	(125)	(79)
<b>Total Movements</b>		<b>(2,220)</b>	<b>(202)</b>

- 4.5 The new Council Tax Support scheme has the effect of reducing the Council Tax Base. As a consequence Partington Town Council would either need to reduce expenditure or raise their Council Tax precept rate in order to maintain the same level of revenue. To mitigate this, the Executive proposes that the Council provides a transitional grant of £32k for 2013/14.
- 4.6 Many adjustments relate to increased expenditure commensurate with increases in specific Government grants that were announced or confirmed after the draft Budget Report was written. The Executive have been specifically mindful to make the following changes:

<b>New grants with new responsibilities</b>		<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>
CFW	Public Health	(10,171)	(285)
CFW	Early Intervention: Recruitment of Adopters	(160)	
CFW	Local (NHS) Complaints Advocacy	(57)	57
CFW	Local Reform & Community Voices	(166)	5
CFW	Social Fund	(562)	8
T&R	Community Right to Bid	(8)	
T&R	Right to Challenge	(9)	
T&R	Community Value	(5)	
T&R	Council Tax Support: New Burdens	(114)	
	Increase Budget to meet associated expenditure	11,236	215
<b>Total Grants</b>		<b>0</b>	<b>0</b>

4.7 In addition to the above, the Trafford Partnership has released £154k of reserves to support under 5 year old community projects throughout the Borough, to be awarded on a participatory budget basis.

4.8 The following table summarises the changes to the Capital Investment Proposals 2013/16 since the draft Budget Report of 22 October 2012:

<b>Changes to the capital programme budget since the draft proposals on 22 October 2012</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>2015/16 (£000's)</b>
<b>Draft Proposals 22 October 2012</b>	<b>40,912</b>	<b>22,176</b>	<b>11,069</b>
Additional Q3 budget re-phasing	(1,970)	4,534	720
<b>Adjusted proposals</b>	<b>38,942</b>	<b>26,710</b>	<b>11,789</b>
Highways Structural Maintenance : Additional grant	392	213	
New project for A56 Cycle Safety works	320		
Adjustment to grant for:			
- Nursery Place Provision	(180)		
- Personal Social Services Grant	8	19	
Bridgewater Way Integrated Travel - Transfer of responsibility for some work to Developer.	(770)	50	
Settlement adjustment to Highway Maintenance Grant			(500)
<b>Proposed Capital Budget 2013/16</b>	<b>38,712</b>	<b>26,992</b>	<b>11,289</b>

4.9 The main reasons for the changes to the Capital Investment Programme as shown above are :

- Re-phasing of budgets for a number of major expansion work projects at primary schools and highway improvement works in west Timperley.
- Confirmation and notification of additional government grant awards. Projects have been adjusted for this funding change, with future years assumptions amended to take account also.
- Additional scheme, supported by external resources, to improve cycle safety by providing a route parallel to the A56 in Stretford.
- Changes to reflect the responsibilities of the Developer in the delivery of the Bridgewater Way integrated transport project.

## **5. APPROACH TO THE BUDGET CHALLENGE**

### **Principles**

- 5.1 The change in the global economy has had far reaching consequences for everyone. The severity of funding reductions, suppression of existing income sources, increasing public expectations and genuine increasing demand in the community means that traditional approaches to budget setting are no longer sufficient. To ensure that the general services used by all, such as roads and waste collection & disposal, and the support services, such as social care, are available for all into the future. A radical new approach to budgeting and service planning is needed.
- 5.2 The Executive and Corporate Management Team have for the last three years been putting measures in place to ensure that the Council provides the highest quality public services, that meet the continuously changing needs of customers and residents in a fast pace society, at the lowest cost:
- Investing in a dedicated procurement team to reduce existing contract costs, obtain the best value for money, and reduce the impact of current high inflation.
  - Hosting the Association of Greater Manchester Authorities (AGMA) Procurement Hub, that undertakes to make savings using combined purchasing power for all authorities both across Manchester and the North West.
  - Leading on the Association of Greater Manchester Authorities Improvement & Efficiency Commission.
  - Improving internal capacity to meet the challenge of change and to identify and eliminate inefficiency.
- 5.3 These investments have driven out cost reductions and efficiencies which otherwise would not have been delivered in such magnitude, with such speed.
- 5.4 In addition to these measures, the Executive and the Corporate Management Team have put at the heart of service planning and budgeting a number of principles which impact on the culture of the organisation and the behaviour of all staff and managers.

### **Establishing Shared Services and Local Collaboration**

- 5.5 Working with neighbouring authorities will increase efficiencies but more importantly provide more customer focused services. Some examples of how Trafford is doing this are provided below:

The AGMA Improvement & Efficiency Commission has identified £9.2m of efficiencies and cost savings across Greater Manchester in 2011/12, with £0.9m benefitting Trafford.

Alongside Wigan and Stockport , the Council has been developing a collaboratively shared Human Resources (HR) and Payroll system, under the umbrella project name of SWiTch. The project is the largest collaboration in Greater Manchester of its kind, and is a 2012 Payroll World winner. Collaboration saved or avoided £2.5m of costs between the authorities, and it has been a test bed for Councils working together and a spring board for £0.2m of back-office efficiencies.

Trafford Council and Greater Manchester Police are actively working in collaboration to improve outcomes for our residents and local businesses. By bringing some of our related services closer together we will deliver a better customer experience, maximise the opportunities for efficiencies through co-location and will actively encourage our other strategic partners to join our collaboration. There has been a wide range of improvements to date, including:

- Ability to deploy resources dynamically, based upon risk
- Improved working relationships, including shared intelligence e.g. hotspot locations
- Improved and more robust action plans
- one conversation with witnesses and victims of crime
- shared objectives across Council and Police staff
- Instant access to shared data - far quicker progress to court
- Increased skill set – e.g. knowledge of respective legislation

Trafford Council has also been working with GM Fire and Rescue Service to develop a range of projects and activities, including:

- A volunteering programme
- ‘STEP’ programme for unemployed people which used a bike project to mentor and support basic skills to improve employment prospects
- Information Sharing Workshop for stakeholders to encourage further collaboration

### **Redesigning Services**

- 5.6 The Council is actively exploring new service delivery models and opportunities to review existing arrangements. In the last year we have been driving forward some fundamental changes to the way services are delivered and working in partnership to do this has been a vital success factor.

- 5.7 The establishment of an integrated health and social care service is a key priority for both Trafford Council and Bridgewater Community NHS Trust, and is in line with the priorities set by the Integrated Care Services initiative led by NHS Trafford. To meet this priority it has been proposed to integrate the Operational Services within Communities and Well Being (Adult Social Care) and Trafford Provider Services (NHS). This will provide the most effective, efficient and value-for-money services possible within the resources available but most importantly, improve the patient and staff experience of service delivery, and to improve outcomes for residents of Trafford. The benefits of setting up an integrated service will include:
- A streamlined and clearer care pathway that will provide improved personalised care, proportionate to need.
  - Safe and effective alternatives to intensive Health and Social Care Services, promoting independence in adults and older people.
  - More efficient and effective use and deployment of resources between partners.
  - Effective, anticipatory, systematic approach to the care and management of people with Long Term Conditions in neighbourhoods.
  - Reduced reliance on hospital based services by promoting the delivery of support to people in primary care, community or home environments.
  - Reduced health inequalities by working in partnership with residents, agencies, organisations and the third sector within Trafford.
- 5.8 Trafford's approach to the Government's Troubled Families agenda, known locally as 'stronger families', is in development and partners are working together to share staff and resources to create new delivery models and better family assessment methods.

### **Customers and Residents**

- 5.9 The budget proposals in each Directorate have all maintained the importance of customer focus, some examples include:

More personal budgets are now available across children's and adults services so residents are in control about how money is spent on their needs and in doing this we will get much better information about the types of support services required in general.

New services have been commissioned which support older people and those leaving hospital to live independently.

As a result of Trafford being a host borough for the Olympics, we have been able to improve the local environment – more dropped kerbs, improved street lighting and more CCTV has created a more accessible and safer environment.

We have made further improvements to our i-phone app, following customer feedback received.

- 5.10 In 2013 we will be launching our Customer Services Strategy; the aim of this strategy is to put customers at the heart of everything we do and make it easy for anyone living, visiting, working or studying in Trafford to access Council services where and when they need them. We will deliver a quality experience for all of our customers and wherever possible offer joined up services with partner agencies.
- 5.11 Our locality working proposals will provide a greater range of opportunities for residents to influence how services are designed and delivered.
- 5.12 The joint development of Trafford Council's Citizen's Charter with residents and local businesses will very much help clarify the expectations and principles for living in Trafford and our locality arrangements will help to monitor the Charter's success and where it needs to change or be updated over time.

### **Exploiting Technology**

- 5.13 This is a reoccurring theme across all Directorates and is often an enabler to realising savings. We will continue to exploit our use of technology and social media to improve our internal and external communication channels, speed of response to customer needs and customer experience. Examples of how technology has either delivered or enabled efficiency and/or service improvement are:

Through integration and promoting independence, adult social services has saved £5.9m in 2011/12 whilst improving outcomes and customer choice.

Trafford is one of the first Councils to introduce the lending of e-readers as well as e-books as part of its innovative library services.

The Council's award winning phone application has been extended to work on other devices, and mobile technology friendly versions of Council's web site are being developed.

Modern advances such as thin client technology will be employed to reduce computer and communication costs by £0.9m.

81% of new claimants now use the e-benefit claim form, making it easier for them and reducing the input and administration time for the Council, so that it can maintain and improve on turning around new claims within 14 days.

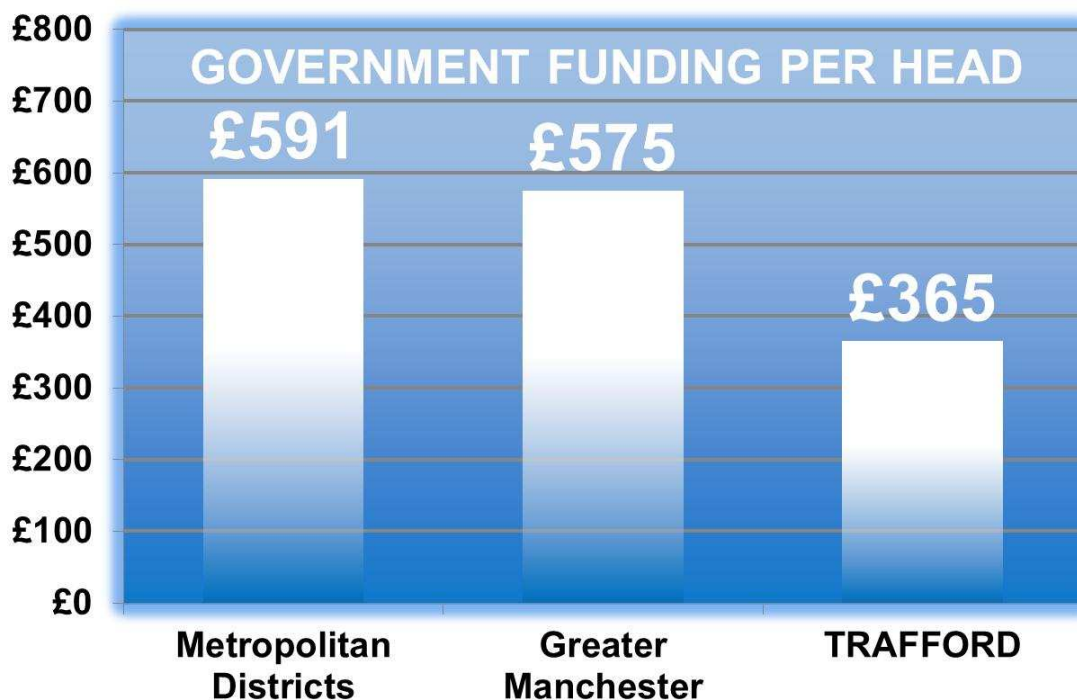
A new business database is being developed to assist all Council departments in improving service provision and relationships with businesses.



## 6. CHANGES TO HOW THE COUNCIL IS FUNDED

### Background - Government Funding

- 6.1 Traditionally, Trafford is already a low funded authority as it is seen on the one hand as not being as comparatively deprived as other Councils and at the same time has a higher than average Council Tax base. Relative to similar authorities and neighbouring authorities, for 2013/14 this trend of low funding per head will continue, with Trafford receiving around 60% of the average level of funding.



### Changes to how Local Government is Funded

- 6.2 2013/14 will see a number of changes to how the Council is funded and to its statutory responsibilities:
- Formula Grant, the main Government general grant supporting the budget, has been replaced with Start-Up funding, and has changed in its proportions of Revenue Support Grant and retained Business Rates. Some new specific grants have been created, in particular Education Support grant, which reflects the changing nature of support to LEA Schools and Academies by the Government and Local Councils.
  - A number of large specific grants have been folded into Start-Up funding.
  - New funding has been provided for a number of new statutory responsibilities (listed at the table at paragraph 4.6), not least of which is the transfer of Public Health responsibilities at around £10m from the disestablished Primary Care Trust.

- The nature of Council Tax Benefits has changed (please see Changes to Council Tax and Council Tax benefit on the agenda for the Executive of the 21 January 2013 on the Council's website).
- Other specific grants have also changed, some increasing and some decreasing.
- Business Rates Retention is now a feature of the available funding to the Council. The Council may now retain 24.5% of increases in business rates above a Government determined baseline, however, it is also responsible to contribute 49% towards any shortfall to that target level up to a safety net loss of £2.4m.

6.3 Taken as a whole these changes make it difficult to readily compare levels of funding between 2012/13 and 2013/14. The changes can probably be more readily understood if the 2012/13 budget is first restated on the same funding basis as 2013/14 and onwards, and then the changes in level of funding between the restated position and the settlement for 2013/14 are examined.

#### **Adjusting the 2012/13 Budget for Comparison Purposes**

6.4 From April 2013 the current Council Tax Benefits system will be replaced by a Council Tax Support scheme. The element of the Council Tax relating to Council services that comes from benefit is around £11m. Unlike benefits, Council Tax support is treated as a discount to the Council Tax liability and has the effect of reducing the Council Tax level in 2012/13 from £(88)m to £(77)m.

6.5 In establishing Start-Up funding the Government has transferred around £15m of the following specific grants, which has the effect of increasing both the net budget and the level of funding.

<b>Transferring Specific Grant</b>	<b>Value of Transfer (£000's)</b>
2012/13 Budget	155,395
Early Intervention Grant	9,288
Learning Disability & Health Reform	5,097
Flood	117
Homelessness	113
Total specific grant transfers into funding	14,615
<b>2012/13 adjusted budget</b>	<b>170,010</b>

6.6 As a consequence, the adjusted 2012/13 budget reflects a net budget of £170m from the original £155m, being funded by Government Start-Up funding of £(92)m rather than £(66)m, and Council Tax of £(77)m down from £(88)m for the element of benefits for Council services paid on residents' behalf by the Government.

## Local Government Finance Settlement

- 6.7 Trafford received one of the highest reductions in funding in the Country. Using the Government's own comparator, "Spending Power", the Council's percentage reduction was the second highest in the Country, with only Brighton & Hove Council being worse off in 2013/14:

Local Authority	Reduction in Spending Power (£m)	Reduction in Spending Power (%)	Ranking (1 highest reduction)
Brighton & Hove	6.9	2.80%	1
Trafford	4.6	2.75%	2
Solihull	4.3	2.71%	3
Kensington & Chelsea	5.2	2.67%	4
Bristol	10.2	2.52%	5
Bury	3.7	2.42%	6
Wirral	7.4	2.42%	7
North Somerset	3.8	2.38%	8
Isle of Wight	3.4	2.38%	9
Bath & NE Somerset	3.1	2.37%	10

- 6.8 The average national reduction was 1.58%. After taking into account the various funding and methodology changes and reflecting the relative need of the Borough, Trafford's reduction of 2.75% represents an additional loss of £2.0m above the national average reduction. Locally, the Greater Manchester average reduction was 1.86%.
- 6.9 There are a number of grants still to be announced by the Government:
- in particular this report includes for an estimate for the Education Support Grant totally £(3.4)m which is subject to change dependent upon pupil count. Should there be a relative change in pupil numbers with other authorities and/or Academies the value of this grant could change, and any shortfall will impact adversely.
  - The Extended Rights & Sustainable Travel grant of £(86)k has also not been announced and a reduction would also adversely affect the budget.
  - The remaining unconfirmed grants total £(1.3)m, however, these relate primarily to project type expenditure, and it would be expected that plans would be rephased or adapted to available funding.
  - There is a possibility that there are grants that have not previously existed yet to be announced, but these would not adversely affect the budget unless the statutory responsibility cost more locally than was provided by the grant.

- 6.10 From those grants that have been declared the total loss in Government support will be around £15.2m over the two years; £8.9m for 2013/14 and £6.3m for 2014/15. This is around £1.8m more than was estimated in the draft report of 22 October 2012, but reflects the late autumn announcement by the Chancellor of deeper austerity of 2% for Local Government in 2014/15 which is equivalent to a further £1.4m loss (detail of movement at para 4.2):

<b>Change in total Government support</b>	<b>2013/14 (£m)</b>	<b>2014/15 (£m)</b>	<b>Total (£m)</b>
22 October 2012 estimate	5.8	5.0	10.8
February 2013 Final Settlement	9.8	6.3	16.1
Additional loss over estimate	4.0	1.3	5.3

Note; the above excludes 2013/14 Council Tax Freeze grant of £(0.886)m

- 6.11 The main movements in Government support are:

	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Total (£000's)</b>
<b>Start-Up Funding</b>			
- Main element	10,843	6,886	17,729
- Council Tax Support	1,201	141	1,342
<b>Specific Grants:</b>			
- Education Support	(3,385)		(3,385)
- Health & Social Care	(907)	(164)	(1,071)
- New Homes Bonus	(661)	(523)	(1,184)
- Council Tax Freeze 2012/13	2,210		2,210
- Council Tax Administration	127	137	264
- Community Safety	137		137
- Other grants	260	(205)	55
<b>Total net loss in Government support</b>	<b>9,825</b>	<b>6,272</b>	<b>16,097</b>

- 6.12 One of the reasons the reduction in Start-Up funding is higher than anticipated is the top slice for statutory educational support responsibilities, which is then to be funded by the introduction of the Educational Support grant. The following table summarises the significant movements in base funding:

	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>2 year (£000's)</b>
(adjusted) Start-Up funding brought forward	(91,680)	(79,636)	
Austerity / formula changes	3,319	6,587	9,906
Statutory education support top slice	5,117	(1)	5,116
<b>Early Intervention Grant:</b>			
- 2 year old education transferred to schools	1,691		1,691
- Top-slice for national initiatives	593		593
- Austerity	237	431	668
Council Tax Support (benefits)	1,201	141	1,342
Homelessness	19	(1)	18
Learning Disability & Health Reform	(128)	(130)	(258)
Social Fund administration	(5)		(5)
<b>Start-Up funding / total movement</b>	<b>79,636</b>	<b>72,609</b>	<b>19,071</b>

- 6.13 A number of the changes that were not known until the Provisional Local Government Finance Settlement, issued late just before Christmas, have significant adverse effects on the Council's budget, and have required additional savings to be identified:
- The reduction caused by statutory education support of £5.1m is not covered by the introduction of the new grant at £(3.3)m. The Government have, to an extent, been funding Local Authorities to support Academies whilst the Government have been providing the majority of that support directly. This change is to reflect the relative responsibilities and reapportionment funding accordingly. However, this is still a loss of £1.7m to the Council.
  - Alongside the reduction of £2.5m caused by the transfer of responsibility for 2 year old education to schools is a reduction in expenditure of just under £(0.5)m. The £2m difference is a funding pressure that has had to be met by other savings across the Council.
  - The reduction in Council Tax Support grant of £1.2m was in the main known at the time of the draft Budget, however, the actual reduction in funding is around £0.1m more than the 10% previously advised.
- 6.14 Another significant funding reduction relates to the 2012/13 Council Tax Freeze grant of £2.2m being for one-year only, though this is compensated to a degree by the new Council Tax Freeze grant for 2013/14 of £(0.9)m though this will only last for two years causing a budget pressure in 2015/16.
- 6.15 Part of the Early Intervention top-slice for national initiatives will be returned to Local Authorities, but for the additional responsibility of improving the recruitment of adopters. The remainder of this top slice is anticipated to be returned to Local Authorities for one year only as an unringfenced grant, but this is yet to be confirmed, and has not been brought into the budget as it is both unconfirmed and unsustainable.
- 6.16 The final change in the new methodology for funding Local Government is the possibility of retaining an element of the growth in the business rates. The scheme is complex, however, the key elements for Trafford are:
- The 2012/13 expected business rate collection for the Borough is £154.7m.
  - The Government baseline (target) for collection in 2013/14 is £151.6m.
  - It is currently estimated that the value of outstanding valuation appeals could impact on collection by as much as £8.9m in 2013/14, and puts achievement of the baseline at risk.
  - Should actual collection exceed baseline, the Council will retain 24.5% of any excess.
  - Should the actual collection fall below baseline in 2013/14, the Council will be required to meet the costs of 49% of this shortfall up to a safety net of £147m, or a budgetary impact of £2.4m.

- The Government is considering introducing legislation which will allow Councils to spread the implications of any loss over five years, however without the details of such legislation it is difficult to forecast its impact.
- 6.17 Whilst there is significant investment in the Borough with such developments as the Paper Mill and Power Plant in Carrington, Lancashire cricket ground and Tesco in Stretford and ITV Studios in Trafford Park, the extent of back dated valuations makes it difficult to be sure that actual business rate collection will certainly be above the baseline.
- 6.18 On the basis of the level of uncertainty in the current economic climate and taking into account the level of appeals which are determined by the Valuation Office independently of the Council, no expectations of additional retained business rates has been included in the budget. Furthermore, the consideration of a potential maximum loss of £2.4m has been considered when determining the risks facing the sustainable budget in the Director of Finance's robustness assessment.

## 7. REVENUE BUDGET

### Background - Financial Standing

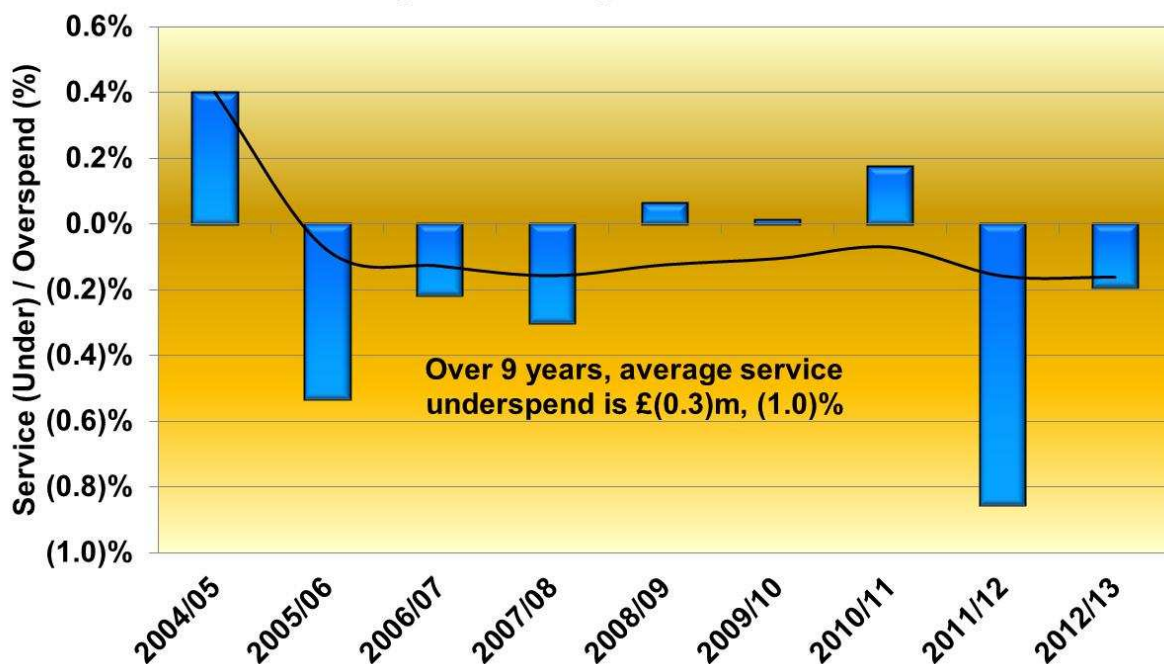
- 7.1 Trafford Council has a proven track record in delivering significant efficiencies, for setting robust and stable budgets with minimal and reducing reliance on reserves, and for delivering improving high quality services within budget year after year.

*“The Council’s disciplined approach to financial planning and willingness to challenge itself should help to secure a sustainable [future] financial position.”*

*Audit Commission, Annual Governance Report 2012*

- 7.2 Over a nine-year period, 2004-2013, the average actual spend on services has been just £0.3m less than budgeted. Over this time the balance was struck between unplanned impact on reserves and ensuring that the Council Tax raised was spent on services.

### Total (Under) / Over Service Spending against Budget 2004/13



- 7.3 In the same period, pro-active tax, debt and treasury management generated an additional £25m of cash savings which have been used to invest in service priorities:

£9.5m of investment in capacity to deliver efficiencies and organisational change,

£1.0m for additional Community Safety initiatives,

£2.2m to fast track highways improvements,

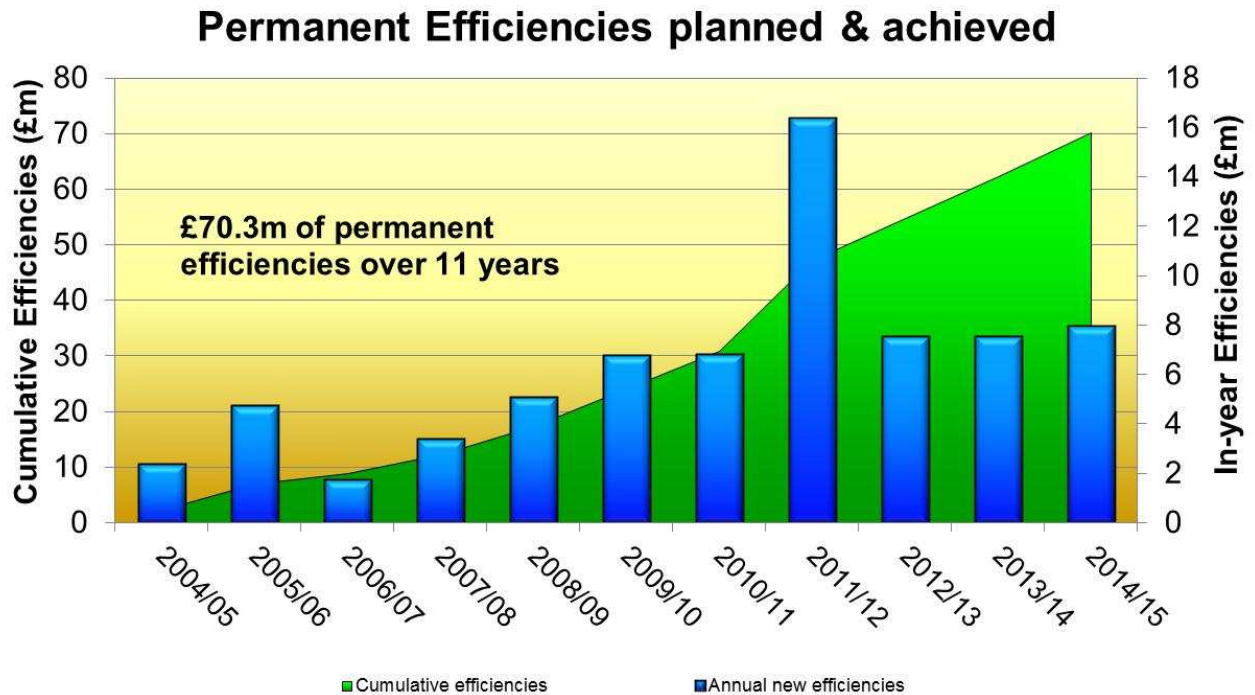


£2.3m investment in the Town Centres,

£9.1m base budget support.

Funding to deal with arising issues such as Equal Pay without impacting on base budget and sustainable service delivery.

- 7.4 From 2004/05 to 2012/13 the Council has or is in the process of delivering £(54.8)m of permanent efficiencies, and the draft and indicative budget proposals provision for a further £(15.5)m bringing the total to £(70.3)m equivalent to a reduction in the Council Tax of nearly 90%:

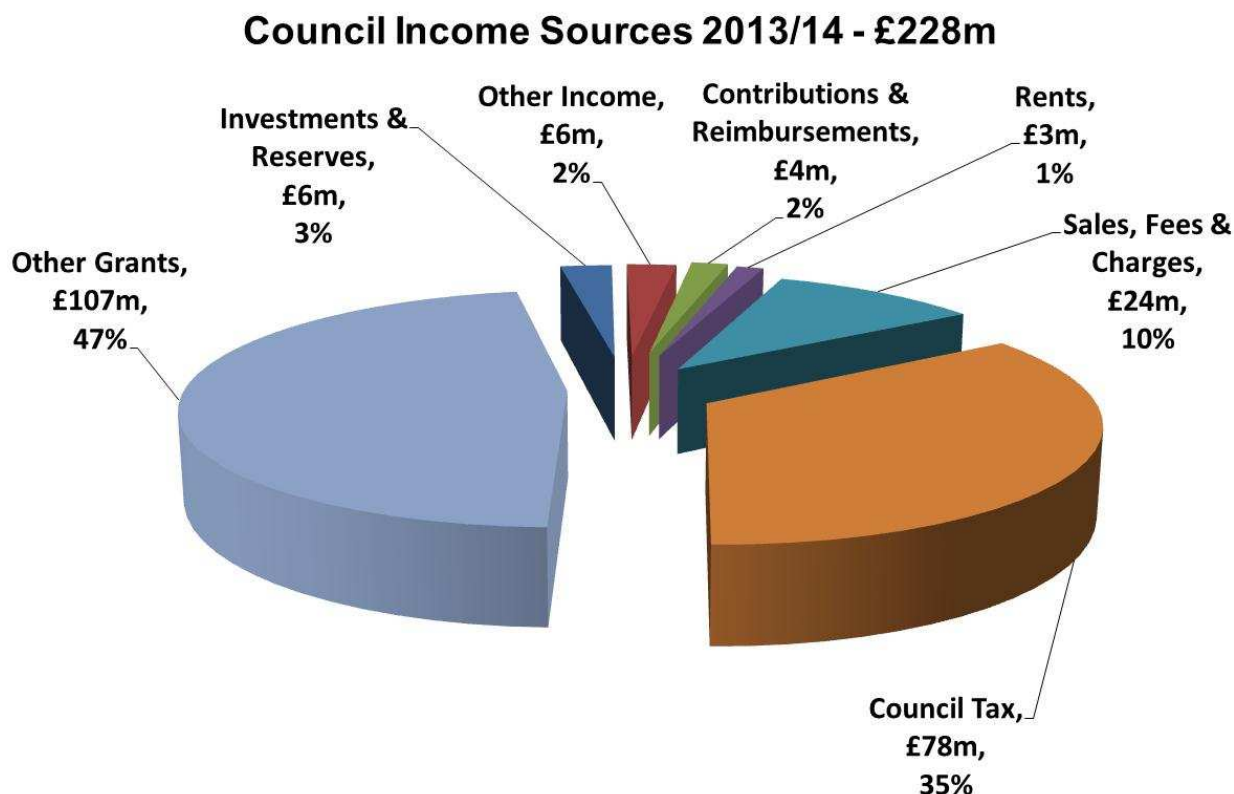


### Funding and Income Sources

- 7.5 The size of the budget, or the level of approved expenditure, is entirely limited by how much income and funding the Council receives. Central Government remains the major partner in determining the Council's overall level of spend.
- 7.6 Within the overall spend of the Council is schools related expenditure which is 100% funded by the Dedicated School Grant, and Housing Benefits which is almost entirely funded by Government subsidy. The Dedicated Schools Grant and Housing Benefit Subsidy are ring-fenced to their relevant areas, so cannot be used to support other expenditure or services.
- 7.7 The remaining gross expenditure of the Council is estimated to be £228m for 2013/14, of this 47% is funding directly from the Government. A decrease in Government funding therefore has a major influence on the Council's budget,



particularly as other income streams have been suppressed in the current economic climate.



7.8 Income by way of investments, whether in terms of cash reserves or the property portfolio, and many sources of income through fees and charges have been suppressed by the current economic conditions. The Council is looking for new income sources, primarily selling on support services to other public bodies, and adjusting pricing policies where it is more appropriate for services to be more commercially based.

7.9 Increases in Council Tax are limited as the Government seeks to avoid “excessive” Council Tax rises, and places limits above which a referendum is required. For 2013/14 there is a choice between freezing Council Tax and attracting a time-limited grant of £(0.886)m, or sustainably increasing the Council Tax level up to the referendum trigger point. This is considered further in section 12, however the Executive is recommending a freeze in the level of Council Tax.

### **Cost Pressures and Financial Assumptions**

7.10 The current economic climate poses a number of challenges for the Council:

Inflation for the supply of goods and services has increased and the budget is based on an inflation rate of around 3%. In addition, there are increases in some supply costs, such as energy, which are considerably more than the average rate of inflation.

Demography, which is the term relating to the general increase in the number of service users and/or the complexity of their needs. Primarily this pressure affects Social Services provision and related services such as the Drug Action Team.

Levies, which are payments to other public bodies such as the Greater Manchester Waste Disposal Authority and Transport for Greater Manchester, who deliver services on behalf of Trafford and other Councils. In both cases the costs of the levies are rising in excess of £1m each per year and represent a significant cost pressure to the Council.

- 7.11 The following table details the 2013/14, 2014/15 basic budget assumptions in relation to cost pressures, and for completeness, changes in funding (section 6). The detail of cost pressures for each Directorate can be found at annex C for 2013/14 and annex E for 2014/15. Reference is also made to the Fees and Charges Book for 2013/14 (available elsewhere on the agenda), upon which the increases in income listed below is based.

<b>Base Budget Assumptions</b>	<b>2013/14 (£m)</b>	<b>2014/15 (£m)</b>
Cost Pressures		
- Pay & prices	5.191	4.758
- Demography	2.541	3.100
- Levies	1.788	1.482
- Other	1.207	0.731
Total Cost Pressures	10.727	10.071
Funding Pressures		
- Movement in specific grants	(2.219)	(0.755)
- Movement in Start-Up funding	10.843	7.027
- Movement in Council Tax Support	1.201	
- Use of reserves adjustment	1.194	0.850
Total Funding Pressures	11.019	7.122
<b>Total Budget Deficit</b>	<b>21.746</b>	<b>17.193</b>

### **Investing in Services**

- 7.12 The Council's plans supported by the 2013/14 proposed, 2014/15 indicative revenue budgets and the 2013/16 capital programme will include provision for a number of investments in key service areas:

An investment of £5.1m for Children and Adult Social Care to meet the expectations of increasing service demands, and;

the planned level of grants to provide equipment to elderly and vulnerable people so that they can continue to live in their own homes has been increased by £1m to a total of £4.2m, and doubling the investment in communications and early warning equipment by another £0.4m, and; £0.2m extra support so that those people who have suffered an accident or illness can return to their own homes sooner.

Additional grant will see an increase of £4.1m made available for educating young people.

Schools improvements of £20m in 2013/14, including increasing the number of primary school places by 1,750, with another £26.5m of capital spend being planned for the later years. Plus an additional grant will see an increase of £4.1m made available to educating young people.

Improved roads £12.7m; 54km of highway, 66km of footway, 750 new street lighting columns, 10 major bridge refurbishments.

Schemes supporting the local economy of £5.8m, which includes for an additional £2.3m for Town Centre investment to support and drive the local economy.

£1m investment in improving recycling rates which will reduce future growing pressures of waste disposal, being both green and efficient.

Almost an extra £1m has been set aside for Social Fund and the transitional effects of welfare reform.

Priority investment of £5.4m in other Council assets to ensure continued service delivery.

Investment in technology and service innovation of £1.9m to improve services and enable service change and efficiency.

£145k has been specifically set aside from reserves for under 5 year old community projects to be awarded on a participatory budget basis

7.13 In addition to the above, budget plans will also include for:

Keeping all 14 libraries open through working with residents to support volunteering.

Maintaining school crossing patrols

Maintaining some of the lowest car parking fees in the country in order to stimulate local economic growth for our Town Centres.

Social Services spend of £51m on care packages for 9,000 adults and supporting 2,600 unpaid carers to look after family members or friends at home.

2013/14 will see the completion of a £29m sports regeneration programme centred around the Lancashire County Cricket Club, which is expected to create 240 new jobs in the area,

And the opening of the new Town Hall, which will amalgamate five Council administration building, will help the Council save £5m in maintenance and utility costs over the next 25 years.

The Council will make a land contribution investment, worth £1.2m, towards the development of state of the art Extra Care facilities Atkinson Road Sale, which will support older people with dementia and adults with a learning disability.

### **Balancing the Budget**

- 7.14 The Executive published in October 2012 a number of savings proposals for public consultation. Further reductions in Government support announced in late December has required the Executive to identify additional savings (discussed in section 4). In order to balance the two year budget deficit of £38.9m, the Executive has identified:

£(12.7)m of efficiencies

£(2.9)m worth of changes to staff terms and conditions of employment

£(1.0)m of new income

£(15.2)m of policy choice savings

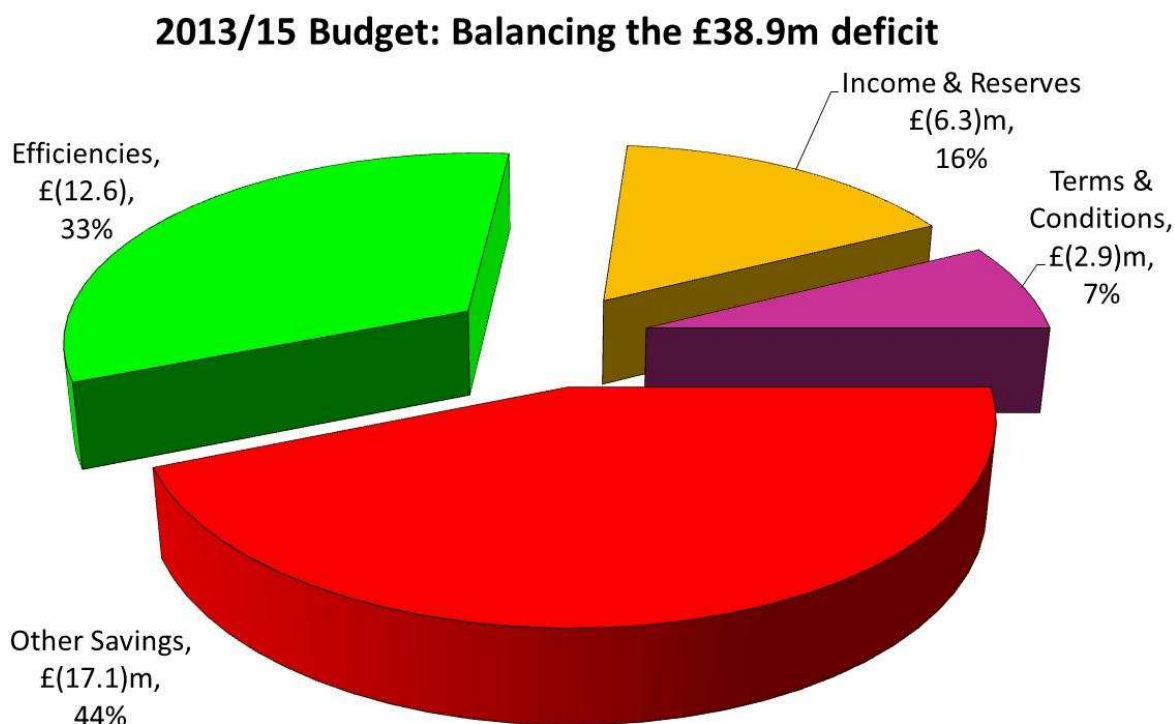
a growth in the Council Tax base mostly due to the introduction of the new support scheme that replaces benefits from 1 April of £(1.6)m

and the Executive also proposes to utilise £(0.8)m of reserves in 2013/14, increasing to £(2.0)m in 2014/15.

- 7.15 A full listing of savings proposals and discussion on their impact on services is provided within the Service Summaries attached at annexes G to K. Some of these proposals, highlighted in grey in the savings schedules, are subject to other decision making processes as indicated in paragraph 2.20.

Balancing the Budget	2013/14 (£m)	2014/15 (£m)
Total Budget Deficit	21.746	17.193
Mitigated by:	(7.394)	(5.256)
- Efficiencies	(0.180)	(2.700)
- Changes to staff Terms & Conditions		
- New or additional income	(0.737)	(0.306)
- Council Tax Support Scheme	(1.066)	
- Growth in the Council Tax base	(0.259)	(0.198)
- Council Freeze Grant	(0.886)	
- Application of Reserves	(0.850)	(2.000)
- Policy Choices	(10.374)	(4.801)
- Unidentified savings		(1.932)
Total	(21.746)	(17.193)
Balance	0.0	0.0

7.16 Combined these proposals will mean that 55% of the £38.9m 2 year budget deficit will be balanced by efficiencies, new income, changes to staff terms and conditions, the introduction of the new Council Tax Support scheme, and the application of reserves and Council Tax Freeze grant:



## Education and Schools

7.17 As mentioned above, front line education or school spending is directly funded by the ring-fenced Dedicated Schools Grant (DSG). For 2013/14 DSG will rise from £167.4m to £171.5m, a £4.1m rise in front line education provision. There are major reforms affecting education services, one of which is the division of such services and the DSG into three blocks:

- Main block, £136.3m; consisting of the majority of the spend on primary and secondary education, including academies. Funding is distributed by a new formula, upon which the Schools' Funding Forum has been fully engaged and consulted on. Schools will no longer receive funding apportionments based on the physical size of their buildings with the elimination of premises factors. This and other changes has caused winners and losers in the system when compared to funding in 2012/13, however, the Minimum Funding Guarantee and the capping of winners has smoothed the transitional effects.
- High Needs block, £24.1m; the majority of spend relates to Special Educational Needs, which from 1 April 2013 now includes for funding post 16 students up to the age of 25.
- Early Years block, £11.1m; funding educational provision for 2 to 5 year olds in both Schools and Private, Voluntary and Independent (PVI) settings. Money is distributed between organisations through the Early Years Single Funding Formula.

7.18 The increase of £4.1m in DSG is categorised as follows:

- £1.4m; for SEN students, £0.6m relating to a grant transfer into DSG and £0.8m for increased responsibilities.
- £1.7m; increased provision for 2 year olds
- £1.2m; increased pupil numbers
- £(0.2)m; as the Council is no longer responsible for funding hospital based education

7.19 The increase in stated pupils and placements is around £0.6m and the costs relating to post 16 students transferring to the Council's responsibility is around £0.9m. There is a distinct pressure relating to SEN services.

7.20 As it is for other Council services, Schools must contain all inflationary and demographic pressures within their funding allocations. The DSG rate per pupil has remained static for the first time and this will place new challenges on head teachers and Governors to control their budgets.

7.21 The Council stands ready to assist any Schools that are experiencing extreme difficulties in managing their costs during this transition:

- Assistance in financial planning, including drawing up deficit agreements to manage the change of a number of years.
- There is a central redundancy provision so that in-year budgets are not affected by staff rationalisation

## **8. IMPACT OF THE BUDGET ON STAFF**

### **The Consultation Process**

- 8.1 On 15 October 2012, the Council entered into a period of 90 day collective consultation. This was formally marked by the submission of a S.188 notice to the recognised trade unions and an HR1 to the Department of Business, Innovation & Skills (BIS). These official notices stated that Trafford Council was contemplating in the region of 200 redundancies.
- 8.2 The purpose of collective consultation was:
- to listen to and consider comments and suggestions from staff and trade unions about the proposals, including the proposed implementation strategies;
  - to consider any alternative proposals from staff and the trade unions that would meet the identified objectives;
  - to seek to minimise the need for compulsory redundancies
  - to agree a method of redundancy selection, should this be required
- 8.3 During the 90 day period, extensive consultation took place. This included:
- An initial briefing with trade unions on the general budget proposals, held on 12<sup>th</sup> October 2012;
  - A number of staff briefings held across the borough during week commencing 15<sup>th</sup> October 2012
  - Fortnightly corporate consultation meetings with senior management and trade union officials;
  - Regular meetings with staff and trade unions at a Directorate and service level; with the facility for verbal, written and electronic feedback on the budget proposals;
  - Individual meetings with directly affected staff and their trade union representative (where appropriate); with the facility for staff to provide verbal, written and electronic feedback on the proposals;
  - Corporate and directorate intranet pages, dedicated to the budget proposals, with the facility for staff to provide on-line feedback on the proposals.
- 8.4 At the beginning of consultation, the draft budget proposals equated to an estimated reduction of 172.76 FTE posts across all service areas, putting 194 staff at risk of redundancy.



- 8.5 During consultation, staff and trade unions were positively engaged in the process and out of a total of twenty five consultations that took place; ten proposals have been reviewed and revised in light of the feedback that was received.
- 8.6 In addition, 63 staff have submitted requests for voluntary redundancy/voluntary early retirement and seven staff have been successfully redeployed into alternative posts.

### **The Outcome of Consultation**

- 8.7 As a result of the extensive consultation process, it is now anticipated that taking into account the alternative proposals put forward and the number of successful redeployments, the revised headcount reduction for 2013/14 will be in the region of 171, which equates to 140.2 FTE posts. Given that there have been 63 requests for early release, it is further anticipated that this will mitigate the number of compulsory redundancies, reducing this figure to a total of 108.
- 8.8 A summary of the revised staffing impact is set out below:

Staffing type	Original headcount reduction 2013/14	Revised headcount reduction 2013/14	Original % of total workforce	Revised % of total workforce
Management	38	45	1.1%	1.4%
Back office/Other	47	40	1.4%	1.2%
Front line	109	86	3.3%	2.6%
Total	194	171*	5.8%	5.2%

*\* with a further 8 anticipated in 2014/15*

- 8.9 Key areas where there have been positive outcomes as a result of consultation are:
- The Youth Service, where the significant number of applications for early release received from managers has resulted in a revised service delivery model being developed which increases the reduction in management jobs, thus enabling the retention of more front line jobs;
  - The Sustainability Team, where as a result of proposed collaboration with another local authority, one post will be shared which will mitigate a redundancy situation;
  - The Transformation Team, where a counter proposal from staff coupled with the number of applications for early release has removed the requirement for any compulsory redundancies
- 8.10 In summary, as a result of the consultation exercise, the number of compulsory job losses for 2013/14 has been significantly reduced.

- 8.11 It is noted, however, that as a result of further budget pressures, there will be further proposals to review services; these will be subject to separate consultation exercises once clear business cases have been developed and may result in additional job losses in year.

### **Redundancy Selection**

- 8.12 During consultation, negotiations also took place with the recognised trade unions on a revised redundancy selection matrix, should there be a requirement to move to compulsory selection.
- 8.13 Whilst difficult, the discussions were positive and constructive and agreement was reached with the trade unions that the final selection matrix developed was the best model that could be achieved in the circumstances.

### **Outplacement Support**

- 8.14 A comprehensive package of support was developed during consultation. The aim was to support staff with managing change. In this respect, employees who feel uncertain about their future are able to access:
- one to one meetings with their manager;
  - the Occupational Health service;
  - the BDMA Counselling service;
  - 'Managing Change' sessions
- 8.15 In addition, employees who find themselves in a redundancy situation (voluntary or compulsory) are able to access:
- The Council's redeployment scheme;
  - JobCentre Plus 'Redundancy Support' sessions;
  - 'Applying and Interviewing for Jobs' sessions;
- 8.16 Further bespoke support is also available on an individual basis from JobCentre Plus and Penna.

## **9. RISK, ROBUSTNESS and RESERVES**

### **Robustness**

- 9.1 It is a requirement of the Local Government Act 2003 for the Council's Chief Finance Officer to give an opinion as to the robustness of the budget proposals (s25) and the adequacy of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.
- 9.2 Members' attention is drawn to the statement by the Director of Finance attached at Annex M, which should be taken into account before approving the budget. There are a number of matters to be drawn to the attention of Members:
- The negative effects of the current economic climate in terms of uncertainty and; suppressed income, potentially higher numbers of Social Services client and/or increased needs, reduced investment rates and volatility in borrowing rates.
  - The potential slippage in delivering savings, however the Council does have an excellent track record on delivering such programmes and has developed dedicated capacity.
  - Uncertainty over a possible pay award.
  - That not all Government funding has been announced, and some reductions in grant levels is anticipated.
  - Changes in the local government finance regime, which now places greater risk on the Council.
- 9.3 An overall assessment of the current budget, future budget proposals, costings, activity forecasts, savings plans and base budget assumptions identifies that whilst there are risks, the overall budget provisions should be sufficient to meet the Council's legal responsibilities and other obligations. A review of risks, mitigations, and contingencies has been undertaken alongside a review of reserves and provisions.

### **Reserves**

- 9.4 The Director of Finance is also required to report to the Council on the adequacy of reserves, and a detailed statement can be found and summary analysis of earmarked reserves at Annex M. It is proposed that the Council approves a minimum General reserve level of £6m for 2013/14.
- 9.5 The Council's approach to reserves has been to reduce the dependency on them to support recurring expenditure and to hold earmarked reserves for specific named purposes. Lately the Government has urged local authorities to spend reserves in order to protect front line services. In considering this request Members are asked to exercise some caution. The commentary in section 12 refers to the difficult medium term financial position and that decisions on reserves should not be for the immediate year only.

- 9.6 Further, the proposed sustainable budget is supported by £0.850m of reserves and £0.893m of Council Tax Freeze grant. Both of these funding sources are one-off in nature, and will need to be made good with sustainable resources into the medium term. In addition, the indicative budget for 2014/15 includes for an increase in the use of reserves at £2m and there remains robust savings proposals to find of another £2m. The length of time available to exchange this £1.743m of one-off resources will depend upon the level of reserves available into the future to smooth out the budgetary impact.
- 9.7 In addition, there is a significant increase in risk to future funding should the business rate tax base not grow at the pace determined by the Government, and/or should there be significant revaluations of business properties. Any shortfall in target up to £2.4m a year will need to be made good by the Council. At a time of future austerity budgets and uncertain economic times, prudent use of reserves is advised in order to avoid sudden and significant impact on available funding.
- 9.8 A review of General, Capital and Earmarked reserves has identified: that they should be sufficient to meet the Council's plans for 2013/14:
- That establishing a minimum General Reserve level of £6m should be sufficient to meet the Council's plans and responsibilities, taking into account potential emergencies and unexpected events, during 2013/14.
  - That the balance on the General Reserve at 1 April 2013 is expected to be £(9.8)m. After appropriations and expenditure in 2013/14 the balance is forecast to be £(8.6)m by 31 March 2014, however, the indicative 2014/15 budget includes for the use of £2.0m of reserves, such that the available level of General reserve for planning purposes at the end of March 2015 will be an estimated £(6.6)m.
  - That £(2.646)m is transferred from the Insurance Reserve to the General.
- 9.9 Taking into account the robustness assessment, the availability of earmarked reserves and provisions, establishing a minimum General Reserve of £6m should be sufficient to meet the Council's legal and other obligations, and potential risks.

## **10. CAPITAL PROGRAMME**

### **Introduction**

- 10.1 The capital programme includes a wide range of projects aimed at delivering the Council's key objectives. Capital expenditure mainly includes spending on the acquisition or improvement of physical assets or in some cases on contributions to third party owned assets. In addition it can also include expenditure on equal pay claims or redundancy costs but these items need permission from the Government.
- 10.2 The capital programme is vital in delivering infrastructure improvements required to meet the Council's objectives for schools, highway infrastructure, housing and assist in promoting economic growth, regeneration and creation of local jobs.
- 10.3 The level and availability of capital funding determines the size of the overall capital programme. This is heavily reliant on external funding, mainly in the form of capital grants from the government but the programme is also reliant on internal funding to deliver more local priorities like town centre regeneration and building rationalisation programmes. There are though significant constraints on the availability of internal funds due to a finite asset base which puts pressure on delivering capital receipts from the sale of surplus assets. The Council also borrows to pay for some capital investment but this is done primarily for invest to save schemes, for example the long term accommodation project, where a robust business case demonstrates that the savings generated from the scheme are at least sufficient to meet any additional debt costs. All borrowing is done within prudential limits and needs to be affordable and sustainable. A range of indicators are maintained to demonstrate this. At this stage all available capital resources are allocated across the current three year capital programme to deliver on the Council's capital strategy.

### **2012-13 Capital Programme**

- 10.4 The current forecasted expenditure for 2012/13 is £63.9m with estimated resources available to support this programme of £64.5m. The current three year capital programme 2012/13 to 2014/15 originally approved by the Executive in February 2012 is being implemented and has been updated for the amendments and additions approved throughout the year. As part of the budget process the Programme has been reviewed to ensure it continues to meet Council priorities and remains affordable within the level of resources available.
- 10.5 The 2012/13 programme includes the delivery of a number of key projects including:
- £16.5m on the long term accommodation strategy involving major improvements to the 1930's listed building and the rebuilding of the extension of Trafford Town Hall which when compared to the 'do minimum' option offers savings of £0.2m per annum.

£18.8m investment in schools buildings including the completion of the rebuild of St Ambrose College, creation of Stretford Sports Village and significant investment in primary schools to provide additional school places.

£11.8m in regeneration schemes including support towards the refurbishment at Lancashire CCC, which has been enabled through funding negotiated by the Council from the private sector.

£5.5m investment in highways related projects, including integrated transport schemes, major structural maintenance to roads, footpaths and bridges and street lighting

£3.0m of investment in new IT systems

£2.0m of support to assist first time buyers as part of the Local Authority Mortgage Scheme

### **Availability of Capital Resources 2013/14 to 2015/16**

- 10.6 Resources of £77.4m (including the surplus from 2012/13) have been identified to fund the Council's capital programme for 2013/14 to 2015/16 and these can be categorised into specific resources and discretionary (corporate) resources. Details are shown in the chart below.
- 10.7 **Specific Resources** – These total £63.9m (83% of the overall capital programme) and mainly include government grants awarded for specific schemes, for example school building improvements and expansion or highway structural maintenance. Over the period 2013/16, 76% of the Programme is supported by capital grants which equates to £59.1m. Also the Council applies developer contributions to fund some infrastructure improvements but these need to be spent on specific schemes in the vicinity of development sites. Over recent years the Council has received contributions totalling £12.8m, of which £7.1m has either been spent or is committed to schemes in the current programme, with £5.7m available to support further projects. Until schemes are identified this amount has not been included in the resources available above. In addition there are signed planning agreements such that if developments proceed then the Council will receive up to a further £30m to support infrastructure improvements.
- 10.8 **Discretionary Resources** – The Council has discretion over the use of internally generated capital resources which mainly include capital receipts from the Land Sale Programme, LSVT VAT receipts, prudential borrowing and the use of reserves and revenue contributions. The total level of discretionary resources available is £13.5m comprising £8.9m supporting the previously approved programme and £4.6m of new resources (see below). These resources are allocated in accordance with the prioritisation process included in the Council's Capital Strategy which gives priority to:

Schemes of a mandatory nature e.g. health & safety;

Invest to Save

Supporting the Asset Base (backlog maintenance)

Council priorities

Other remaining projects

10.9 It is important that this discretion is used to ensure that these scarce capital resources are used to support capital schemes that make a major contribution to ensuring the Council's assets are suitable for delivering the future priorities, improving service delivery and generating revenue savings.

10.10 **The Land Sales Programme** - includes all available sites that will be surplus to operational requirements over the period 2013/16. The majority of the proceeds from a number of sites are already committed to support existing capital priorities for example the long term accommodation project and others are earmarked to support affordable housing schemes in partnership with registered social landlords, or to support regeneration in our town centres where they demonstrate added value to development potential. Overall the level of available capital receipts exceeds the amount required to support the programme by £0.4m. (as shown below).

<b>Capital receipts estimate</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
<b>Gross receipts estimate *</b>	<b>12.6</b>	<b>0.5</b>	<b>13.1</b>
Less :			
Disposal costs	(0.1)		(0.1)
Ring-fenced receipts	(6.2)		(6.2)
<b>Net receipts estimate</b>	<b>6.3</b>	<b>0.5</b>	<b>6.8</b>
Amount allocated to support proposed Capital Programme	(4.7)	(1.7)	(6.4)
<b>Estimated Surplus</b>	<b>1.6</b>	<b>(1.2)</b>	<b>0.4</b>

\* Includes surplus receipts from 2012/13 and reimbursement of costs in respect of Urmston town centre.

10.11 **LSVT VAT Receipts** - Potential also exists to release some of the LSVT VAT Shelter receipts currently being received from Trafford Housing Trust (THT). An element of caution needs to be placed on this because a number of warranties were given to THT when the stock was transferred, for example asbestos. Therefore provision still needs to be made to cover potential liabilities that will arise. Following discussion with THT on the potential liabilities for the Council it has been estimated that a further £4.2m can be used to support a number of key invest to save projects and other priorities.

10.12 Therefore additional resources of £4.6m are now available to support new investment. The Executive has recently approved investment in:

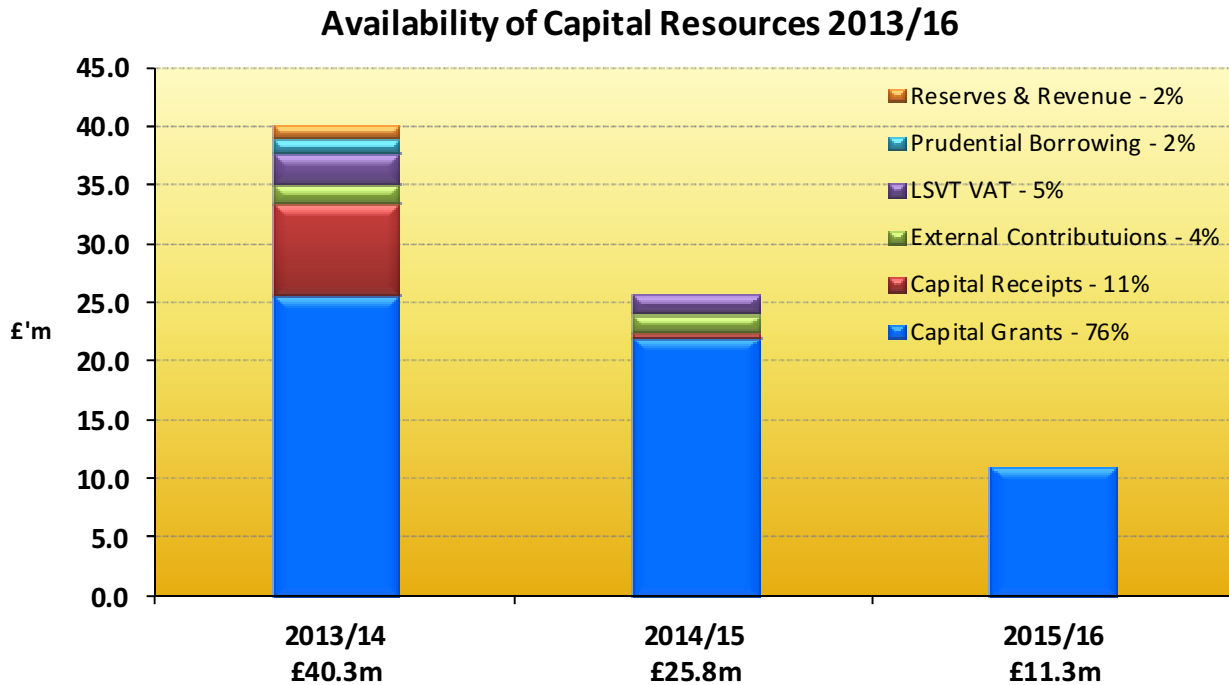
Weekly Food Waste Collection £0.804m

Altrincham Forward – Town Centre Regeneration £2.0m

10.13 Other priorities are recommended for addition to the 2013/16 programme:

Telecare Equipment £0.4m

Disabled Facilities Grants £1.0m



### 2013/16 Indicative Capital Programme

10.14 The value of the indicative three year budget is £77.0m. Since all available resources were allocated in setting the 2012/14 programme only a desktop exercise has been undertaken to review schemes to ensure they meet the priorities of the Council's Capital Strategy. This programme has been supplemented by the allocation of further LSVT VAT and other receipts as indicated in Para 10.11.

10.15 At this stage the figures for 2013/14 are known in more detail, whereas the resource position for 2014/15 and 2015/16 is less certain, which means that the programme that we are aware of for those two years is at a lower level than in 2013/14, but is likely to increase as additional resources are confirmed.

10.16 Full details of the programme are included at Annex L and a summary is shown in the table below.



<b>Capital Programme 2013/16 : Analysis by Priority</b>	<b>Budget 2013/14 £000</b>	<b>Budget 2014/15 £000</b>	<b>Budget 2015/16 £000</b>	<b>Budget Total £000</b>
Protecting the Asset Base	2,861	1,081		3,942
Supporting Service Provision	21,713	18,672	8,539	48,924
Supporting the Local Economy	5,896	2,394	750	9,040
Investing in New Technology	2,348			2,348
Investing in Major Infrastructure	5,894	4,845	2,000	12,739
<b>Total Investment</b>	<b>38,712</b>	<b>26,992</b>	<b>11,289</b>	<b>76,993</b>

10.17 **Protecting the Asset Base** – This includes investment in public buildings and infrastructure which is crucial in ensuring much needed facilities, used by the public, are kept open as lack of investment will lead to health and safety issues and potential closures.

10.18 **Supporting Service Provision** – This predominantly relates to the continuation of investment in school buildings including a programme that will create 1,750 additional school places across the Borough to address the shortage of primary school places as well as addressing priority condition needs.

10.19 **Supporting the Local Economy** – Includes major investment in the Borough's town centres

10.20 **Investing in New Technology** – This investment will support the completion of a number of corporate improvements. Also investment in Telecare products which monitor people at risk in their own homes, improving their safety and helping them to stay independent and healthy for longer.

10.21 **Investing in Major Infrastructure** – This investment includes improvements to 54km of carriageway, 66km of footways, 750 new street lighting columns, 10 major bridge refurbishments and some major junction improvements.

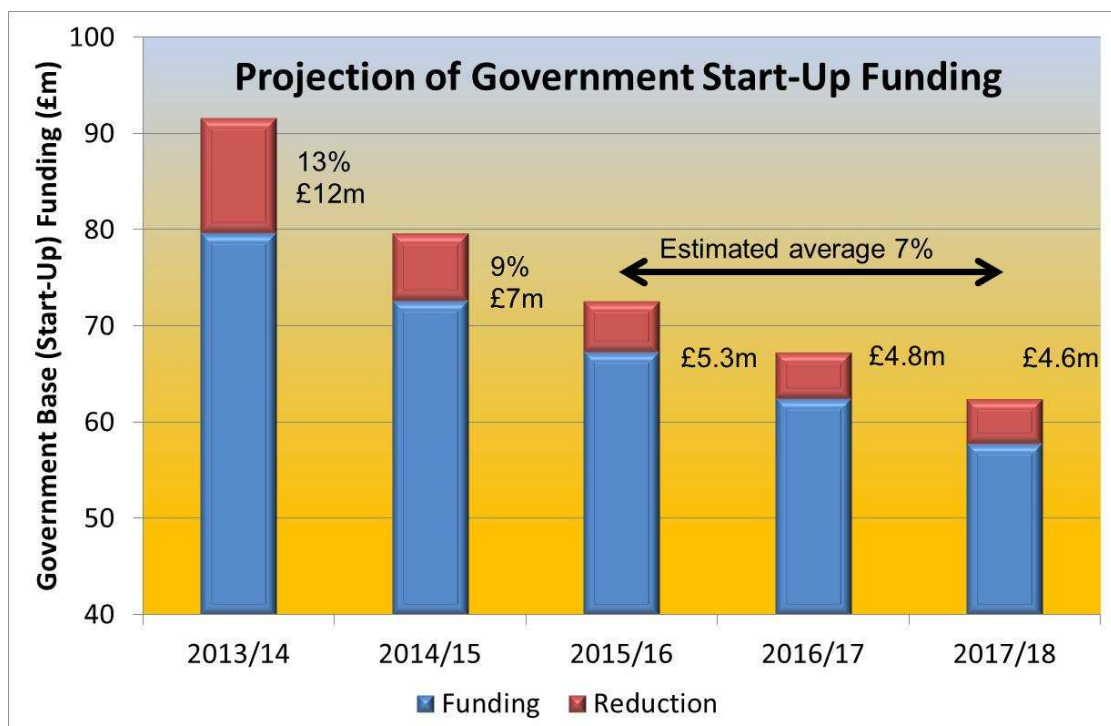
### **Prudential Indicators**

10.22 The Council is required to set these indicators to demonstrate that its capital expenditure plans are affordable, that borrowing is sustainable and that treasury management decisions are taken in accordance with good professional practice. These indicators will be included in the Treasury Management Strategy Report.

## 11. MEDIUM TERM FINANCIAL OUTLOOK

### Government Funding

- 11.1 To address the Country's structural national debt imbalance, the Government has proposed a number of 'austerity years' to reduce public expenditure. Initially the Chancellor indicated a reduction in Local Government support of 28% spread over the financial years 2010/11 to 2014/15. In the Chancellor's recent autumn statement he included for an increase to the rate of austerity for Local Government in 2014/15 of an additional 2%, and a potential extension of austerity levels similar to the ones already experienced up to 2017/18.
- 11.2 There are no levels of detail on future Government funding currently available, and it is unlikely this situation will change until the next Comprehensive Spending Review later this year. Based on the limited amount of information available, for planning purposes, the Council has assumed a steady reduction of around 7% per year in base funding until 2017/18.



- 11.3 There are some legacy pressures contained within the proposed 2013/14 budget and indicative 2014/15 budget in terms on one-off or time limited funding, which will have an impact on future years' budgets:

	2014/15 (£000's)	2015/16 (£000's)
Use of reserves	850	2,000
2013/14 2 year Council Tax Freeze grant		886
Current budget imbalance (includes above)	1,932	16,848

### Budget Pressures

- 11.4 The base budget assumptions for the 2013/14 budget proposals, 2014/15 indicative and the 2015/16 – 2017/18 planning budgets are contained at annex B. The summary of the impact of these assumptions is contained in the table below alongside a summary of the funding pressures from the chart at 11.2 (above):

	2013/14 (£m)	2014/15 (£m)	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)
<b>Cost Pressures</b>					
- Pay & prices	5.2	4.8	6.0	5.9	6.0
- Demography	2.5	3.1	2.6	2.0	2.0
- Levies	1.8	1.5	1.7	2.0	2.3
- Other	1.2	0.7	1.2	1.0	1.0
<b>Total Cost Pressures</b>	<b>10.7</b>	<b>10.1</b>	<b>11.5</b>	<b>10.9</b>	<b>11.3</b>
<b>Funding Pressures:</b>					
- Government support	7.6	6.2	5.3	4.8	4.6
- Council Tax Freeze grant	2.2		0.9		
- Use of Reserves	1.2	0.9	2.0		
<b>Total Funding Pressures</b>	<b>11.0</b>	<b>7.1</b>	<b>8.2</b>	<b>4.8</b>	<b>4.6</b>
<b>Total Pressures / Deficit</b>	<b>21.7</b>	<b>17.2</b>	<b>19.7</b>	<b>15.7</b>	<b>15.9</b>

- 11.5 Whilst there is considerable pressure from the Government to keep public sector pay rises low, it has been a number of years since the last pay award and at a time that inflation has been relatively high. The Chancellor announced a 1% pay award for 2013/14, however, future years may be more towards 2% and/or more in line with the rate of inflation.
- 11.6 At the time of economic uncertainty it is difficult to make inflation forecasts. However, there are no indications of either a rise or fall, and so an average of around 3% has been assumed for planning purposes.
- 11.7 The numbers of social services clients and their needs have risen in the past and are likely to do so in the future. A number of initiatives have been implemented, particularly in adult social care, to reduce future cost pressure by enabling people to look after themselves for longer in their own homes.

- 11.8 However, an additional cost pressure of around £2m per year would be in line with previous experience. On 11 February the Government announced its intention to make changes in how adult social care is paid for. However these changes require more understanding and in any event will not come into force until 2017. No assumptions on this change have been factored into the medium term forecasts.
- 11.9 Improved recycling rates greatly helps reduce the rising cost of waste disposal, however these costs will continue to rise into the future. The rate of increase will however diminish as the capital repayment costs of the PFI become embedded into the base budget by 2015/16. The transport levy costs are also expected to continue to rise by around 5.5%. However, there will be additional costs of around £0.5m in 2016/17 and 2017/18 due to pensioner concessionary fares when the reserves currently supporting those costs run out.
- 11.10 Income budgets continue to present a challenge in the current economic climate. Investment rates remain suppressed which has reduced the Council's earnings from investments by around £4m a year. However, the Council is pro-actively managing new borrowing to use internal cash balances rather than borrowing externally at much higher rates. In addition, and for the third year running, the 2013/14 budget includes for significant reductions in some income targets in the sum of £0.4m. Whilst the year-on-year trend is reducing, there may yet be further reductions in future years.

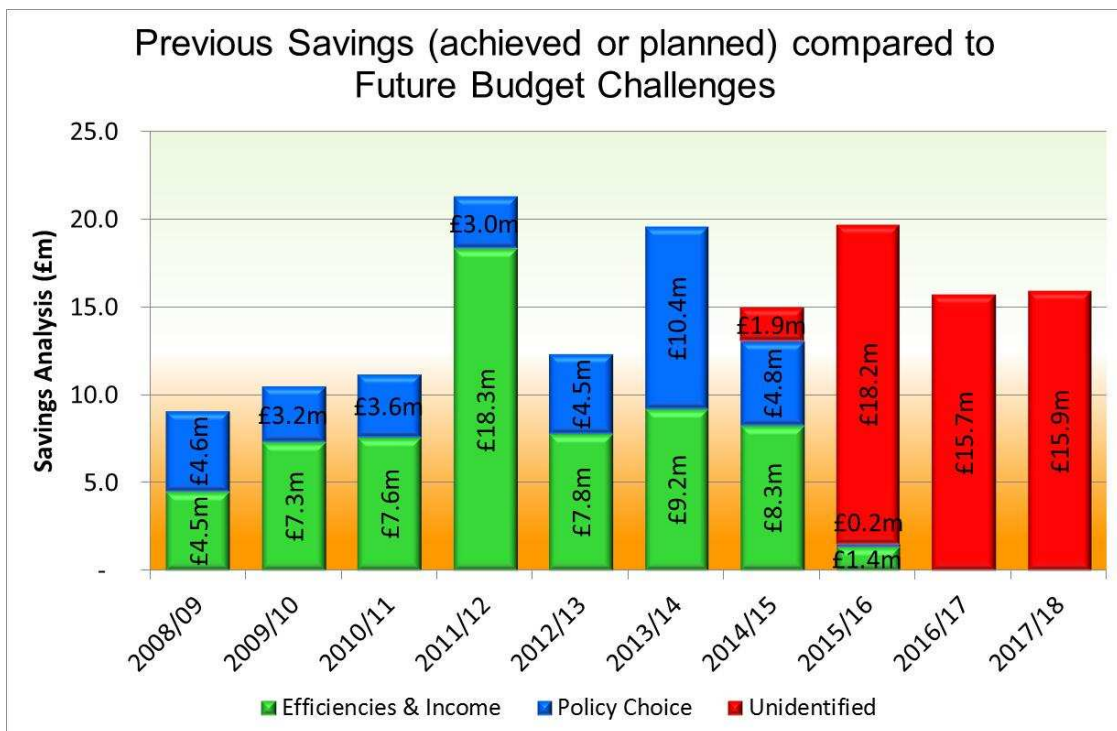
### **Other Issues**

- 11.11 In addition to the above forecasted and/or estimated cost and funding pressures, there are new developments in operations that will impact on future plans and budgets.
- 11.12 **Academy status** for Schools does pose some issues for centrally retained education budgets as some of the costs involved are of a stepped nature and in the short term cannot be readily rationalised. Equally, whilst trading services within the Council should compete to retain Academy business, the nature of independence has an impact on the customer dynamic. At a time of reviewing business models this causes yet a further pressure and potential risk to losing clients who may never be won back.
- 11.13 **Locality Working** has presented a number of opportunities for new business models, volunteering and community engagement. The Council is moving quickly to enable and support community groups so that these opportunities can be capitalised upon. Whilst these opportunities are welcome, overall they add to the extent of change facing the Council at a time of reducing funding and capacity.

11.14 **The Localism Act** has also seen universal capping powers replaced by the possibility of a public referendum on Council Tax increases. This does allow for the community to have a further say in determining the balance between tax and service levels, though it will also be at an administrative cost.

### Future Deficit Challenge

11.15 Taking into account the best information available and based on the experience of current trends, there is a strong likelihood of further significant savings being required for the next few years. In 2015/16 this requirement will be reinforced by the need to replace one-off funding in the form of reserves and Council Tax freeze grant. However, as can be seen in the chart below, the Council has successfully faced up to such challenges in the past, identifying economies and efficiencies, remodelling and collaborating:



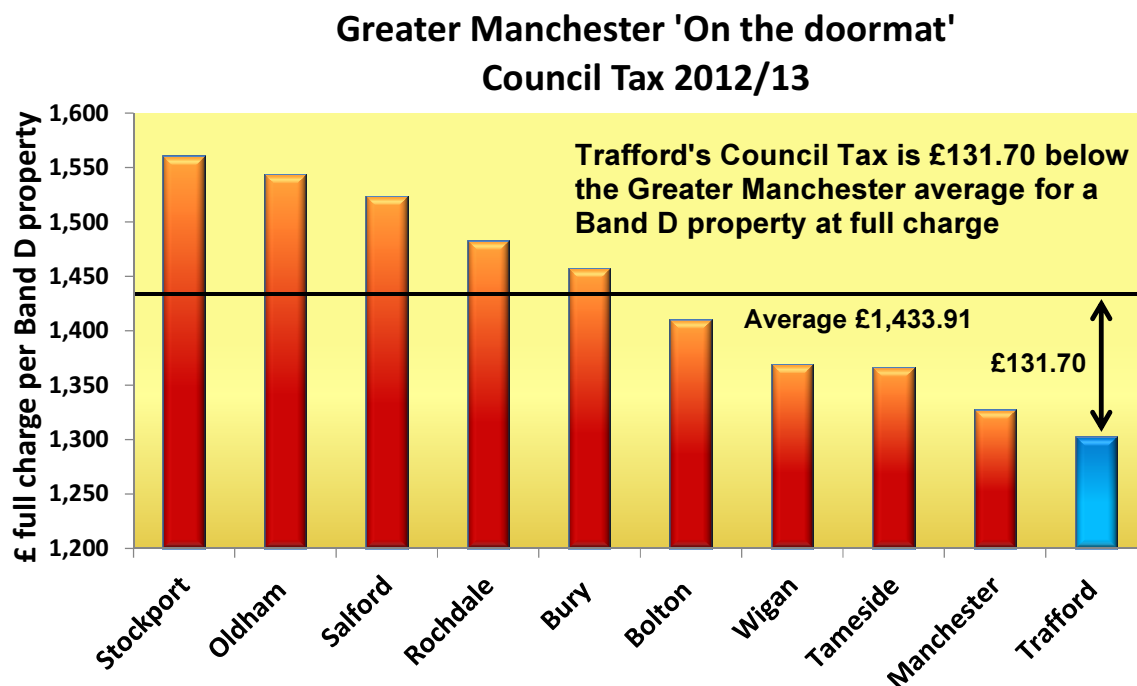
Note: the above chart compares previous savings proposals with future budget deficit levels. It does not include for the use of reserves, and prior to 2011/12 Council Tax increases which also assist in balancing the budget.

11.16 Further efficiencies that are deliverable in short time frames and/or cost-effective to deliver are proving harder to find. The future of further cost reductions would seem to rely on the ability to spread overheads as wide as possible, either by engaging in trading activity and/or other forms of collaboration with other organisations. Identifying new business models, appropriate partners, and then undertaking the organisational change required whilst continuing to deliver on current savings targets and operating services presents new challenges.

11.17 There is also the possibility that business rate increases may go towards future budgets. However, the level of business rates would need to be assured, which is difficult at a time of both economic uncertainty and also uncertainty regarding the level of potential back dated valuation appeals. The Council's share of growth above target is only 24.5%, so unless the local economy greatly accelerates the likelihood that this funding source will significantly contribute to future budget deficits is limited.

## 12. COUNCIL TAX REQUIREMENTS & STATUTORY CALCULATIONS

12.1 In 2012/13 Trafford Council has the lowest Council Tax in the North West, and the 20<sup>th</sup> lowest in England, at £1,302.21 for a Band D property. The average Council Tax charge per household is £1,105, which translates to £21 per week for two or more people.



12.2 In the last two budgets agreed by the Council it was decided to freeze the level of council tax in each year. As a consequence the Council qualified to receive a council tax freeze grant equivalent to a tax increase of 2.5% (approx. £2.2m in each year). For 2012/13 the grant was a one-off and therefore the 2013/14 budget has had to factor in this loss of income.

12.3 Once again the Government is encouraging local authorities to freeze their tax levels in 2013/14. The grant being offered in recognition of a freeze has been reduced to 1% and is worth approximately £(886)k. Furthermore it will be paid for two years only i.e. ends on 31 March 2015.

12.4 Authorities are not obliged to freeze their council tax but in considering whether to have an increase the Government has announced a threshold, above which a referendum must be held. The headline threshold is 2% but after adjustment for waste disposal and transport levies, Trafford's threshold for holding a referendum is 2.91%. A 2.9% increase in council tax would raise an additional sum of £(2.275)m.

- 12.5 In considering the level of Council Tax for 2013/14 it is important that Members are aware that this is only a short term grant being offered by the Government compared to the enduring nature of a tax increase. The permanence and certainty of any tax increase needs to be considered alongside the medium term outlook for the Council as set out in section 11.
- 12.6 The Executive has taken this into account, together with the impact on residents in the current economic climate, and is recommending a council tax freeze in 2013/14.
- 12.7 The Local Government Finance Act 1992, as amended by the Localism Act, requires the Council to make the following calculations:
- an estimate of the Council's gross revenue expenditure - Section 31A(2);
  - an estimate of anticipated income - Section 31A(3)
  - a calculation of the difference between (i) and (ii) above, (i.e. net revenue expenditure) - Section 31A(4) – this is known as the **Council Tax Requirement**;
  - a calculation of the Council's **Basic Amount of Council Tax**, calculated by dividing the **Council Tax Requirement** by the Taxbase (expressed in Band D's).
- 12.8 If the proposals in this budget report are agreed, the calculation for the 2013/14 Council Tax Requirement will be as follows:

LGFA 1992	Calculation of Council Tax Requirement & Basic Amount of Council Tax 2013/14	£
<b>S 31A(2)</b>	<b>Gross Expenditure</b>	
(a) – (f)	Service expenditure	423,328,133
<b>S 31A(3)</b>	<b>Gross Income</b>	
(a, c, d)	Fees, charges and specific grants	(265,231,000)
	<b>Budget Requirement (previous regulations)</b>	<b>158,097,133</b>
(b)	Revenue Support Grant	(47,821,449)
(b)	Retained Business Rates	(31,814,301)
(b)	Collection Fund surplus	0
<b>S 31A(4)</b>	<b>Council Tax Requirement</b>	<b>78,461,383</b>
	<b>Council Tax Base in Band D's</b>	<b>70,991</b>
	<b>Basic Amount of Council Tax</b>	<b>£1,105.23</b>

- 12.9 The Director of Finance approved the Council Tax Base (number of equivalent Band D properties in the borough) on 21st January 2013 at 70,991.



12.10 For the third year running the Council has decided not to increase its Council Tax. However, the two major precepting bodies, GM Police Authority and GM Fire & Rescue Service, are proposing to increase their Council Tax by 3.46% and 9.48% respectively in 2013/14.

12.11 Partington Town Council at its meeting on 6 November 2012 elected to keep the level of Band D Council Tax at £42.50, the same as 2012/13. However, the new Council Tax Support scheme has the effect of reducing the Parish Tax Base from 2,079 in 2012/13 to 1,331 in 2013/14 (see paragraph 4.5), and as a consequence the precept will be reduced to £56,568. In order to maintain the same level of revenue the Executive proposes that the Council provides a transitional grant of £31,790 for 2013/14 to mitigate this loss. This will be in addition to the Council grant of £24,070 already contained within the 2013/14 budget proposals.

12.12 The overall Precepts and Council Tax levels for 2013/14 for Trafford properties are as follows:

<b>Council Tax per precepting body</b>	<b>Precept Amount £</b>	<b>Council Tax Per Band D Property £</b>	<b>Council tax level Increase %</b>
Trafford Services	78,461,383	1,105.23	0%
GM Police Authority (see note)	10,601,086	149.33	3.46%
GM Fire Authority (see note)	4,091,921	57.64	9.48%
<b>Total (excluding Partington)</b>	<b>93,154,390</b>	<b>1,312.20</b>	<b>0.77%</b>
Partington Precept	56,568	42.50	0%
<b>Total for Partington</b>		<b>1,354.70</b>	<b>0.74%</b>

Note: The Council tax figures for the Office of the GM Police and Crime Commissioner and the GM Fire & Rescue Authority included above are the recommended amounts. At the time of writing neither body has yet made the formal decision to accept the proposals.

12.13 The council tax for 2013/14 for each of the eight valuation bands would be as follows:

**2013/14 Council Tax levels by valuation band (including Precepts):**

<b>Band</b>	<b>Valuation range (in 1991 prices)</b>	<b>Partington Council Tax £</b>	<b>All other areas Council Tax £</b>
A	Up to £40,000	903.13	874.80
B	Over £40,000 and up to £52,000	1,053.66	1,020.60
C	Over £52,000 and up to £68,000	1,204.18	1,166.40
D	Over £68,000 and up to £88,000	1,354.70	1,312.20
E	Over £88,000 and up to £120,000	1,655.74	1,603.80
F	Over £120,000 and up to £160,000	1,956.79	1,895.40
G	Over £160,000 and up to £320,000	2,257.83	2,187.00
H	Over £320,000	2,709.40	2,624.40

Note: The Council tax figures for the Office of the GM Police and Crime Commissioner and the GM Fire & Rescue Authority included above are the recommended amounts. At the time of writing neither body has yet made the formal decision to accept the proposals.

### **13. RECOMMENDATIONS**

- 13.1 The overall 2013/14 budget recommended to the Council is £158.947m, a decrease of £(11.063)m, or (6.5)%, when compared to an adjusted 2012/13 base budget of £170.010m.
- 13.2 Members are asked to note the report of the Director of Finance on the Robustness of the Budget Estimates and Adequacy of General Reserves (Annex M).
- 13.3 To support this level of expenditure, the proposed Council Tax for each of the valuation bands is set as detailed in Annex A.
- 13.4 That the minimum level of reserves be set at £6m, the same as 2012/13.
- 13.5 That the fees and charges be set per the booklet available alongside this report on the Council's website, including:
- an increase in the weekly charge for Allotment fees in 2014/15 (12 month notice period is required);
  - cease contributions to Mersey Valley and Bollin Valley Partnerships in 2014/15 (12 month notice period required)

the financial impact of which are all included in the budget proposals in the report.

- 13.6 That the overall Capital Investment Programme level of £77.0m be approved (Annex L).
- 13.7 That the Prudential Borrowing Indicators be approved (Appendix 1, page 14, of the attached Treasury Management Strategy Report).

**2013/14 COUNCIL TAX LEVELS  
BY VALUATION BAND  
(including Precepts)**

<b>Band</b>	<b>Valuation range (in 1991 prices)</b>	<b>Partington Council Tax £</b>	<b>All other areas Council Tax £</b>
A	Up to £40,000	903.13	874.80
B	Over £40,000 and up to £52,000	1,053.66	1,020.60
C	Over £52,000 and up to £68,000	1,204.18	1,166.40
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F	Over £120,000 and up to £160,000	1,956.79	1,895.40
G	Over £160,000 and up to £320,000	2,257.83	2,187.00
H	Over £320,000	2,709.40	2,624.40

Note: The Council Tax for GM Police Authority included above is the recommended amount. At time of writing the Authority has not yet made the formal decision to accept the proposal

Annex B

Medium Term Financial Outlook – Base Budget Assumptions

Base Budget Assumptions	2013/14	2014/15	2015/16	2016/17	2017/18
Pay	1.0%	1.0%	2.0%	2.0%	2.0%
Pay	£0.9m	£0.8m	£1.6m	£1.6m	£1.6m
Pension	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%
Pension	£0.6m	£0.6m	£0.6m	£0.6m	£0.7m
Prices	2.9%	3.0%	3.4%	3.0%	3.0%
Prices	£2.4m	£2.6m	£3.0m	£2.7m	£2.8m
Demography – Young People	£0.5m	£0.5m	£0.5m	£0.5m	£0.5m
Demography - Adults	£2.0m	£2.1m	£2.1m	£1.5m	£1.5m
Waste (GMWDA) Levy	7.5%	7.5%	7.5%	3.0%	3.0%
Total Waste Levy increase	£1.0m	£1.1m	£0.7m	£0.5m	£0.5m
Transport (TfGM) Levy increase	3.63%	5.0%	5.5%	5.5%	5.5%
Transport (TfGM) Levy increase	£0.6m	£0.8m	£1.0m	£1.0m	£1.1m
Transport – Population adjustment	£0.4m	-	-	-	-
Transport – Concessionary Fares	-	-	-	£0.5m	£0.7m
Total Transport Levy increase	£1.0m	£0.8m	£1.0m	£1.5m	£1.8m
Investment Rates	1.0%	1.0%	2.0%	2.0%	2.0%
Debt Rates	5.0%	5.0%	5.0%	5.0%	5.0%
Council Tax rate increase	0%	0%	0%	0%	0%
Council Tax base increase	0.2%	0.2%			
Freeze Grant 2012/13 @ 2.5%	£2.2m	-	-	-	-
Freeze Grant 2013/14 @ 1.0%	£(0.9)m	-	£0.9m	-	-

<b>Proposed Budget 2013/14 Subjective Analysis</b>	<b>CYP (£000's)</b>	<b>C&amp;WB (£000's)</b>	<b>ETO (£000's)</b>	<b>EGP (£000's)</b>	<b>T&amp;R (£000's)</b>	<b>Council- wide (£000's)</b>	<b>Total (£000's)</b>
<b>Budget Brought Forward</b>	34,794	54,157	32,275	3,303	19,768	25,713	<b>170,010</b>
Pay and Prices	813	2,323	1,099	298	600	58	<b>5,191</b>
Levies			798			978	<b>1,776</b>
Legislative; Grant/Service Transfers	(22)	(11,261)		82	7	(3,049)	<b>(14,243)</b>
Investment Interest						(729)	<b>(729)</b>
Debt Management						883	<b>883</b>
Demographic (Quantitative)	500	2,041				12	<b>2,553</b>
Governance/Compliance	160	10,339	25		175	929	<b>11,628</b>
Other Unavoidable Business Consequences	(494)	0	492	168	134	191	<b>491</b>
<b>Total Pressures (excl. new investment)</b>	<b>957</b>	<b>3,442</b>	<b>2,414</b>	<b>548</b>	<b>916</b>	<b>(727)</b>	<b>7,550</b>
Service Improvement/New Services	0	0	0	72	0		<b>72</b>
<b>Total New Cost Pressures</b>	<b>957</b>	<b>3,442</b>	<b>2,414</b>	<b>620</b>	<b>916</b>	<b>(727)</b>	<b>7,622</b>
Cashable Efficiencies	(1,338)	(2,966)	(605)	(351)	(963)	(1,351)	<b>(7,574)</b>
New Income	(50)	(172)	(332)	(122)	(61)	0	<b>(737)</b>
Policy Choice	(3,461)	(2,691)	(2,134)	(223)	(1,865)	0	<b>(10,374)</b>
<b>Total New Cost Reductions</b>	<b>(4,849)</b>	<b>(5,829)</b>	<b>(3,071)</b>	<b>(696)</b>	<b>(2,889)</b>	<b>(1,351)</b>	<b>(18,685)</b>
<b>Net Budgetary Effect of Proposals</b>	<b>(3,892)</b>	<b>(2,387)</b>	<b>(657)</b>	<b>(76)</b>	<b>(1,973)</b>	<b>(2,078)</b>	<b>(11,063)</b>
<b>Proposed total budget for 2013/14</b>	<b>30,902</b>	<b>51,770</b>	<b>31,618</b>	<b>3,227</b>	<b>17,795</b>	<b>23,635</b>	<b>158,947</b>
	(11.2%)	(4.4%)	(2.0%)	(2.3%)	(10.0%)	(8.1%)	(6.5%)

**Revenue Budget Proposals Summary 2013/14 : Net Controllable Expenditure by Service**

**Annex D**

Service	Revised Budget 2012/13 £000	Grant Adjustment 2012/13 £000	Revised Adjusted Budget 2012/13 £000	Growth/ Pressures 2013/14 £000	Efficiency & Income 2013/14 £000	Policy choice 2013/14 £000	Proposed Budget 2013/14 £000	Change £000	Change %
<b>Children &amp; Young People's Services</b>									
<b><u>Education Portfolio</u></b>									
Dedicated Schools Grant	0		0				0	0	0.0%
Education Early Years	2,236		2,236	(607)		(464)	1,165	(1,071)	(47.9%)
Connexions Service	966		944	22		(100)	866	(78)	(8.3%)
<b>sub total</b>	<b>3,202</b>	<b>0</b>	<b>3,180</b>	<b>(585)</b>	<b>0</b>	<b>(564)</b>	<b>2,031</b>	<b>(1,149)</b>	<b>(36.1%)</b>
<b><u>Supporting Children &amp; Families Portfolio</u></b>									
Children's Social Services	14,705		14,705	885	(508)	(45)	15,037	332	2.3%
Children with Complex & Additional Needs	2,101		2,101	30	(125)		2,006	(95)	(4.5%)
Support Services to CYP	6,931		6,953	56	(425)	(696)	5,888	(1,065)	(15.3%)
Commissioning & Multi Agency Referral & Assessment Service (MARAS)	3,193	(70)	3,123	421	(330)		3,214	91	2.9%
Youth Offending Service	744		744	144		(281)	607	(137)	(18.4%)
Children's Centres	3,988		3,988	6		(1,875)	2,119	(1,869)	(46.9%)
Early Intervention Grant	(9,288)	9,288	0				0	0	0.0%
<b>sub total</b>	<b>22,374</b>	<b>9,218</b>	<b>31,614</b>	<b>1,542</b>	<b>(1,388)</b>	<b>(2,897)</b>	<b>28,871</b>	<b>(2,743)</b>	<b>(8.7%)</b>
<b>Total Children &amp; Young People's Services</b>	<b>25,576</b>	<b>9,218</b>	<b>34,794</b>	<b>957</b>	<b>(1,388)</b>	<b>(3,461)</b>	<b>30,902</b>	<b>(3,892)</b>	<b>(11.2%)</b>

Service	Revised Budget	Grant Adjustment	Revised Adjusted Budget	Growth/ Pressures	Efficiency & Income	Policy choice	Proposed Budget	Change	Change
	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2013/14		
	£000	£000	£000	£000	£000	£000	£000	£000	%
<b>Communities &amp; Wellbeing</b>									
<b><u>Adult Care, Health &amp; Wellbeing Portfolio</u></b>									
Older Peoples Services	22,717		22,717	1,007	(1,809)	(1,409)	20,506	(2,211)	(9.7%)
Physical Disabilities	4,246		4,246	930	(131)	(80)	4,964	718	16.9%
Learning Disabilities	13,667	5,097	18,764	1,328	(471)	(315)	19,306	542	2.9%
Mental Health	3,426		3,426	171	(55)	(96)	3,446	20	0.6%
Other Adult Services	782		782	25	(110)		697	(85)	(10.9%)
Support Services	1,204		1,204	20	(102)	(1)	1,121	(83)	(6.9%)
Adaptations	(69)		(69)	4			(65)	4	6.5%
Supporting People	2,661		2,661			(790)	1,871	(790)	(29.7%)
Drugs & Alcohol service	292		292	8	(40)		260	(32)	(10.8%)
Equality & Diversity	134		134	3			137	3	2.3%
Public Health	0		0	(55)	(420)		(475)	(475)	N/A
<b>Total Communities &amp; Wellbeing</b>	<b>49,060</b>	<b>5,097</b>	<b>54,157</b>	<b>3,442</b>	<b>(3,138)</b>	<b>(2,691)</b>	<b>51,770</b>	<b>(2,387)</b>	<b>(4.4%)</b>



Service	Revised Budget	Grant Adjustment	Revised Adjusted Budget	Growth/ Pressures	Efficiency & Income	Policy choice	Proposed Budget	Change	Change
	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2013/14		
	£000	£000	£000	£000	£000	£000	£000	£000	%
<b>Environment, Transport &amp; Operations</b>									
<b><u>Highways &amp; Environment Portfolio</u></b>									
Highways & Network Management, incl. Traffic & Transportation	5,162	(25)	5,137	688	(435)	(364)	5,026	(111)	(2.2%)
School Crossing Patrols	523		523	8			531	8	1.5%
Parking Services	(341)		(341)	191			(150)	191	56.0%
Groundforce	5,216		5,216	227	(123)	(351)	4,969	(247)	(4.7%)
Be Pavement Services	(911)		(911)	8	(120)		(1,023)	(112)	(12.3%)
Sustainability & Greenspace	562		562	38	(36)	(36)	528	(34)	(6.0%)
Waste Management (excl. WDA Levy)	4,788		4,788	419	(70)		5,137	349	7.3%
Waste Levy	13,975		13,975	598		(1,050)	13,523	(452)	(3.2%)
Public Protection	1,096		1,096	120	(44)	(128)	1,044	(52)	(4.7%)
<b>sub total</b>	<b>30,070</b>	<b>(25)</b>	<b>30,045</b>	<b>2,297</b>	<b>(828)</b>	<b>(1,929)</b>	<b>29,585</b>	<b>(460)</b>	<b>(1.5%)</b>
<b><u>Safe, Strong Communities Portfolio</u></b>									
Environmental Enforcement	250		250	12	(62)	(170)	30	(220)	(88.0%)
Culture & Sport	2,309		2,309	23	(25)	(35)	2,272	(37)	(1.6%)
<b>sub total</b>	<b>2,559</b>	<b>0</b>	<b>2,559</b>	<b>35</b>	<b>(87)</b>	<b>(205)</b>	<b>2,302</b>	<b>(257)</b>	<b>(10.0%)</b>
<b><u>Operational Services for Education (Catering, Cleaning, Transport)</u></b>	<b>(329)</b>		<b>(329)</b>	<b>82</b>	<b>(22)</b>		<b>(269)</b>	<b>60</b>	<b>18.2%</b>
<b>Total Environment, Transport &amp; Operations</b>	<b>32,300</b>	<b>(25)</b>	<b>32,275</b>	<b>2,414</b>	<b>(937)</b>	<b>(2,134)</b>	<b>31,618</b>	<b>(657)</b>	<b>(2.0%)</b>

Service	Revised Budget	Grant Adjustment	Revised Adjusted Budget	Growth/ Pressures	Efficiency & Income	Policy choice	Proposed Budget	Change	Change
	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2013/14		
	£000	£000	£000	£000	£000	£000	£000	£000	%
<b><u>Economic Growth &amp; Prosperity Portfolio</u></b>									
Asset Management	1,217		1,217	369	(233)	(122)	1,232	14	1.2%
Planning & Building Control	220		220	85	(55)		250	30	13.7%
Strategic Planning	557		557	55	(62)		550	(8)	(1.4%)
Economic Growth	680		680	15	(36)		659	(21)	(3.1%)
Housing Strategy	628		628	97	(88)	(101)	536	(92)	(14.6%)
<b>Total</b>	<b>3,303</b>	<b>0</b>	<b>3,303</b>	<b>620</b>	<b>(473)</b>	<b>(223)</b>	<b>3,227</b>	<b>(76)</b>	<b>(2.3%)</b>
<b><u>Transformation and Resources Portfolio</u></b>									
Legal & Democratic	1,943		1,943	60	(43)		1,960	17	0.9%
Communication & Customer Services	7,598		7,598	285	(648)	(393)	6,842	(756)	(9.9%)
Partnerships & Performance	2,992		2,992	119	(88)	(524)	2,499	(493)	(16.5%)
Strategic Human Resources	3,024		3,024	80	(50)	(615)	2,439	(585)	(19.3%)
Corporate Leadership & Support	401		401	7	(41)		367	(34)	(8.5%)
<b>Total</b>	<b>15,958</b>	<b>0</b>	<b>15,958</b>	<b>551</b>	<b>(870)</b>	<b>(1,532)</b>	<b>14,107</b>	<b>(1,851)</b>	<b>(11.6%)</b>

## Annex D cont.

Service	Revised Budget	Grant Adjustment	Revised Adjusted Budget	Growth/ Pressures	Efficiency & Income	Policy choice	Proposed Budget	Change	Change
	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2013/14		
	£000	£000	£000	£000	£000	£000	£000	£000	%
Finance Services	3,810		3,810	365	(154)	(333)	3,688	(122)	(3.2%)
Precepts, Levies & Subscriptions	16,540		16,540	1,070			17,610	1,070	6.5%
Provisions	1,745		1,745	142	(331)		1,556	(189)	(10.8%)
Treasury Management	9,051		9,051	154	(834)		8,371	(680)	(7.5%)
Insurance	647		647	100	(57)		690	43	6.6%
Members Expenses	942		942	15			957	15	1.6%
Other Centrally held budgets	90		90	377	(129)		338	248	275.6%
Specific Grants	(3,627)	325	(3,302)	(2,585)			(5,887)	(2,585)	(78.3)%
<b>Total</b>	<b>29,198</b>	<b>325</b>	<b>29,523</b>	<b>(362)</b>	<b>(1,505)</b>	<b>(333)</b>	<b>27,323</b>	<b>(2,200)</b>	<b>(7.5%)</b>

<b>Total All Services</b>	<b>155,395</b>	<b>14,615</b>	<b>170,010</b>	<b>7,622</b>	<b>(8,311)</b>	<b>(10,374)</b>	<b>158,947</b>	<b>(11,063)</b>	<b>(6.5%)</b>
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<b>Indicative Budget 2014/15 Subjective Analysis</b>	<b>CYP (£000's)</b>	<b>C&amp;WB (£000's)</b>	<b>ETO (£000's)</b>	<b>EGP (£000's)</b>	<b>T&amp;R (£000's)</b>	<b>Council- wide (£000's)</b>	<b>Total (£000's)</b>
<b>Budget Brought Forward</b>	30,902	51,770	31,618	3,227	17,795	23,635	<b>158,947</b>
Pay and Prices	945	1,904	936	308	602	63	<b>4,758</b>
Levies			1,078			862	<b>1,940</b>
Legislative; Grant/Service Transfers	20	(397)		0	145	(523)	<b>(755)</b>
Investment Interest						514	<b>514</b>
Debt Management						(99)	<b>(99)</b>
Demographic (Quantitative)	500	2,100				2	<b>2,602</b>
Governance/Compliance	0	233			(8)	40	<b>265</b>
Other Unavoidable Business Consequences	100	0	23			(32)	<b>91</b>
<b>Total Pressures (excl. new investment)</b>	<b>1,565</b>	<b>3,840</b>	<b>2,037</b>	<b>308</b>	<b>739</b>	<b>827</b>	<b>9,316</b>
Service Improvement/New Services	0	0	0	0	0		<b>0</b>
<b>Total New Cost Pressures (A+B+C+D+E+F)</b>	<b>1,565</b>	<b>3,840</b>	<b>2,037</b>	<b>308</b>	<b>739</b>	<b>827</b>	<b>9,316</b>
Cashable Efficiencies	(1,305)	(2,622)	(491)	(144)	(694)	(2,700)	<b>(7,956)</b>
New Income	0	(23)	(273)	(10)	0	0	<b>(306)</b>
Policy Choice	(400)	(875)	(2,622)	0	(890)	(14)	<b>(4,801)</b>
<b>Total New Cost Reductions</b>	<b>(1,705)</b>	<b>(3,520)</b>	<b>(3,386)</b>	<b>(154)</b>	<b>(1,584)</b>	<b>(2,714)</b>	<b>(13,063)</b>
<b>Net Budgetary Effect of Proposals</b>	<b>(140)</b>	<b>320</b>	<b>(1,349)</b>	<b>154</b>	<b>(845)</b>	<b>(1,887)</b>	<b>(3,747)</b>
<b>Sub-total</b>	<b>30,762</b>	<b>52,090</b>	<b>30,269</b>	<b>3,381</b>	<b>16,950</b>	<b>21,748</b>	<b>155,200</b>
Savings to be identified	(0.5%)	0.6%	(4.3%)	4.8%	(4.7%)	(8.0%)	<b>(2.4%)</b>
<b>Indicative total budget for 2014/15</b>							<b>153,268</b>

**Indicative Revenue Budget Proposals Summary 2014/15 : Net Controllable Expenditure by Service**

Annex F

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Service	Proposed Budget 2013/14 £000	Growth/ Pressures 2014/15 £000	Efficiency & Income 2014/15 £000	Policy choice 2014/15 £000	Indicative Budget 2014/15 £000	Change £000	Change %
<b>Children &amp; Young People's Services</b>							
<b><u>Education Portfolio</u></b>							
Dedicated Schools Grant	0				0	0	0.0%
Education Early Years	1,165			(25)	1,140	(25)	(2.1%)
Connexions Service	866	26		(100)	792	(74)	(8.5%)
<b>sub total</b>	<b>2,031</b>	<b>26</b>	<b>0</b>	<b>(125)</b>	<b>1,932</b>	<b>(99)</b>	<b>(4.9%)</b>
<b><u>Supporting Children &amp; Families Portfolio</u></b>							
Children's Social Services	15,037	936	(530)	(20)	15,423	386	2.6%
Children with Complex & Additional Needs	2,006	35	(125)		1,916	(90)	(4.5%)
Support Services to CYP	5,888	65	(300)	(105)	5,548	(340)	(5.8%)
Commissioning & Multi Agency Referral & Assessment Service (MARAS)	3,214	489	(350)		3,353	139	4.3%
Youth Offending Service	607	14		(150)	471	(136)	(22.4%)
Children's Centres	2,119				2,119	0	0.0%
Early Intervention Grant	0				0	0	0.0%
<b>sub total</b>	<b>28,871</b>	<b>1,539</b>	<b>(1,305)</b>	<b>(275)</b>	<b>28,830</b>	<b>(41)</b>	<b>(0.1%)</b>
<b>Total Children &amp; Young People's Services</b>	<b>30,902</b>	<b>1,565</b>	<b>(1,305)</b>	<b>(400)</b>	<b>30,762</b>	<b>(140)</b>	<b>(0.5%)</b>

Service	Proposed Budget 2013/14 £000	Growth/ Pressures 2014/15 £000	Efficiency & Income 2014/15 £000	Policy choice 2014/15 £000	Indicative Budget 2014/15 £000	Change £000	Change %
<b>Communities &amp; Wellbeing</b>							
<b><u>Adult Care, Health &amp; Wellbeing Portfolio</u></b>							
Older Peoples Services	20,506	1,798	(1,478)	(240)	20,586	80	0.4%
Physical Disabilities	4,964	440	(96)	(51)	5,257	293	5.9%
Learning Disabilities	19,306	1,360	(387)	(304)	19,975	669	3.5%
Mental Health	3,446	106	(123)	(31)	3,398	(48)	(1.4%)
Other Adult Services	697	23	(18)		702	5	0.7%
Support Services	1,121	19	(6)		1,134	13	1.2%
Adaptations	(65)		(4)		(69)	(4)	(6.2)%
Supporting People	1,871	2		(249)	1,624	(247)	(13.2)%
Drugs & Alcohol service	260	91	(80)		271	11	4.2%
Equality & Diversity	137	1	(3)		135	(2)	(1.5)%
Public Health	(475)		(450)		(925)	(450)	(94.7)%
<b>Total Communities &amp; Wellbeing</b>	<b>51,770</b>	<b>3,840</b>	<b>(2,645)</b>	<b>(875)</b>	<b>52,090</b>	<b>320</b>	<b>0.6%</b>

Service	Proposed Budget	Growth/ Pressures	Efficiency & Income	Policy choice	Indicative Budget	Change	Change
	2013/14 £000	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	£000	%
<b><u>Environment, Transport &amp; Operations</u></b>							
Highways & Network Management, incl. Traffic & Transportation	5,026	260	(66)		5,220	194	3.9%
School Crossing Patrols	531	16			547	16	3.0%
Parking Services	(150)	80			(70)	80	53.3%
Groundforce	4,969	109	(359)	(816)	3,903	(1,066)	(21.5%)
Bereavement Services	(1,023)	16	(50)		(1,057)	(34)	(3.3%)
Sustainability & Greenspace	528	15		(167)	376	(152)	(28.8%)
Waste Management (excl. WDA Levy)	5,137	294	(90)		5,341	204	4.0%
Waste Levy	13,523	1,078	(50)	(250)	14,301	778	5.8%
Public Protection	1,044	97	(15)	(15)	1,111	67	6.4%
<b>sub total</b>	<b>29,585</b>	<b>1,965</b>	<b>(630)</b>	<b>(1,248)</b>	<b>29,672</b>	<b>87</b>	<b>0.3%</b>
<b><u>Safe, Strong Communities Portfolio</u></b>							
Environmental Enforcement	30				30	0	0.0%
Culture & Sport	2,272	67	(134)	(1,374)	831	(1,441)	(63.4%)
<b>sub total</b>	<b>2,302</b>	<b>67</b>	<b>(134)</b>	<b>(1,374)</b>	<b>861</b>	<b>(1,441)</b>	<b>(62.6%)</b>
<b><u>Operational Services for Education (Catering, Cleaning, Transport)</u></b>	<b>(269)</b>	<b>5</b>			<b>(264)</b>	<b>5</b>	<b>1.9%</b>
<b>Total Environment, Transport &amp; Operations</b>	<b>31,618</b>	<b>2,037</b>	<b>(764)</b>	<b>(2,622)</b>	<b>30,269</b>	<b>(1,349)</b>	<b>(4.3%)</b>

Service	Proposed Budget 2013/14 £000	Growth/ Pressures 2014/15 £000	Efficiency & Income 2014/15 £000	Policy choice 2014/15 £000	Indicative Budget 2014/15 £000	Change £000	Change %
<b><u>Economic Growth &amp; Prosperity Portfolio</u></b>							
Asset Management	1,232	208	(76)		1,363	131	10.7%
Planning & Building Control	250	49	(19)		280	30	12.0%
Strategic Planning	550	20	(32)		538	(12)	(2.1%)
Economic Growth	659	16	(7)		667	8	1.2%
Housing Strategy	536	15	(19)		533	(4)	(0.7%)
<b>Total</b>	<b>3,227</b>	<b>308</b>	<b>(154)</b>	<b>0</b>	<b>3,381</b>	<b>154</b>	<b>4.8%</b>
<b><u>Transformation and Resources Portfolio</u></b>							
Legal & Democratic	1,960	61	(26)		1,995	35	1.8%
Communication & Customer Services	6,842	215	(576)	(160)	6,321	(521)	(7.6%)
Partnerships & Performance	2,499	89	(32)	(350)	2,206	(293)	(11.7%)
Strategic Human Resources	2,439	81	(26)	(200)	2,294	(145)	(5.9%)
Corporate Leadership & Support	367	7	(1)		373	6	1.6%
<b>Total</b>	<b>14,107</b>	<b>453</b>	<b>(661)</b>	<b>(710)</b>	<b>13,189</b>	<b>(918)</b>	<b>(6.5%)</b>



Service	Proposed Budget 2013/14 £000	Growth/ Pressures 2014/15 £000	Efficiency & Income 2014/15 £000	Policy choice 2014/15 £000	Indicative Budget 2014/15 £000	Change £000	Change %
<b>Finance Portfolio</b>							
Finance Services	3,688	286	(33)	(180)	3,761	73	2.0%
Precepts, Levies & Subscriptions	17,610	831			18,441	831	4.7%
Provisions	1,556	47	(2,700)		(1,097)	(2,653)	(170.5%)
Treasury Management	8,371	415			8,786	415	5.0%
Insurance	690	100			790	100	14.5%
Members Expenses	957	15		(14)	958	1	0.1%
Other Centrally held budgets	338	(58)			280	(58)	(17.2%)
Specific Grants	(5,887)	(523)			(6,410)	(523)	(8.9%)
<b>Total</b>	<b>27,323</b>	<b>1,113</b>	<b>(2,733)</b>	<b>(194)</b>	<b>25,509</b>	<b>(1,814)</b>	<b>(6.6%)</b>
<b>Total All Services</b>	<b>158,947</b>	<b>9,316</b>	<b>(8,262)</b>	<b>(4,801)</b>	<b>155,200</b>	<b>(3,747)</b>	<b>(2.4%)</b>

## Children, Families and Wellbeing

April 2013 sees the development of a new directorate formed by the bringing together of the council's Communities and Wellbeing and Children and Young People's Services and NHS Trafford's Public Health service. The Children, Families and Wellbeing Directorate will put the council in an excellent position to face future challenges whilst continuing to provide excellent services to Trafford residents.

The structure for the new Directorate is:

- Children and Young People's Services (CYPS)
- Communities and Wellbeing (CWB)
- Public Health

### Children & Young People's Service (CYPS)

#### Service Narrative

Trafford CYPS was formed, in 2007, as a unique partnership between the Local Authority, Primary Care and Acute Hospital Trusts. Its vision is based upon a determination to ensure better outcomes for children and young people by providing integrated commissioning and delivery services. These are co-ordinated around the needs of the child or young person, rather than the needs of the organisations responsible for commissioning and delivering these services. This vision remains at the heart of our work but has expanded to include an increased emphasis on the importance of the family.

As part of the development of a 2015 Vision for CYPS a range of key principles have been developed that underpin how we are going to deliver services. These principles are:

- To work to meet the needs of all children and young people in Trafford, but with a key focus on the needs of those who are most vulnerable
- To endorse the value of family and to work in partnership to enable strong and resilient families to promote the best outcomes for children whilst always maintaining our focus on the needs of the child or young person
- To work in an outcome focused way and seek to maximise agreed outcomes for children, young people and families through effective assessment, planning and quality service delivery
- To maximise the safeguarding of children and young people according to identified risks and needs
- To use a creative commissioning approach with effective needs assessment to make best use of available resources and enable the community and individual families to be involved in commissioning services that meet their needs and maximise responsibility for their own outcomes
- To understand the effectiveness of intervention offered, linked to an evidence base wherever possible, in order to continue to improve services over time

- To promote the effectiveness of early intervention and prevention, in order to minimise the need for high cost services linked to quality outcomes from intervention
- To work in partnership with the community and with partner organisations in order to maximise the use of our collective resource and promote community resilience and ownership.

We deliver a range of integrated services bringing together professionals from health, social care, and education so children and their families receive co-ordinated support to meet their needs. CYPS is comprised of the following services:

**Area Family Support Teams:** CYPS operates integrated family support teams bringing together a wide range of health, social care and learning and development professionals at the heart of communities. The teams have established strong working relationships with leaders and partners in their localities laying a strong foundation for the Council's 2015 locality vision.

**Multi-Agency Referral and Assessment Service:** An integrated service offering a borough wide service for assessment of specialist need for children requiring social care, special educational needs and health support. It also provides a quality assurance function overseeing safeguarding practice and scrutiny of plans for children in care and child protection.

**Children in Care:** A specialist integrated service for children and young people in long term care and those leaving care, in addition to managing the residential, foster care and adoption services. The service works collaboratively with other LA's, is integrated with health, and has implemented innovative approaches such as ME2, which is therapeutic foster care.

**Complex Additional Needs:** A fully integrated service meeting the needs of children and young people who have complex health needs and require social care support. The service is leading the development of personalisation which is a key component of the 2015 vision.

**Youth Offending Service:** The service co-ordinates provision of youth justice services in Trafford. It is designed to tackle offending behaviour and the risk factors associated with it undertaking work to prevent offending and working with families to encourage more positive activities. This is a multi-disciplinary service which is exploring a collaborative model on an AGMA wide basis for specialist services and preventative work on a locality basis within the Area Family Support Teams.

**Education and Early Years:** Services work with schools and early years settings providing direct support and challenge to ensure high quality leadership, effective teaching, learning and development and high standards of achievement. The service is changing in line with national policy with a greater focus on the vulnerable and inequalities through innovative models of delivery including school to school support.

**Children's Centres:** Deliver early intervention and support for families in the heart of the community working closely with health services, the voluntary and community sector and schools. A service review is underway to fully integrate into the locality model and explore new service delivery models, innovative approaches, and AGMA collaboration.

**CAMHS:** Trafford Child and Adolescent Mental Health Services (CAMHS) is a multi disciplinary service co-located to provide services from Tier 1 to 3 to increase the emotional and mental health needs of local children and young people. Early intervention work will be integrated into the area teams to support delivery of the locality model.

**Integrated Commissioning:** Leads commissioning activity using pooled resources across health, education and social care to maximise resources, outcomes and value for money. The unit supports some of the key mechanisms for change to deliver the 2015 vision.

### **Service Performance**

Trafford CYPS is a high performing service that has been rated as 'Performing Excellently' by Ofsted in their annual assessment for the last two years. This has been achieved through achieving a broad range of outcomes for children and families including;

- Children's Services in Trafford is rated as "Performing Excellently" by Ofsted for last 2 years
- Ofsted inspection of Initial Referral and Assessment Services in 2011 identified 12 strengths and only 3 areas for development and no areas for priority action.
- Ofsted inspection of both Fostering and Adoption Services in 2011 identified services as good with outstanding features
- Two of our three Children's Homes are judged by Ofsted to be outstanding and the third is good
- 72% of Trafford's secondary schools are judged outstanding by Ofsted.
- 53% of Trafford's primary schools are judged outstanding by Ofsted and a further 37% good
- Trafford's Primary Schools have fantastic results with the percentage of 11yr olds achieving level 4+ in English and Maths is the second highest in the country. Trafford's results at the higher levels were also very impressive, with 38% achieving at least level 5 in both English and maths compared to only 27% nationally.
- Educational attainment at secondary level is also exceptionally high with the second highest level in the country for percentage of candidates achieving 3 or more 'A' Levels at grades A /A\*. GCSE performance at five or more A\* - C grades including English and maths fourth highest in the country.
- The percentage of young people continuing in education has increased from 76% in 2003 to over 91% in 2010 with continual increases year on year. This compares to 86% nationally (2009)
- GCSE performance of pupils eligible for a free school meal is the highest in the North West.

- Attendance rates in Trafford schools are the best in the North West.
- Trafford has the lowest proportion of 16 – 18 year olds who are not in employment, education or training in Greater Manchester.
- Child Obesity rate in Reception Year has been reduced from 10.7% in 2008 to 8.2% in 2010 against a regional average of 9.9%.
- Breastfeeding Initiation rate of 78.3% compared to the regional average of 63.2%.  
Prevalence at 6-8 weeks 51.3% compared to regional average of 33.3%
- Teenage Pregnancy rate of 29.7 per 1,000 compared to regional average of 43.7 and a national average of 38.2. This is a 14.3% reduction on the 1998 baseline
- Rate of Under 18 alcohol related hospital admissions 59.83 compared to regional average of 102.81.
- Rate of Under 18 substance misuse 55.6 compared to regional average of 87.7.
- CAMHS has reduced waiting times for first appointment to 6 weeks against the target of 18 weeks.
- Multi-systemic therapy (MST) for children at risk of custody or entering care has had a 93% success rate in helping young people stay with their family.
- Trafford is a national pathfinder for the Single Education, Health and Care Assessment Model for children with complex needs
- We have increased the number of Trafford foster carers enabling a greater number of local children to stay in local families

### **CYPS Savings Proposals**

CYPS has continued to evolve based on its integrated model and the principles set out in the 2015 vision. Our proposals have been developed based on those principles for how we want to deliver services in the future. Proposals are a combination of major transformational changes and service redesign along with some prioritisation and targeting of the services we deliver. Over the last 3 years a strong focus on efficiency has delivered substantial savings.

### **What is continuing?**

We will continue to provide high quality integrated services for children, young people and their families in Trafford. All of the services outlined above are continuing and we are transforming our services based on the locality model to meet needs within communities. We have an ongoing focus on the principles set out in the service description and they will continue to shape the delivery of our services.

The proposals set out below will lead to changes in the way we deliver some services with an increased focus on the most vulnerable and our statutory duties as overall budgets reduce.

### **What is changing?**

#### **Education and Early Years:**

Whilst reviewing and changing the way we deliver the service we will continue to fulfil our statutory duties in relation to schools and early years providers and respond to changes in National Policy. A range of school improvement responsibilities have transferred to schools with the development of teaching schools and peer support. A number of the remaining services will be based on an income generation model. A consultation process has been undertaken with schools and other partners.

#### **Complex Additional Needs:**

We will continue to reduce spend through the full implementation of a personalisation model based on equitable provision and empowerment of families to take control of service planning. A service specific consultation has been undertaken on this proposal.

#### **Children in Care:**

We will continue to provide a valuable service whilst reducing spend through demand management with improved prevention and development of in house family placement provision to meet the needs of those young people requiring care. Effective implementation of this strategy will result in better outcomes for children and young people as well as reduced spend.

#### **Home to School Transport:**

We have implemented a revised Home to School Transport policy which changes eligibility for mainstream transport support. We are continuing to provide valuable transport for children with Special Educational Needs (SEN) whilst developing independence through a range of alternative transport options.

#### **Market Management:**

We will continue to ensure we provide value for money by reviewing our external spend and will also review funding for external contracts to all groups including those in the voluntary and community sector and private providers.

### **How is the business reshaping and supporting locality working?**

#### **Youth Service:**

We will be working to provide a targeted Youth Service delivered through locality hubs with a greater focus on outreach and street based provision. There will be a transfer of one youth centre to the community and a review of activity across other centres. There will be an increase in community provision and potential for new delivery models via community asset transfers or social enterprises. A service specific consultation has been undertaken on this proposal.

#### **Youth Offending Service:**

There is substantial change in national policy in relation to this area of service and the Council recognises the need to be responsive to these changes whilst saving money. To support this we will be integrating prevention services into area teams and working collaboratively to ensure specialist services continue to be delivered.

**Children's Centres:**

We will be carrying out a review of our Children's Centres to make sure that we continue to provide a valuable service to families within Trafford. We will look to attract alternative investment and target provision through more of an outreach model delivered from 6 locality hubs. A service specific consultation has been undertaken on this proposal

**Connexions:**

We propose to reduce the staffing for targeted service for vulnerable young people over a two year period. A traded service model with schools has been developed for universal services and other alternative delivery options are being considered to mitigate the impact.

**CAMHS:**

Trafford CAMHS is being reviewed to align preventative services with the Area Family Support Teams to support the delivery of co-ordinated locality services.

**Equalities and Diversity**

Trafford Council has in place an Equalities and Diversity Policy. The Directorate is committed to fully implementing the policy. The Directorate is working towards ensuring that every member of staff has Diversity and Equality training and using Equality Impact Assessments to ensure all our services promote equality and diversity. A robust Equality Impact Assessment has been completed as part of the comprehensive budget consultation process.

## Budget Movement Summary 2013/15

The following summary table categorises the movement in the Directorate's budget over the next 2 years. The Savings are also cross referenced to the Savings Schedules below.

<b>Children &amp; Young People's Service</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s).</b>
Unadjusted Budget Brought Forward	25,576		
Adjusted Budget Brought Forward	34,794	30,902	
Additional Resources to meet Pressures:			
- Pay Related Inflation	405	381	
- Contract Related Inflation	408	564	
- Demography	668	500	
- Transfer of Grant Related Expenditure	(524)	120	
<b>Total New Resources Allocated</b>	<b>957</b>	<b>1,565</b>	
Resource Reallocations Through:			
- Efficiencies	(1,038)	(880)	CYPS 1-7, 10
- New or Increased Income	(50)		CYPS 31
- Invest to Save	(300)	(425)	CYPS 8-9
- Policy Choices	(3,461)	(400)	CYPS 35-41
<b>Total Resources Reallocated</b>	<b>(4,849)</b>	<b>(1,705)</b>	
Net Year-On-Year Change	(3,892) (11.2)%	(140) (0.5)%	
<b>Net Budget Proposal</b>	<b>30,902</b>	<b>30,762</b>	
Comparative Year-On-Year Change Adjusting for 2013/14 Funding Changes	(3,892) (11.2)%	(140) (0.5)%	



## Communities and Wellbeing Summary

### Service Description

Communities & Wellbeing represents approximately £51.7m of the Council's total net revenue expenditure. The Directorate provides a wide range of services in the key area of Adult Social Care Services

The Directorate supports the Council's key priority of ***improving the health and wellbeing of residents*** in addition to supporting the Executive Lead Member for Adult Social Care

### **Adult Social Care**

The role is to commission and deliver a range of social care services to people over 18 in Trafford, in order to provide them with independence, choice and well-being and to protect vulnerable people. The service aims to provide high quality and cost effective services that meet the needs of people eligible for services.

***Our vision is that together we will transform social care in Trafford, so that people can have control over the support they need to live the life that they choose***

The Care Quality Commission (CQC) has identified that our services are excellent.

Our services range from individual care packages meeting the needs of people with very complex and challenging needs to preventative services that support people to live independent lives in the community. We are increasingly using personal budgets where people can use an allocated budget to arrange their own support package around their individual needs. We focus our services on people with substantial or critical levels of needs grouped into the following areas:

**Older People:** whilst many people enjoy a vigorous and independent old age, some older people need support due to increasing frailty and the impact of dementia and the issues linked to aging. Often they are supported by family carers who themselves benefit from extra support such as respite. We aim to support people to remain in their own homes, as well as providing residential and nursing care places where this is necessary.

**Learning Disabilities:** People with learning disabilities range from those with very complex and challenging needs to those who live and work in the community requiring little or no support. We provide a range of services, from residential and supported housing for those who need this level of support, to day support and home support, increasingly using personal budgets.

**Physical Disabilities:** We aim to support Disabled People to live in their own homes, through the provision of support, equipment and adaptations, as well as providing

residential care for those who need this level of support. We promote the use of personal budgets to increase peoples' choice and control

**Mental Health:** We work in partnership with Greater Manchester West Mental Health Trust to provide an integrated mental health service focused on supporting people to recover from mental health problems. For those with on-going mental health problems we provide a range of residential care, supported housing, home support and help to get or stay in work.

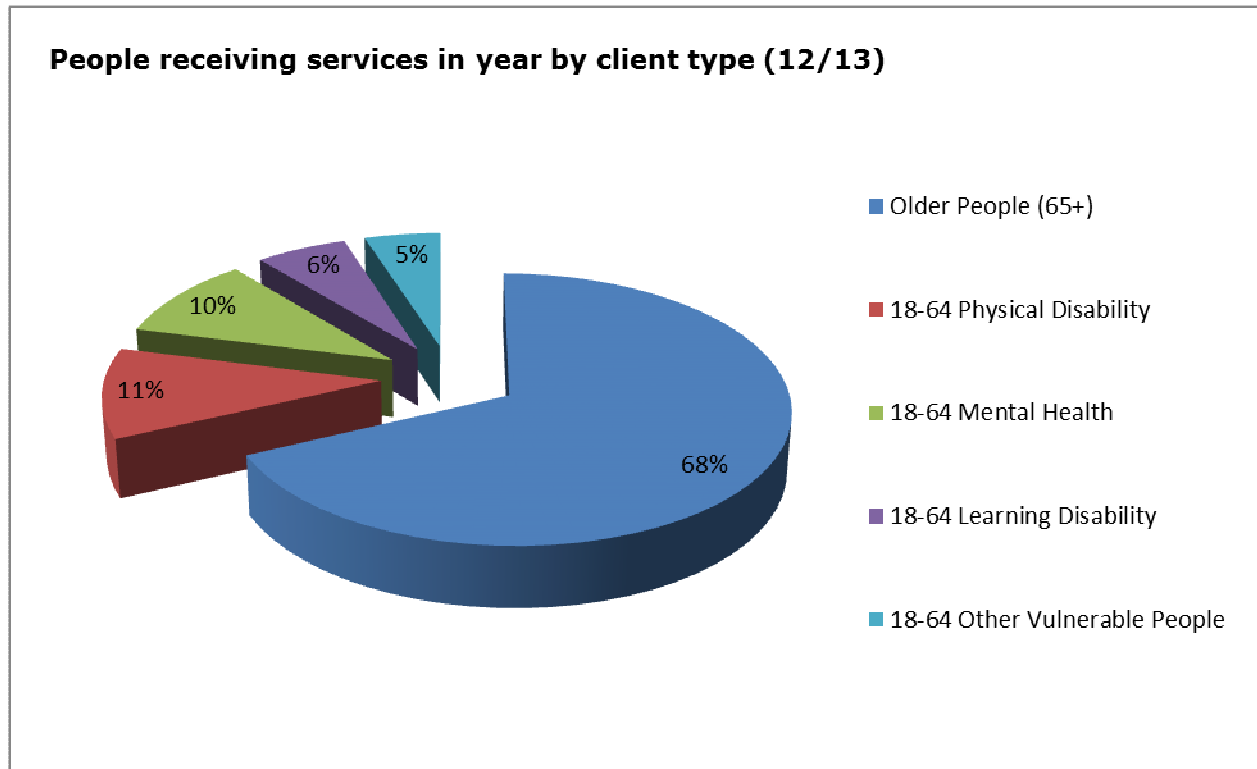
**Supporting People (Housing related services):** We fund services to help older people and others to live independently at home, ensuring that such services are effective and of good quality. We have contracts with the organisations providing the services which specify the type of service to be provided. The services are targeted to support vulnerable adults across a wide range of service disciplines; older people, adults with a mental health condition, learning disabilities, young adults leaving care, women fleeing domestic violence. The services are based on a short term intervention approach which promotes independence and general health and wellbeing.

Adult Social Care services are based on five key principles:

- **Personalisation:** we have already developed the use of personal budgets where people get their own budget, so that they can have more choice and control over the support they receive. We intend to extend this further, in order to have as many people as possible with their own personal budgets.
- **Promoting independence:** We are committed to working with people to be as independent as possible. We have developed reablement services to work with people in their own homes to be as independent as possible. We have promoted the use of Telecare to help people, as well as developing different approaches for people with very complex needs. We will continue to make promoting independence central to our approach.
- **Integration:** We recognise that working with the local health services will provide a more effective and efficient way of meeting needs. We are committed to creating Integrated Health and Social Services across the Borough, and to work with the Health Services to create innovative services that will support people to live independently in the community.
- **Safeguarding:** We will continue to work in partnership to support the safeguarding of vulnerable adults.
- **Partnership:** We will continue to work in partnership a broad range of organisations in the health, third and voluntary sectors to provide services to the citizens of Trafford.

## **Performance in 2012/13**

Adult Social Care services are provided to approximately 9000 people, with the majority receiving Older People's services.



We also support around 2,600 carers in their caring role through the Trafford Carers' Centre.

In the last year we have achieved:

- 52% of eligible service users and carers with personal budgets that enable them to have maximum choice and control over the services they receive.
- Everyone who needs a Social Care Service is now offered a period of re-ablement. This has been extremely successful with an average reduction of 70% less services needed at the end of the re-ablement period compared to the level of need at the beginning. In addition, 70% of people successfully completing a period of community reablement require no on-going service on completion.
- The number of people in receipt of telecare in year has increased by 43%
- The number of Delayed Transfers of Care from hospital that are attributable to Adult Social Care has reduced by 25%.
- The number of permanent admissions of older people to hospital has decreased by 10%

- The number of carers receiving services and / or advice and information has increased by 8%
- Establishment of a joint trading venture with private sector partner, AMEY. The aim is to make a commercial return from supporting other local authorities and NHS bodies across the UK in delivering their vision for the integration of Health and Social Care. Tender for the provision of Telecare services in Hampshire (contract value £10 million) submitted in January 2013. One of five councils nationally involved in the Local Government Association's pilot programme for cutting edge projects.
- Shortlisted for Local Government Chronicle (LGC) award in the Health and Social Care Category for Personalisation in Trafford. Decision to be made March 2013.
- A national review of Local Accounts was undertaken by the "Towards Excellence in Adult Social Care" Board (TEASC) in August 2012. Trafford was highlighted within the summary report as being a good example of an account that was "built upon a robust and reasonable self-assessment". Trafford presented their approach at the national conference organised by the Local Government Association (LGA) on November 12th 2012.
- An Equality and Human Rights Commission report recognised Trafford's approach to the commissioning of homecare as excellent practice, promoting individual resilience and enhancing respect and control.
- An All Party Parliamentary Enquiry into the Future of Adult Social Care Funding recognised Trafford's approach to transforming services, increasing a diverse range of services based on a real approach to co-production and the delivery of savings.
- National recognition for our Telecare Transformation Programme.

### **Approach to the Budget**

Adult Social Care has a net budget of over £51.7m to support the provision of care and community services to the people of Trafford. As elsewhere we face increasing demand for services, due to a range of factors including

- The demographic pressures created by an aging population that will continue to make greater demands on adult social care
- The increasing numbers of learning disabled people with complex needs, especially younger people coming through transition
- The changing nature of families and communities which leads to greater expectation on the Council to support vulnerable people and their carers
- The increasing awareness of adult abuse and the need to provide services to protect vulnerable people from harm
- The impact of increasing health problems due such issues as alcohol abuse and obesity.

Focusing on our five key principles of Personalisation, Promoting Independence, Integration, Safeguarding and Partnership, we will meet the challenges for the coming year by

- Transforming and implementing a new service model approach for Supporting People. Aligning savings to the review of priority needs reflected in the Supporting People Commissioning and Procurement Strategy. The review was led by the Supporting People Board in partnership with key stakeholders. This will be a key strand in our budget strategy. The three main approaches to the continuation of this programme of work will be;
  - Personalisation
  - Promoting independence
  - Embedding a new model of accommodation and support
- Continue to develop our reablement services, including further developing our reablement service for learning disabled people. This will include extending the use of Telecare, as well as ensuring that we continue to make the most effective use of equipment and adaptations.
- Expanding the use of personal budgets that provide better outcomes for residents as well as being an effective use of resources.
- Either reducing the costs of services, or keeping inflationary increases to a minimum.
- Maximising income
- Focusing on high cost provision, seeking to reduce costs through service redesign and improved procurement.
- Not changing the eligibility threshold for services that will remain at substantial/critical (as defined by the Fair Access to Care Service criteria), but will refocus the services delivered under this criteria.
- Continue to develop our existing partnerships with our health colleagues in the local NHS services in Trafford.
- Continue to work with local providers to maintain and improve standards of care across all services. Where necessary, working with partners and regulators we will take rapid action to safeguard vulnerable people and ensure that all necessary steps are deal with any risks to the quality of care provided to our vulnerable residents.
- Continue to work with the voluntary and community sector to further develop a range of preventative services.

However, we recognise that to manage the increasing demands with reducing resources we will need to work more closely with the local health services. To that end it is a major priority for the Adult social Services to integrate its operational services with Trafford Provider Services to create an integrated health and social care service in the community in Trafford. This will provide the basis for further service development and innovation that will underpin the delivery of the MTFP in future years.

### **Delivering a Quality Service**

The Directorate aims to deliver high quality services. Service users and carers are directly involved in assessing the quality of services and in planning improvements. Performance Management is at the core of the directorate with a comprehensive service plan and more detailed action plans driving improvement, together with regular monitoring of our performance against targets. We have a programme to review our services to ensure that they are high quality and deliver Value for Money.

### **Equalities and Diversity**

Trafford Council has in place an Equalities and Diversity Policy. The Directorate is committed to fully implementing the policy. The Directorate is working towards ensuring that every member of staff has Diversity and Equality training and using Equality Impact Assessments to ensure all our services promote equality and diversity. A robust Equality Impact Assessment has been completed as part of the comprehensive budget consultation process.

## Budget Movement Summary 2013/15

The following summary table categorises the movement in the Directorate's budget over the next 2 years. The Savings are also cross referenced to the Savings Schedules below.

<b>Adult Social Services</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s).</b>
Unadjusted Budget Brought Forward	49,060		
Adjusted Budget Brought Forward	54,157	51,770	
Additional Resources to meet Pressures:			
- Pay Related Inflation	302	270	
- Contract Related Inflation	2,021	1,634	
- Demography	2,041	2,100	
- Transfer of Grant Related Expenditure	(11,261)	(397)	
- Governance/Compliance	10,339	233	
<b>Total New Resources Allocated</b>	<b>3,442</b>	<b>3,840</b>	
Resource Reallocations Through:			
- Efficiencies	(2,026)	(1,722)	CWB 11-20, 23-24, 26-30
- New or Increased Income	(172)	(23)	CWB 32-34
- Invest to Save	(900)	(900)	CWB 22-25
- Full Year Effect of Previous Years Decisions	(40)		CWB 21
- Policy Choices	(2,691)	(875)	CWB 42-56
<b>Total Resources Reallocated</b>	<b>(5,829)</b>	<b>(3,520)</b>	
Net Year-On-Year Change	(2,387) (4.4)%	320 0.6%	
<b>Net Budget Proposal</b>	<b>51,770</b>	<b>52,090</b>	
Comparative Year-On-Year Change Adjusting for 2013/14 Funding Changes	(2,387) (4.4)%	320 0.6%	

## Public Health Service Summary

### Service Description

Public Health represents approximately £10.2m of the Council's total net revenue expenditure. The Service provides a wide range of services in the key area of Public Health. This is a new service for Trafford following the transfer of substantial health improvement duties on the 1 April 2013 from the NHS. We will develop a local public health service that is designed to improve public health in Trafford.

The Service supports the Council's key priority of ***improving the health and wellbeing of residents*** in addition to supporting the Executive Lead Member for Community Health and Wellbeing

### Public Health

The role is to commission and deliver a range of public health services to people aged 5 and over in Trafford.

Our services are designed to:

- Improve significantly the health and wellbeing of the people of Trafford
- Carry out health protection functions
- Reduce health inequalities across the life course, including within hard to reach groups
- Ensure the provision of population healthcare advice

We focus our services in the following areas:

- Sexual health services
- STI testing and treatment
- Sexual health services – Contraception
- NHS Health Check programme
- Local authority role in health protection
- Public health advice
- National Child Measurement Programme
- Sexual health services - Advice, prevention and promotion
- Obesity – adults and children
- Physical activity – adults and children
- Drug misuse – adults
- Alcohol misuse – adults



- Substance misuse (drugs and alcohol) - youth services
- Stop smoking services and interventions
- Wider tobacco control
- Children 5-19 public health programmes
- Miscellaneous, which includes:
  - Non-mandatory elements of the NHS Health Check programme
  - Nutrition initiatives
  - Health at work
  - Programmes to prevent accidents
  - Public mental health
  - General prevention activities
  - Community safety, violence prevention & social exclusion
  - Dental public health
  - Fluoridation
  - Local authority role in surveillance and control of infectious disease
  - Information & Intelligence
  - Any public health related to environmental hazards protection
  - Local initiatives to reduce excess deaths from seasonal mortality
  - Population level interventions to reduce and prevent birth defects (supporting role)

### **Performance in 2012/13**

Public Health services, transferred from the NHS on 1 April 2013 will be required to draw up its public health priorities for Trafford. Performance in 2012/13 was the responsibility of the NHS. We will work with the new Clinical Commissioning Group and other partners such as the police and community safety partnerships to assess the current and future health needs and assets of the local community. This work is a key part of the development of a public health strategy in Trafford. We will work with all our partners and the community in order to deliver services based on local needs whilst addressing the requirements of the national Public health Outcomes Framework.

### **Approach to the Budget**

Public Health has a budget of £10.2m to support the provision of health improvement services to the people of Trafford. As a new service we will align our resources to deliver our Public Health strategy taking into account increasing demand for services, due to factors such as the impact of increasing health problems from alcohol abuse and obesity.

It is a major priority for Trafford to develop its public health services and to create an integrated public health, health and social care service in the community in Trafford. This will provide the basis for further service development and innovation that will underpin the delivery of the MTFP in future years.

### **Delivering a Quality Service**

The Directorate aims to deliver high quality services. Service users will be involved in assessing the quality of services and in planning improvements. Performance Management is at the core of the directorate with a comprehensive service plan and more detailed action plans driving improvement, together with regular monitoring of our performance against targets. We have a programme to review our services to ensure that they are high quality and deliver Value for Money.

### **Equalities and Diversity**

Trafford Council has in place an Equalities and Diversity Policy. The Directorate is committed to fully implementing the policy. The Directorate is working towards ensuring that every member of staff has Diversity and Equality training and using Equality Impact Assessments to ensure all our services promote equality and diversity. A robust Equality Impact Assessment has been completed as part of the comprehensive budget consultation process

**Budget 2013/15 – Saving Schedule – CFW Service**

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CYPS	SCF	1	Children's Social Care	Leaving Care Service	Efficiency	(110)	0	The leaving care service is largely a demand led budget with a statutory requirement to meet the needs of young people leaving care. Reductions in funding will be carefully managed to mitigate any impact with effective targeting of support.
Page 97 CYPS	SCF	2	Children's Social Care	Children in Care Placements	Efficiency	(328)	(480)	The budget is demand led so children's needs will still be met with a focus on quality of provision. Investment to expand in-house foster care provision will enable us to reduce use of agency placements with a major cost reduction.
CYPS	SCF	3	Children's Social Care	Reducing cost of Homelessness provision for Young People	Efficiency	(500)	(50)	Effective management of our homelessness service has reduced demand. There will also be an increased use of supported lodgings which reduces cost and improves outcomes for some young people.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CYPS	SCF	4	Children's Social Care	Reduction in payment of expert witness fees	Efficiency	(20)	0	No significant impact expected from this saving
CYPS	SCF	5	Multi Agency Referral & assessment Service	Reduction in cost of MARAS	Efficiency	(100)	(150)	The saving in 2013-14 will be achieved by a staffing review within the Safeguarding Services. Due to the nature of the service the changes have potential risks that are being mitigated through a review of the work of the team.
CYPS	ED, SCF	6	Commissioning	Market Management	Efficiency	(180)	(200)	Impact will in the main relate to external providers both in the private and voluntary sectors. The main focus is to ensure greater value for money and it is hoped to achieve the saving through improved efficiency.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)	
Page 99	CYPS	ED, SCF, HW, AC	7	Various	Integration of Directorates	Efficiency	(240)	0	The current CYPS and CWB management structures will be integrated resulting in a reduction in management and back office posts. The loss of management capacity will be mitigated by a more coherent approach to both the commissioning and provision of services on an all age basis. The integration of Public Health staff into the new structure will also enable a more co-ordinated approach to all aspects of health, education and social care provision for the whole community.
	CYPS	SCF	8	Complex and Additional Needs	Reduction in Placement Budgets	Efficiency	(125)	(125)	This saving is to be achieved through implementation of personalisation. This will fundamentally change the service delivery model for children with complex additional needs. There will be an extensive consultation process that will also inform the EIA.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CYPS	ED	9	Support to Children and Young People	Home To School Transport	Efficiency	(175)	(300)	This saving relates to the revised Home to School Transport Policy that has now been implemented. This saving is linked to reducing the cost of contracts for SEN transport and introduction of alternative travel options. The documentation and EIA published in July 2011 as part of the approval process sets out in detail the impact of the changes.
CYPS	ED	10	Education and Early Years	Reduction in the cost of Teachers Pensions	Efficiency	(10)	0	No impact in relation to this saving.
CWB	ACHW	11	Learning Disabilities	Supported Network Houses remodelling of service	Efficiency	(123)	0	Reduction in staffing and some running costs. Users will switch to Personal Budget model, which has been positive in other areas. Conversion should provide options for future development of innovative service provision.
CWB	ACHW	12	Learning Disabilities	Retendering of schemes and reducing cost of high value placements	Efficiency	(128)	(150)	Services, specifications and contracts would be redesigned.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	13	Older Peoples Services	Pool funding to Advocacy services to create all-inclusive service	Efficiency	(50)	0	Pool funding and establish an all-inclusive advocacy service
CWB	ACHW	14	Mental Health	Implement Personal Budgets	Efficiency	0	(50)	Personal Budgets will be fully implemented in the Mental Health Service.
CWB	ACHW	15	Other Adult Services	Efficiencies in Information and Advice services	Efficiency	0	(50)	Efficiencies from a review of information and advice services.
CWB	ACHW	16	Learning Disabilities	Implement Personal Budgets for transport provision	Efficiency	0	(200)	Service users will be supported to make innovative use of Personal Budgets, especially for transport provision.
CWB	ACHW	17	All adult social services	Reduction in running costs equal to general inflation provision	Efficiency	(498)	(422)	In order to negate future general inflationary cost increases, efficiencies from procurement and continued austerity will be achieved. This will focus on reducing price and volume without affecting service levels.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	18	Other Adult Services	Efficiencies from moving to locality based working	Efficiency	0	(50)	Integration with Trafford Provider Services will reduce duplication of services and lead to more effective population demand management diverting people away from inappropriate admission to services
CWB	ACHW	19	Older Peoples Services	Efficiencies in the running costs of Ascot House	Efficiency	0	(100)	Integration will reduce duplication of services and lead to more effective population demand management diverting people away from inappropriate admission to services. Integrated running with Trafford Provider Services will reduce costs.
CWB	ACHW	20	Older Peoples Services	Efficiencies in Operational Services following integration with Trafford Provider Services	Efficiency	0	(100)	Integration will reduce duplication of services and lead to more effective population demand management diverting people away from inappropriate admission to services. Integrated running with Trafford Provider Services will reduce costs.



Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	21	Older Peoples Services	Full year effect of 2012/13 senior management review	Efficiency	(40)	0	None, saving already in place
CWB	ACHW	22	Older Peoples Services	Enhanced Reablement offer delivering reduced on-going demand for services	Efficiency	(500)	(500)	Increasing the availability of reablement services will reduce the demand and on-going costs of residential and community based services
CWB	ACHW	23	Support Services	Efficiencies in back office services	Efficiency	(99)	0	Will deliver efficiencies in current support services functions
CWB	ACHW	24	Older Peoples Services	Changing focus in home care services	Efficiency	(312)	0	Managed through the Council's commissioning approach
CWB	ACHW	25	Older Peoples Services	Enhanced Telecare offer delivering reduced demand for services	Efficiency	(400)	(400)	Increasing the availability of telecare services will reduce the on-going costs of community based services and delay the use of residential care
CWB	ACHW	26	Older Peoples Services	Emergency Card Scheme	Efficiency	(16)	0	Reduction to reflect current demand on budget
CWB	ACHW	27	Older Peoples Services	Carers Development	Efficiency	(40)	0	Efficiencies in the Carers Development service

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	28	All adult social services	Efficiencies in the procurement of contracted care services	Efficiency	(260)	0	Procurement efficiencies in inflationary increases on care services contracts
CWB	ACHW	29	Council Wide	Efficiencies in Council wide delivered Advice and Information services	Efficiency	(100)	(150)	Efficiencies from a review of information and advice services in Trafford
CWB	ACHW	30	Public Health	Efficiencies in functions shared between the Council and Public Health	Efficiency	(400)	(450)	Transition work undertaken in the move of Public Health to the Local Authority has identified efficiencies in planned tenders of services and workforce profiling has identified opportunities to streamline functions.
<b>Efficiency sub total</b>						<b>(4,304)</b>	<b>(3,9272)</b>	
CYPS	SCF	31	MARAS	Additional Income MARAS	Income	(50)	0	No impact in relation to this saving
CWB	ACHW	32	All adult social services	Community Care Services' charges – removal of local subsidy arrangements in assessment process	Income	(130)	0	Removing subsidy for Community Based Care services for people in receipt of home care, day care and direct payments.
CWB	ACHW	33	All adult social services	Inflationary increase for rents	Income	(22)	(23)	Inflationary increase on rents charged.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	34	Public Health	Raising of administration charge to Public Health service for business running costs	Income	(20)	0	Public Health services transfer to local authority control from the NHS. Will not impact on service provision
<b>Income sub total</b>						<b>(222)</b>	<b>(23)</b>	
CYPS	SCF	35	Youth Services	Reduction in costs in delivering Youth Services	Policy Choice	(316)	0	There will be a focus on increased community provision and locality delivery. This will be through a hub and spoke model with outreach provision, plus a transfer of 1 youth centre to the community and a review of activity across other centres.
CYPS	SCF	36	Connexions	Reduction in costs Connexions	Policy Choice	(100)	(100)	Saving relates to staffing reductions which could impact on the provision of Independent Information, Advice and Guidance to vulnerable young people. Impact to be mitigated by targeting of resources and links to the universal service that is self-funding.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CYPS	SCF	37	Youth Offending Services	Reduction in costs Youth Offending Service	Policy Choice	(326)	(170)	There are major changes in youth justice nationally that are leading to reduced funding and revised delivery model. There are potential risks to support for young people at risk or offending or those already within the youth justice system. Mitigation will be provided by integrating prevention services into the locality model and exploring collaborative opportunities for Tier 3 and 4 services. This saving includes an estimated reduction in Youth Justice Board funding which has yet to be confirmed. The service will need to reflect the level of funding made available.
CYPS	SCF	38	Children's Centres	Reorganisation of Children Centre Provision	Policy Choice	(1,811)	0	There will be a reconfiguration of children's centre provision based on 6 locality hubs. It will mean a reduction in centre based support with an increase in outreach and targeted provision. Services will be fully integrated into the Area Teams.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CYPS	ED	39	Home to School Transport	Change in policy for Transport eligibility	Policy Choice	(125)	0	Revised policy means that transport support for mainstream pupils will no longer be provided for those attending schools beyond statutory walking distance due to parental preference. Extensive consultation and a full EIA were completed in July 2011 highlighting the impact of changes.
Page 107 CYPS	ED	40	Education Early Years	Early Years Education Childcare	Policy Choice	(319)	(25)	There will be a reduction in resource available to scrutinise and support child care provision within Trafford. The service will be reorganised to mitigate the impact of the savings.
CYPS	ED	41	Education Early Years	School Improvement	Policy Choice	(400)	(105)	A new locality focused school improvement service is being put in place in line with national policy. We will now broker and facilitate support for schools through the new structures emerging such as teaching schools and peer support rather than direct delivery.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	42	Older Peoples Services	Extension of use of pre-paid cards for distribution of Personal Budgets	Policy Choice	(60)	(40)	Pre-payment cards will reduce external accountancy fees and improve efficiency in service delivery. Will support personalisation and transformation agenda by increasing access to Personal Budgets.
CWB	ACHW	43	Older Peoples Services	Older Peoples Home Care Fees	Policy Choice	(30)	0	Efficiencies in the home care service
CWB	ACHW	44	Older Peoples Services	Closure of Katherine Lowe House and alternative service provision	Policy Choice	(458)	0	Closure of Katherine Lowe EPH and the commissioning of an equivalent number of residential beds in the private sector. Formal consultation with residents, families and staff.
CWB	ACHW	45	Older Peoples Services & Learning Disabilities	Closure of Princess Centre and co-location of services at Pathways. Efficiencies in joint provision	Policy Choice	(326)	(100)	Co-locating in one building will benefit both service user groups. Improved social inclusion for both learning disability and older people. Will reduce premises costs and allow reduction in staff costs.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	46	Older Peoples Services	End external provision of Day Centres and replace with Personal Budget provision	Policy Choice	(70)	(50)	End externally provided day support, reinvesting in personal budgets to ensure no overall reduction in service provided. Conversion should provide options for future development of innovative service provision.
CWB	ACHW	47	Older Peoples Services	End current contract arrangements for Carers Services and replace with Personal Budget provision	Policy Choice	(40)	(50)	End current contract and offer personal budgets releasing savings from back office and management. Will have no impact as efficiency saving.
CWB	ACHW	48	Mental Health	Closure of Broome House and provide services on a locality basis	Policy Choice	(90)	0	Development of Mental Health service on a locality model rather than building based traditional approach. Service users will be able to access services from multiple locations
CWB	ACHW	49	Older Peoples Services	End commissioned meals service and support through Personal Budgets and alternative provision	Policy Choice	(79)	0	Ending of the current model of meals provision. Consultation with users including what service they may require in the future and the most appropriate way of delivering this.

Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	50	Housing Services	New service plan for Older Peoples, Social Inclusion and Young Peoples services funded through Supporting People	Policy Choice	(790)	(249)	Significant reduction in service provision: savings will be prioritised to meet strategic priorities and key service areas, but overall level of housing support to vulnerable adults across the borough will be reduced.
CWB	ACHW	51	All adult social services	Inflationary increase for fees and	Policy Choice	(428)	(386)	Inflationary increase on residential and community based services. Impact on service users mitigated by national assessment framework
CWB	ACHW	52	Older Peoples Services	End projects funded through the specific Memory Grant which has now ended	Policy Choice	(40)	0	Specific projects funded and delivered in conjunction with NHS Trafford will end.
CWB	ACHW	53	Learning Disabilities	Reduction in the Learning Disabilities Development Fund	Policy Choice	(100)	0	Reduce the resource available to the Fund, potentially impacting on the development of new services
CWB	ACHW	54	Older Peoples Services	Remove vacant post in operational services	Policy Choice	(20)	0	Remove one currently vacant post within operational services



Dir'	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
CWB	ACHW	55	Older Peoples Services	Review eligible needs in Community Based care services	Policy Choice	(100)	0	Continue with new assessment framework, review reviewing cycle and exception policy. Level of direct service provision to individuals may change. Alternative options will be set up.
CWB	ACHW	56	Older Peoples Services	Isobel Baillie Lodge – Day Services	Policy Choice	(60)	0	Efficiencies in day services. Will support personalisation and transformation agenda by increasing access to Personal Budgets.
				<b>Policy choice sub total</b>		<b>(6,088)</b>	<b>(1,275)</b>	
				<b>Net Total All Proposals</b>		<b>(10,614)</b>	<b>(5,225)</b>	

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**Portfolio Key**

**SCF:** Supporting Children & Families Portfolio

**Ed:** Education Portfolio

**ACHW:** Adult Care, Health & wellbeing

Savings highlighted in grey are subject to future decisions to be taken by the Executive on 4 March, should these proposals be approved by Council.

## **Environment, Transport and Operations**

Trafford's Environment, Transport and Operations Directorate delivers services relating to the maintenance and improvements of highways and parks, street cleaning, culture and sport, public protection, waste management, and transport, catering and cleaning. Budgeted gross expenditure for 2012/13, including traded services, is £49.8m, with a net budget of £32.3m.

Services will be organised around the needs of residents, focussed on working with communities and local service delivery to improve neighbourhoods and community cohesion, improve the quality of life of Trafford's people, and provide a safe environment.

### **Services Provided**

#### **Highways and Green Spaces**

Each year the Council maintains and repairs 500 miles of roads and footways in Trafford, cleans the Borough's streets and pavements, removing more than 3,000 tonnes of leaves that fall onto the surfaces in the year, and clearing over 20,000 gullies that let water drain away from the roads.

The Borough's 60,000 trees on the highway network are also regularly maintained and 30,000 streetlights looked after. The Council manages 40 public parks, 50 amenity green spaces, 21 recreation/sports grounds, five cemeteries/crematoria, 41 woodlands, 86 children's playgrounds and 35 allotment sites.

In winter, we will keep traffic and people moving by gritting 170 miles of designated routes, as well as the pavements in town centres.

#### **Waste and Recycling**

The Council will continue to remove household waste from its 95,000 households and will continue to improve Trafford's overall recycling rate of approximately 50%, which will directly reduce the amount of money that the Council will have to spend to dispose of the waste.

#### **Public Protection**

We will continue to support and regulate over 5,000 premises for food, health and safety, trading standards, pollution and licensing and maintain other health and safety initiatives. We will continue to offer the free Consumer Alert Network to all businesses and residents in Trafford.

#### **Culture and Sport**

We will continue to promote sport, leisure, arts and culture across the Borough. Waterside Arts Centre will grow as a cultural attraction improving on the current year's visitor numbers of 93,000 with shows, events and activities suitable for a range of ages and interests.

## **Transport, Catering and Cleaning (Traded Services)**

The Catering Service serves on average 11,500 meals per day, over two million meals per year, making us the largest and first choice supplier in the Borough. Both Catering and Cleaning need to combine high standards with efficiency in order to compete with the private sector.

We provide over 97 designated school crossing patrols and schedule approximately 10,000 school transport journeys per month for 565 children with special educational needs.

### **Performance**

- Residents and businesses benefit from being able to park anywhere in the Borough for only 10p for the first hour. This is the lowest rate in Greater Manchester.
- Trafford is one of the best performing and low cost waste collection services in Greater Manchester.
- The Borough has the lowest killed and seriously injured road casualties in Greater Manchester.
- Residents live no more than 600 metres away from a park or open space.
- More of our school crossing points are staffed than is recommended by RoSPA (the charity that advises on road safety).

### **Proposals 2013/15**

- To transform the way that we do many things to achieve savings using new ways of working (maintenance of roadside verges) and reviewing staff deployed on the frontline, in back office and managerial roles.
- There are ways that we can generate additional income. Better marketing for the Waterside Arts Centre will increase ticket sales. We also aim to increase the revenue from chargeable services that we provide, such as businesses operating on our land and replacement grey wheelie bins. Fees and charges will be reviewed and, where appropriate, increased in line with inflation or in comparison with neighbouring Councils.
- There are services that will be cheaper if we fund other organisations to deliver them. We propose alternative funding models for winter gritting and park gates opening and closing, and to reduce the cost of the waste and recycling contract.
- We currently give money to partner organisations, such as the Mersey and Bollin Valley Partnerships. We will review these funding arrangements to get better value for this money.
- We will need to reduce the levels of frontline, back-office and managerial staff in a range of service areas within the Directorate, such as Groundforce, highways and consumer advice. Some of these services are proposed to be reduced, and others modified so that they are able to provide services by locality. This will help to minimise potential issues that may arise due to lower staffing levels.
- We have undertaken a consultation exercise with a representative sample of residents to assist in determining the future recycling and waste services provided to households.

Amendments to the service resulting from the consultation are anticipated to produce savings in waste sent to landfill and improvement in Trafford's recycling rate.

- We will work with partners in sport, leisure, greenspace, highways, enforcement and parking to develop new models for the maintenance of facilities and delivery of activity.

### Budget Movement Summary 2013/15

The following summary table categorises the movement in the Directorate's budget over the next 2 years. The Savings are also cross referenced to the Savings Schedules below.

<b>Environment, Transport &amp; Operations</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s).</b>
Unadjusted Budget Brought Forward	32,275		
Adjusted Budget Brought Forward	32,275	31,618	
Additional Resources to meet Pressures:			
- Pay Related Inflation	236	233	
- Contract Related Inflation	863	703	
- Waste Disposal Authority Levy	798	1,078	
- Effects of Economic Climate on Income (Car Parking, etc.)	386	23	
- Open Space Funding Shortfall	106		
- Flood Defence (Grant Funded)	25		
<b>Total New Resources Allocated</b>	<b>2,414</b>	<b>2,037</b>	
Resource Reallocations Through:			
- Efficiencies	(477)	(491)	ETO 1-15
- New or Increased Income	(332)	(273)	ETO 21-31
- Full Year Effect of Previous Years Decisions	(128)		ETO 16-20
- Policy Choices	(2,134)	(2,622)	ETO 32-51
<b>Total Resources Reallocated</b>	<b>(3,071)</b>	<b>(3,386)</b>	
Net Year-On-Year Change	(657) (2.0)%	(1,349) (4.3)%	
<b>Net Budget Proposal</b>	<b>31,618</b>	<b>30,269</b>	
Comparative Year-On-Year Change Adjusting for 2013/14 Funding Changes	(657) (2.0)%	(1,349) (4.3)%	

## 2013/15 – Saving Schedule – Environment, Transport & Operations

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 1	Highway Operations	Review of existing contracts and the reduction in plant, materials and equipment as a consequence of the proposed service changes.	Efficiency	(80)		There will be a reduction in the amount of plant, materials and equipment necessary to deliver the proposed service changes.
ETO	HES	ETO 2	Highway Operations	Reduction in fuel costs as a consequence of a reduction in vehicles.	Efficiency	(37)		Fuel costs will be reduced due to a reduction in the number of vehicles.
ETO	HES	ETO 3	Highway Operations	Winter Maintenance - alternative service delivery model, built upon the existing successful team.	Efficiency		(100)	A mutual co-operative service delivery model for Winter Maintenance will be developed.
ETO	HES	ETO 4	Operations	Business process efficiencies due to operational service reviews	Efficiency	(15)	(29)	Streamlining of business process in line with operational service reviews
ETO	HES	ETO 5	Highway Operations	Trafford Communities already play a part in the maintenance of verges. We intend to extend and formalise the process with residents and businesses of Trafford.	Efficiency		(150)	The introduction of a new business delivery model for maintenance of verges, working in cooperation with the residents and businesses of Trafford.
ETO	HES	ETO 6	Highway Operations	Recovery of design and implementation costs from	Efficiency	(131)	(13)	Recovery of costs from capital projects to more accurately reflect

Dir.	Port- folio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
				capital projects				how they are delivered.
ETO	HES	ETO 7	Environmental Enforcement	Implement new ways of delivering environmental enforcement	Efficiency	(62)		Reduce reliance on environmental penalty notice enforcement by introducing a more intelligence led approach, including better use of existing Council Groundforce resources
ETO	HES	ETO 8	Groundforce	Parks Partnership will see the Council enter into a partnership with an external partner organisation to support the management and running of our parks assets with additional benefits to the wider community.	Efficiency	(68)	(59)	The parks partnership is a brand new initiative created in Trafford to drive down cost and provide long term employment and training for young people. This will involve a national partner who will provide expertise within trial park space areas. The young people will be recruited from Trafford.
ETO	HES	ETO 9	Waste Management	Reduce cost of disposing commercial waste	Efficiency	(40)	(40)	Review of waste disposal arrangements for commercial waste.
ETO	HES	ETO 10	Waste Management	New waste collection contract	Efficiency		(50)	New waste collection contract being let from October 2014.
ETO	HES	ETO 11	Waste management	Waste Disposal Authority - sell off spare capacity	Efficiency		(50)	Collaboration with WDA to sell off their spare capacity in order to reduce disposal costs through the levy.
ETO	HES	ETO 12	Public Protection	Reduced costs for Animal Welfare inspections (pet	Efficiency	(5)		We currently pay Oldham Council to do this work, and this has reduced

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
				shops, animal boarding, horse riding etc.)				our costs. Other GM Councils are now buying this service from Oldham and charges will be reduced further.
ETO	HES	ETO 13	Public Protection	Reduced costs of Dog Warden service.	Efficiency	(5)		The quality and coverage of the current service will not change; the proposed saving will be made by improved management of the contract.
ETO	HES	ETO 14	Public Protection	Replace two computer software systems with a single combined system.	Efficiency	(12)		The proposed change will not affect service quality and there will be no negative impact on customers.
ETO	HES	ETO 15	Public Protection	Stop subscriptions to a number of professional information services.	Efficiency	(22)		Improved free access to online information and increased sharing of information with partners means this proposal will have a minimal effect on service delivery.
ETO	HES	ETO 16	Street Lighting Operations	Full year effect of service review savings from previous years	Full year effect from 12/13	(15)		This relates to savings from previous years that have already been delivered.
ETO	HES	ETO 17	Groundforce	Full year effect of service review savings from previous years.	Full year effect from 12/13	(35)		This relates to savings from previous years that have already been delivered.
ETO	HES	ETO 18	Groundforce	Full year effect of service review savings from previous years	Full year effect from 12/13	(20)		This relates to savings from previous years that have already been delivered.

Dir.	Port- folio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 19	Greenspace & Sustainability	Action for sustainable living grant saving has already been delivered	Full year effect from 12/13	(36)		This relates to savings from previous years that have already been delivered.
ETO	HES	ETO 20	Operational Services for Education	Review of operational services for Education	Full year effect from 12/13	(22)		Full year effect of savings approved for 2012/13.
<b>Efficiency &amp; Full Year Effects sub total</b>						<b>(605)</b>	<b>(491)</b>	
Page 118	HES	ETO 21	Highway Operations	Re-design of the vehicle dropped crossing provision. The initiative will be the subject of a full procurement process which will determine the current "market" value for money rate.	Income	(20)		Improved cost recovery model.
ETO	HES	ETO 22	Highway Operations	Implementation of the AGMA wide coring program to improve the condition of utility road reinstatements.	Income		(12)	Improved utility road reinstatements.
ETO	HES	ETO 23	Highway Operations	Implementation of the Greater Manchester Road Access Permits scheme to reduce the amount of utility road opening times.	Income	(32)	(22)	Reduced length of utility road opening times.
ETO	HES	ETO 24	Operations	Business development - income generation.	Income	(5)	(5)	Identification of new work income streams. No significant



Dir.	Port- folio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
								resident/business impact anticipated
ETO	HES	ETO 25	Groundforce	Review of Trafford Community Leisure Trust building maintenance contracts and contributions from leisure user community groups' towards utility and building maintenance costs.	Income		(84)	External partners and community users to share in the management and payment of utility and maintenance costs.
ETO	HES	ETO 26	Groundforce	Banded trading licences will operate in parks and greenspaces. These will exist where income generating activities occur by individuals and companies for commercial gain.	Income		(15)	Introduction of trading licences for private businesses operating in the Council's parks (these may include Ice Cream vans, fairgrounds and fitness businesses). Introduction of suitability criteria for events in parks. This is not an initiative that seeks to penalise or restrict community initiatives.
ETO	HES	ETO 27	Groundforce	Increase allotment fees	Income		(35)	Increase in weekly charge from £1 to £1.50. It will provide the opportunity for allotment holders to improve spaces not currently managed by some customers.
ETO	HES	ETO 28	Waste Management	Charge for replacement grey (non-recycling) wheeled bins	Income	(30)		Resistance from residents. Potential increased fly tipping to avoid charges.

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 29	ETO all services	Fees & Charges - inflationary increases	Income	(120)	(50)	Inflationary and benchmarked increases in discretionary fees and charges.
ETO	HES	ETO 30	Operational Services for Education	Contributions/Sponsorship / Commissions	Income	(100)		Income from outdoor media sites already contracted.
ETO	SSC	ETO 31	Culture and Sport	Waterside Arts Centre – increased ticket sales will improve cost recovery	Income	(25)	(50)	Higher ticket sales following improvements in marketing/catering will enable better recovery of Arts Centre costs.
<b>Income sub total</b>						<b>(332)</b>	<b>(273)</b>	
ETO	HES	ETO 32	Highways, Bridges & Structures	Development of shared services with other local authorities.	Policy Choice	(25)		On-going delivery of the Council's ambition to work more collaboratively with other local authorities.
ETO	HES	ETO 33	Highway Operations	Re-structuring of the Highway Maintenance team resulting in the reduction of 2 posts.	Policy Choice	(50)		Reduced resilience to deal with extreme weather conditions and other exceptional events.
ETO	HES	ETO 34	Street Lighting Operations	Cease painting street lighting columns.	Policy Choice	(28)		Possible negative aesthetic impact on the street scene.
ETO	HES	ETO 35	Street Lighting Operations	Reduce street lighting maintenance teams	Policy Choice	(60)		Reducing the response time for outages of street lighting lanterns at peak periods.

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 36	Transport'n & Road Safety	Re-structure of the Road Safety Section resulting in the reduction of 1 Road Safety Officer's post.	Policy Choice	(28)		Reduction in the amount of road safety campaigns undertaken.
ETO	HES	ETO 37	Highways Operations Drainage	Re-prioritisation of deep drainage repair work to be undertaken within a defined budget in line with asset management principles.	Policy Choice	(139)		There will be delays in non-essential drainage repair works.
ETO	HES	ETO 38	Groundforce	Service redesign to achieve a minimum of 7.5% organisational savings - resulting in the reduction of 10 posts within the Groundforce teams.	Policy Choice	(385)	(16)	Reduced flexibility and response times.
ETO	HES	ETO 39	Groundforce	Parks maintenance - this is an initiative set to challenge our existing manicured approach to all public park space using park based staff. We want to explore the potential ecological, operational and financial benefits of an alternative approach.	Policy Choice		(800)	The Council's intends to explore the potential ecological, operational and financial benefits of an alternative approach to the maintenance of its parks. The existing manicured approach to all public park space using park based staff will be challenged.

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 40	Greenspace & Sustainability	Cease contribution to the Mersey Valley Partnership, which is no longer sustainable.	Policy Choice		(117)	Existing partnership to be dissolved and a new maintenance regime to be put in place.
ETO	HES	ETO 41	Greenspace & Sustainability	Cease contribution to the Bollin Valley Partnership, which is no longer sustainable.	Policy Choice		(50)	Existing partnership dissolved and a new maintenance regime put in place.
ETO	HES	ETO 42	Greenspace & Sustainability	Alternative delivery model, including AGMA collaboration	Policy Choice	(36)		Potential impact on the ability to support the delivery of AGMA and national sustainability targets.
ETO	HES & SSC	ETO 43	Environmental/ Parking enforcement	Implement new ways of delivering environmental and parking enforcement	Policy Choice	(170)		Reduce reliance on environmental penalty notice enforcement by introducing a more intelligence led approach, including better use of existing Council Groundforce resources.
ETO	HES	ETO 44	Waste Management	Weekly food waste collection service	Policy Choice	(1,050)	(250)	Revised waste collection service will reduce disposal costs charged from the GM Waste Disposal Authority in the levy. This will depend on higher levels of food waste recycling and consequent reduction in non-recycled waste.

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Dir.	Port- folio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	HES	ETO 45	Public Protection	Reducing the cost of the regulation of licensing and sports grounds.	Policy Choice	(52)		Following a review of enforcement duties in this area, the proposal is to reduce the amount of staff time currently spent on licensing and safety at sports grounds. This work will be shared amongst a wider group of staff within Public Protection to ensure that safety standards are maintained.
ETO	HES	ETO 46	Public Protection	Stop providing in-house Consumer Advice service and associated work.	Policy Choice	(66)		The proposal is that all consumer advice queries will be referred to the Citizens Advice consumer service. Other associated work will also stop and staffing levels will be reduced.
ETO	HES	ETO 47	Public Protection	Fewer samples taken for air quality, food, water etc.	Policy Choice	(10)		The proposal is to reduce the overall number of samples taken by targeting these activities where they are most needed.
ETO	HES	ETO 48	Public Protection	Stop inspections of lower risk businesses.	Policy Choice		(15)	The proposal is to stop routinely visiting low and medium risk premises. Advice and information will be available by post or on-line.
ETO	SSC	ETO 49	Culture and Sport	Athletic Stadia Management arrangements	Policy Choice		(74)	New arrangements in place for the management and maintenance of Trafford's three Athletic stadia

Dir.	Portfolio	Ref	Service Area	Description of Saving	Category of Saving	Value of saving (net) 2013/14 £000's	Value of saving (net) 2014/15 £000's	Impact of Saving (e.g. service, equality, other)
ETO	SSC	ETO 50	Culture and Sport	Sports & Leisure facilities building maintenance	Policy Choice	(35)		Collaboration with Leisure Trust. Remaining budget will be for compliance testing only.
ETO	SSC	ETO 51	Culture and Sport	Review of funding arrangements for Sport and Leisure	Policy Choice		(1,300)	Negotiation and collaborative opportunities to be explored with partners to achieve the saving.
<b>Policy Choice sub total</b>						<b>(2,134)</b>	<b>(2,622)</b>	
<b>Net Total All Proposals</b>						<b>(3,071)</b>	<b>(3,386)</b>	

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**Portfolio Key**

**HES:** Highways & Environmental Service Portfolio

**SSC:** Safer, Stronger Communities Portfolio

Savings highlighted in grey are subject to future decisions to be taken by the Executive on 4 March, should these proposals be approved by Council, except for “weekly food waste collection services”, which will be considered by the Executive on 18 February ahead of Budget Council.

## **Economic Growth & Prosperity 2013/15**

Economic Growth and Prosperity consists of Economic Growth, Strategic Planning, Housing Services, Planning, Building Control and Asset Management. These functions are fundamental to securing increased levels of investment and jobs into Trafford. The Directorate is also responsible for the management of, and maximising the use of our community, investment and administrative properties. In addition, although social housing provision is undertaken by housing associations, the Council maintains statutory responsibilities to ensure that the housing needs of the residents of Trafford are met.

### **Services Provided**

#### **Economic Growth**

The Council supports economic growth by working at a Greater Manchester level to ensure that we maximise all growth and inward investment opportunities. We will also work with the Trafford Economic Alliance and its partners to identify new investment and improve skills and employment prospects. We will continue to actively work with businesses to support them to start and grow, including Trafford Park.

We will continue working on the regeneration of our town centres as a priority, with particular emphasis on Altrincham, Old Trafford, Partington, Sale, Stretford and Urmston. We will bring forward key development sites in partnership with the private sector and other partner organisations.

#### **Strategic Planning**

The service will produce and maintain the statutory planning framework, deliver the council's growth aspirations, ensure the quality of Trafford's environment and provide certainty for investors to develop in the Borough.

This includes bringing forward the plans to develop Carrington and bringing Metrolink into the heart of Trafford Park.

#### **Housing**

We will continue to ensure that the housing needs of the residents of Trafford are met and work with partners to deliver housing growth, including the provision of new affordable housing. We will also provide support to first time buyers, helping them get on the property ladder, providing both a boost to the local housing market and an investment return for the Council.

#### **Planning/Building Control**

We will continue to carry out these statutory functions, with the central objective of facilitating housing and economic growth.

#### **Asset Management**

The Council will explore ways to maximise the use of all our properties, including those we use to deliver Council and partner services, and those such as farm land, shops, offices and industrial estates which generate over £2m income. We will also maximise funds from the sale of land and property to support the Council's priorities.

## **Performance**

- Trafford Park remains one of the largest and most successful business parks in western Europe
- There are more than 8,000 businesses in Trafford.
- Altrincham Forward has been set up to spearhead the revitalisation of the town.
- Over 300 affordable homes will be built in Trafford between 2012 and 2015.
- Trafford has the highest proportion of its residents skilled to NVQ4 level and above in Greater Manchester.
- Trafford's unemployment rate has remained stable at 3.1%, despite wider economic challenges, and is lower than the Greater Manchester average of 4.7%.
- The % of people unemployed for longer than six months is 1.3% compared to the Greater Manchester average of 2.1%.
- Twelve sites have been disposed by the Council with a value of £6m in the last financial year, with a further £3m of receipts anticipated from disposals in 2012/13 and further sites with an estimated value of £6m have been identified for disposal from 2013/14. This helps support the Council's capital investment programme in areas such as highways, transport and town centres.

## **Proposals**

- To secure efficiencies through better housekeeping (housing options and waste and mineral plans contract management).
- Review management and staffing resources to better deliver on the intended service outcomes and improve value for money.
- Continued management of procurement and spending to negate the effect of inflation.
- Continue to transform our approach by working with partners on the management of buildings. This includes sharing buildings, reviewing leases, reduction of assets and efficiencies in maintenance and management.
- Reduction of discretionary services in line with grant reductions - homeless prevention.
- Participation in new Green Deal for energy efficiency to secure income generation.



## Budget Movement Summary 2013/15

The following summary table categorises the movement in the Directorate's budget over the next 2 years. The Savings are also cross referenced to the Savings Schedules below.

<b>Economic Growth &amp; Prosperity</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s).</b>
Unadjusted Budget Brought Forward	3,303		
Adjusted Budget Brought Forward	3,303	3,227	
Additional Resources to meet Pressures:			
- Pay Related Inflation	114	114	
- Contract Related Inflation	184	194	
- Reduction in Specific Grants – Homelessness Prevention	82		
- Effect of Economic Climate – Investment Property Rental Income	168		
- Community Infrastructure Levy Support Costs	72		
<b>Total New Resources Allocated</b>	<b>620</b>	<b>308</b>	
Resource Reallocations Through:			
- Efficiencies	(304)	(122)	EGP 1, 4-5
- New or Increased Income	(122)	(10)	EGP 6-7
- Full Year Effect of Previous Years Decisions	(47)	(22)	EGP 2-3
- Policy Choices	(223)		EGP 8-11
<b>Total Resources Reallocated</b>	<b>(696)</b>	<b>(154)</b>	
Net Year-On-Year Change	(76)	154	
	(2.3)%	4.8%	
<b>Net Budget Proposal</b>	<b>3,227</b>	<b>3,381</b>	
Comparative Year-On-Year Change	(76)	154	
Adjusting for 2013/14 Funding Changes	(2.3)%	4.8%	

## Budget 2013/15 – Saving Schedule – Economic Growth & Prosperity

Dir.	Port-Folio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
EGP	EGP	EGP1	Asset Management	Adoption of a Corporate Landlord approach across the Organisation	Efficiency	(130)		Efficiencies to be achieved from procurement, building transfers, efficient use of office space, and income generation/self sufficiency
EGP	EGP	EGP2	Housing Services	Housing Options savings	Full year effect from 12/13	(29)		Second year of savings, which are a result of tendering the housing options contract, as agreed in the contract.
EGP	EGP	EGP3	Strategic Planning	Savings from Waste & Minerals Plan over three years	Full year effect from 12/13	(18)	(22)	GM authorities have retained capacity to ensure that statutory requirements relating to monitoring and enforcement are still met.
EGP	EGP	EGP4	EGP Directorate	Rationalising of budgets across all EGP services	Efficiency	(29)		The EGP management review has enabled budgets to be rationalised across the Directorate and deliver efficiencies.
EGP	EGP	EGP5	EGP Directorate	Procurement & austerity measures	Efficiency	(145)	(122)	Removal of general inflation (excluding levies) over the next two financial years.
<b>Efficiency sub-total</b>						<b>(351)</b>	<b>(144)</b>	

Dir.	Port-Folio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
EGP	EGP	EGP6	Strategic Planning	Community Infrastructure Levy - management/ admin fee	New Income	(72)		Management fee already approved by Executive with respect to implementation of national Community Infrastructure Levy on economic development. This is cost recovery only.
EGP	EGP	EGP7	Housing Services	Green Deal	New Income	(50)	(10)	The Green Deal is a new national initiative to improve the energy efficiency of residential properties, which provides an opportunity for the Council to generate additional income and improve homes.
<b>New income sub-total</b>						<b>(122)</b>	<b>(10)</b>	
EGP	EGP	EGP8	Asset Management	Admin Buildings - decant Bowfell House	Policy Choice	(49)		Current occupants will require relocating to other existing buildings.
EGP	EGP	EGP9	Asset Management	Admin Buildings - Reduced admin and supervision	Policy Choice	(60)		This is a consequence of the closure / transfer of buildings.

Dir.	Port-Folio	Ref	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
EGP	EGP	EGP10	Asset Management	Community Buildings – residual repair costs transferred to community associations	Policy Choice	(13)		Longer leases and access to capital should ensure centres can access funding to manage their own repair costs.
EGP	EGP	EGP11	Housing Services	Homelessness - Reduce activity in line with grant reductions	Policy Choice	(101)		End funding of prevention of homeless services above the statutory minimum the Council have to provide. Reduced levels of service for preventing homelessness, including the rent and bond scheme and the preventing mortgage repossession fund.
<b>Policy Choice sub-total</b>						<b>(223)</b>	<b>0</b>	
<b>Net Total All Proposals</b>						<b>(696)</b>	<b>(154)</b>	

Savings highlighted in grey are subject to future decisions to be taken by the Executive on 4 March, should these proposals be approved by Council.

## Transformation & Resources (T&R)

### Service Description

Transformation and Resources has a diverse range of services and extensive customer base. It is responsible for all the 'back office' functions which deliver services to other directorates; a number of these services also sell their services to others e.g. schools. The directorate provides a large number of customer facing services too, such as Access Trafford (our customer service centre) housing benefits and library services. The remaining part of the directorate works closely with our partners and the community to create opportunities for local collaboration and influence in service planning and delivery.

A total budget of £19.770m is invested in the delivery of the Transformation & Resources directorate. The information below describes how the Transformation & Resources directorate has been changing to become even better value for money.

**Front Line Services:** 43% of the 622 full time equivalent staff posts within the directorate are employed in delivering services directly to the widest possible range of public and business customers.

- Access Trafford: there are 12 staffed libraries and two self-service libraries with 882,000 lends per year and over 1 million visitors. 2012 saw the introduction of e-books and Trafford are the first local authority to loan out e-book readers. The Council's customer contact service deal with over 300,000 telephone enquiries per year.
- The Strong Communities Service works to support the Council and Trafford Partnership priorities, improve neighbourhoods and community engagement through local problem solving and accessing alternative funding opportunities.
- Electoral Services are responsible for maintaining the 168,000 voter registration and organising local, general and European elections and referendums;
- The Registrar's Service is based at Sale Town Hall and responsible for the registration of over 10,000 births, deaths and marriages every year; conducting marriages and civil ceremonies; nationality checking and citizenship ceremonies .
- The Community Safety team are co-located at Stretford Police Station, working closely with the Police and Probation services to reduce crime and anti-social behaviour incidents.
- Our CCTV Control Room, again co-located at Stretford Police Station, provides 24 hour service monitoring over 100 public realm cameras and offers a competitive service for both camera and alarm monitoring.

**Support Services;** 53% of the directorate assist the whole Council in delivering their services by operating key business services which have been centralised to reduce costs, reduce risks, and provide consistently high professional standards:

- The Financial Management Service directly manages a number of corporate budgets, maintains the integrity of financial systems and data, and provides financial reports, analysis and advice;
- Procurement and Payment Services manage all of the major contracts and payments for goods and services (£330m, with over 60,000 invoices from contractors and suppliers a year);

- Accounts Receivable are responsible for raising and pursuing £15m of annual income on behalf of all Council services from 6,000 debtor accounts;
- The ICT Service maintains and supports 3,000+ devices across the Council and the corporate infrastructure and business systems through teams of technical specialists, communications and network engineers, help-desk and field staff.
- Legal Services provide in-house support across the whole range of the Council functions; advice and support around policy development, the Council's corporate functions, governance and decision making.
- Our Human Resources service provides a comprehensive and integrated employment, training, occupational health and payroll service to Schools and Council Directorates. HR Shared Service ensures that over 7000 staff and teachers are paid accurately and on-time. The HR service is a key enabler in supporting the Council to deliver significant organisational change and maintain an engaged and productive workforce.
- The Transformation Team brings capacity and provides robust programme governance to enable high profile projects to be delivered on behalf of the council and partners. There are 50 projects in the 2012/13 Transformation Programme which will yield £7.2m of savings; to date 89% of the savings have been achieved. This year, the team:
  - programme managed the Olympics which included coordination of 26 different organisations across 3 boroughs and 531 volunteer ambassadors.
  - Project managed the delivery of SWiTch to deliver more efficient HR processes and new ICT system across Trafford, Wigan and Stockport, resulting in £2m savings
  - project managing the re-development of the Town Hall, where over 1000 staff from the Council and Partner agencies will be based.
  - will be significantly reducing in size, by 10.8 FTE in 2013 and further reductions are proposed for 2014. This is due to the successful completion of the SWiTch and Town Hall redevelopment. The remaining team will continue to support the delivery of the Councils Vision and savings programme for 2013/15.

	2012/13 (£000's)	2013/14 (£000's)	2014/15 (£000's)
Employee costs	1,164	742	392
Running costs	13	11	7
Gross Expenditure	1,177	753	399
Staff numbers (fte)	26.8	16.0	8.0
Reduction in staffing from 2012/13		40%	70%

- The council's Emergency Planning service works closely with its multi-agency partners, (Emergency Services, government and voluntary agencies), together with the AGMA group, in order to assess current risks, for example terrorism or flooding and put in place emergency plans. Together we organise training events, we co-operate and share information in order to enhance co-ordination & response should an emergency occur.

- The Performance Team provides all performance needs across the Council, seeking to ensure that through the use of technology data collection and the translation into intelligence to support service re-design and innovation to reduce demand is as efficient as possible. Key deliverables include :
  - Corporate Strategy
  - Annual Delivery Plan
  - Monthly Performance dashboards
  - Statutory government returns
  - User surveys
  - Info Trafford data observatory
  - Joint Strategic Needs Assessment
  - Case management systems for Adults and Children’s Services
- The Communications & Marketing Team supports all Council services in the areas of communications, marketing, design, web and social media activities at both corporate and local levels. Key activities include; setting the strategic direction, managing media relations, press enquires and releases and producing publications and other targeted communications. The team also co-ordinate and deliver events programmes and local initiatives to support town centres and communities and deliver the consultation strategy and action plan and research activities including analysis to inform council and partnership policy decisions.

**Council services;** around 4% of the directorate is devoted to the direct support of Councillors and the Council leadership:

- Democratic & Scrutiny services organise and support the decisions of the various Council, Executive, Regulatory and Scrutiny Committee meetings. They also provide support to the Mayor and Councillors and support the organisation of elections.
- The Partnerships Team supports the whole of the Trafford Partnership which is a single body which brings together more than 100 organisations, including local and regional partners from across the public, private, voluntary and community sectors.
- Strong Communities service supports elected members with ward case work.

### **Service Performance**

From recent comparisons with similar authorities, many of these services are high performing and/or low to mid-cost. 10% of all services are rated as highly efficient comparatively, with 71% being rated as mid-range. We have striven to improve or maintain performance in the current year. Some notable service performances and improvements are:

- The Council has the highest collection rate for Council Tax in Greater Manchester at 97.8% with over 70% of people paying by direct debit ;
- The collection rate for business rates is the highest in AGMA at 97.4% and, over 1,700 small businesses have now been awarded additional small business rate relief;
- The time to process new benefit claims is 14 working days. This is the best rate of all AGMA authorities. The accuracy of claims has been maintained at 98%;

- 88% of telephone calls are answered within 30 seconds in the contact centre compared to 81% last year;
- Delivery ahead of schedule of the Transformation Programme savings for 2011/12, which were in excess of £10m.
- The first cohort of apprentices joined Trafford in October 2011. 38 apprentices are currently on the apprenticeship programme. A further 5 have secured permanent employment with Trafford since the commencement of their apprenticeship. The Council is currently liaising with services in respect to nominations for new apprenticeship roles, which will be promoted during National Apprenticeship Week (w/c 11th March 2013).
- The development of a Trafford Council Apprenticeship Scheme has given young people in the borough an opportunity to develop a career combined with a qualification that will help them gain valuable work experience and contribute to the Trafford community.
- Trafford remains the safest place in Greater Manchester, with the highest level of Public Confidence and Satisfaction;
- Between 2006/7 and 2011/12, Total Crime in Trafford fell by 47% - Over 11,000 fewer offences per year, Serious Violent Crime reduced by 74% and Serious Acquisitive Crime (Burglary, Robbery and Vehicle Crime) reduced by 68%; This downward trajectory is continuing with an all time high in year reduction of 15%, Between 1/4/12 and 3/1/13 there were 8431 crimes committed in Trafford, compared to 9965 over the same period in 2011/12. This is a reduction of 1534 crimes or 15.4%.
- Between 1/4/12 and 3/1/13 there were 4574 Anti-Social Behaviour Incidents in Trafford, compared to 6554 over the same period in 2011/12. This is a reduction of 13980 incidents or 30.2%.
- Since the introduction of the Police airwaves radio in to the CCTV Control Room, located at Stretford Police Station, the team have assisted in over 120 arrests. In recognition of their outstanding contribution to front line policing delivery on the Trafford Division the team were recently been awarded the Divisional Commander's Award.
- In response to the feedback from residents to devolve decision making, the Partnerships team delivered four participatory budgeting events where voluntary groups presented their innovative ideas to meet local needs. Residents were then invited to vote and allocated a total of £200k to 56 local projects. The satisfaction rate of these events was 89%.
- Award winning mobile application for accessing Council services from smartphones, that is now available on Apple and Android, with Blackberry and Windows versions planned later in 2012/13
- Trafford Council continues to utilise technology to its potential, we have upgraded the Council to Windows 7, standardising our software packages and virtualisation of the software resulting in more cost effective performance, maintenance and upgrades. The implementation of Microsoft Lync will allow video conferencing, instant messaging and staff to view work across desktops, saving time and money for the organisation. We are understanding how mobile devices can benefit the organisation and how this can reduce hard copy printing, increase access to the corporate network from across different borough locations while maintaining security of the information;



- 2012 saw the launch of 'InfoTrafford' an open data observatory allowing members of the public and residents to access open data sets.
- The cost of the Legal Service per 1,000 population is one of the lowest against comparable unitary authorities at 30% below the average cost;
- The Audit Commission in 2012 has commended the Council on its financial management performance and ability to deliver value for money. "The Council's disciplined approach to financial planning and willingness to challenge itself should help to secure a sustainable [future] financial position."

### **Transformation & Resources savings proposals**

The directorate has again needed to manage a number of issues and challenges, and still deliver high performing front line services that meet the needs of residents and businesses in the borough. Equally, high quality support services are needed to assist the whole Council in achieving significant change to improve service quality and reduce costs.

### **What is continuing and improving?**

- Our Transformation Programme will continue to help deliver savings and/or improved outcomes for service users. This multi-year programme will assist in the fiscal challenges the Council faces over the next 2-3 years;
- We will continue to engage with the improvement & efficiency and public service reform initiative across AGMA to identify and support implementation of more efficient and effective ways of working across a wide range of public sector partners;

### **What is changing?**

#### **Reductions in the back office**

- Finance Services, Performance & Partnerships and Human Resources (HR) will build on the reviews that have previously taken place to streamline processes and review staffing levels. There will be further consolidation of transactional activity across the council and a rationalisation of training spend.
- ICT will be reducing running costs, making licence savings, reducing telephony maintenance, changing from thick to thin client on our PC refresh programme and rationalising processes and systems; this will be alongside minor changes in staffing to reflect new technology and demands.
- A review of team managers in Libraries and staff in the Contact Centre has resulted in a reduction of FTEs, no frontline staff are affected.

#### **Collaboration**

- HR will further develop their collaborative work with Stockport and Wigan to retain the existing customer base and increase the number of organisations buying the service.
- We will be progressing our collaboration with other authorities to create a Strategic Procurement Unit ,
- Re-design the services which support the Safe and Strong Communities agenda in line with Locality governance arrangements

### **Responding to changes in external funding**

- There will be a reduction in Safer Community Projects expenditure equivalent to loss of grant funding.
- The original proposal was to remove the base budget funding provided by Trafford Council for Let's Go Global, however during the consultation period additional funding for a six month period will be provided by T&R and the Cabinet Office to facilitate the transfer to a Mutual organisation.

### **Improving technology**

- HR will promote 'self-service' for employees and managers in HR transactions through the new 'Mi-Trent' system.
- We will be implementing a Customer Relationship Management (CRM) System to support the new Customer Services Strategy and more efficient processes. This will help improve the way our customers can contact the authority, providing them with different channels from web enabled access 24 hours a day, video links to telephone, while maintaining the face to face aspect.
- We will have a new corporate document management system to improve storage, access and more efficient use of information, a new Adult Social Care System to improve practices and performance, a new content management system to enhance the management of online content and rollout of a new corporate desktop based on Windows 7, Office 2010 and Lync to improve standardisation, features and functionality for users.
- New higher speed network links will be established between core sites (including libraries) to improve network connection and performance. Our customers will benefit from better connections to the internet with a faster speed on returning the information they require. The new connections will also improve our Guest network which enables our customers to bring their own devices and access Wi-Fi, and also improve internet access for all Council employees. Wi-Fi is currently available in 3 libraries and is now being evaluation for expansion to all libraries.
- Additional functionality for the mobile application has been developed for Apple and android as a result of feedback from residents. The main website will be optimised for mobile devices.
- A new data centre will improve the resilience and availability of Council systems this will ensure that Trafford Council can continually improve its services through the use of technology while also maintaining the increasing needs of internal services as we become a more efficient but streamlined organisation. The new data centre will enable a more cost effective business continuity approach for the organisation ensuring that our networks that enable our customers to communicate with use remain robust.
- Savings will be made by producing electronic versions of Your Trafford and the staff newsletter.

### **Income Generation**

- Services such as Financial Management, HR, ICT and Legal will be trading some aspects of their services, predominantly to schools, to generate income to offset the impact of their savings proposals.

There is also a wide variety of small savings in running costs across the Directorate achieved through reduced usage and tighter procurement control.

### How is the business reshaping and supporting locality working?

The directorate will continue to support neighbourhoods and in particular the implementation of our locality working proposals; specifically this will include the organisation of the Locality Boards and supporting Councillors to undertake their role as Community Leaders, working with partners to encourage residents active participation in the new arrangements, volunteering and the development of the Citizen's Charter; and improved support to the voluntary and community sector to enable them to prepare for and respond to the changes in funding and new ways of working.

The Performance Team will continue to develop 'InfoTrafford' which stores, maps and analyses data from a variety of sources which greatly helps to inform service planning and redesign decisions; this system will be used to help us create our locality needs assessments.

### **Budget movement summary 2012/13 to 2014/15**

The following tables categorises the movement in the Directorate's budget over the next two years, where applicable cross-referenced to the Service Summary (paragraph or section), and/or the Savings Schedule (directly following overleaf).

<b>Transformation &amp; Resources</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
Unadjusted Budget Brought Forward	19,768		
Adjusted Budget Brought Forward	19,768	17,597	
Additional Resources to meet Pressures:			
- Pay Related Inflation	382	371	
- Contract Related Inflation	218	231	
- Specific Grant Reductions	127	145	
- New or Increased Specific Grants	(120)		
- New Statutory Responsibilities	175	(8)	
- Other	134		
<b>Total new resources allocated</b>	<b>916</b>	<b>739</b>	
Resource Reallocations through:			
- Efficiencies	(926)	(694)	T&R 1-2, 4-8
- New or Increased Income	(61)		T&R 9-11
- Full Year Effect of Previous Decisions	(37)		T&R 3
- Policy Choices	(1,865)	(890)	
<b>Total Resources Reallocated</b>	<b>(2,889)</b>	<b>(1,584)</b>	T&R 12 - 20
Net Year-On-Year Change	(1,973) (10.0)%	(845) (4.8)%	
<b>Net Budget Proposal</b>	<b>17,795</b>	<b>16,752</b>	
Comparative Year-On-Year Change	(1,973) (10.0)%	(845) (4.8)%	
Adjusting for 2013/14 Funding Changes	(1,973) (10.0)%	(845) (4.8)%	

## 2013/14 & 2014/15 – Savings Schedule – Transformation & Resources

Dir'	Port- folio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R F	1	Directorate-wide	Negation of any overall inflationary pressure across T&R Directorate third party spend	Efficiency	(231)	(231)	Positive impact on the budgeted position and improved operational efficiency.
T&R	F	2	Revenues & Benefits	Reduction in Revenues & Benefits Running Costs	Efficiency	(96)		Benefit realisation of running cost savings identified during 2012/13 budget re-alignment in Revenues & Benefits. This is an accounting exercise and should not impact on Service
T&R	T&R	3	Access Trafford	Cessation of Mobile Library Service (FYE)	Efficiency – Full Year effect	(37)		The Full Year effect of cessation of the Mobile library service will have no impact on current service.
T&R	T&R	4	Transformation	Reduction in Transformation Team after completion of LTA and SWiTch projects	Efficiency	(57)		Reduced capacity across the team may impact on robustness of programme governance (monitoring) and increase pressure across the business to manage the projects which deliver the transformation programme benefits. Plans to income generate are in development in order to mitigate against these risks.

Dir'	Port- folio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	5	ICT	Various measures including income generation, reducing running costs, license savings, reduction in telephony maintenance, change from thick to thin client on PC refresh	Efficiency	(486)	(435)	No individual groups will be unfairly affected by these proposals as the services are business based; the overall contract reductions are not limiting services to any groups. Utilising staff expertise and knowledge to generate new business opportunities
T&R	T&R F	6	Communications/ Revenues & Benefits	Council Tax leaflets and staff newsletter to be made available on-line	Efficiency	(16)		Statutory elements of the Council Tax leaflet will still have to be included with Council Tax bills. Action will be taken to ensure those without internet connectivity are not disadvantaged.
T&R	T&R	7	Executive	Review of senior management salaries	Efficiency	(40)		Benefit realisation of changes already made. No impact on the service.
T&R	T&R	8	Access Trafford	Implement New Library Management System	Efficiency		(28)	This will not only deliver a saving but also improve customer service
<b>Efficiency sub total</b>						<b>(963)</b>	<b>(694)</b>	
T&R	F	9	Financial Management	CIL/S106 Management Fee. Linked to £72k saving in EGP	Income	(18)		No impact.

Dir'	Port- folio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	10	HR	Traded Income	Income	(25)		It will enhance the image of the council and build relationships.
T&R	T&R	11	Legal & Democratic	Registrars and Probation income	Income	(18)		Increased demand for services is being met within existing resources
			<b>Income sub total</b>			<b>(61)</b>		
T&R	T&R	12	HR	HR Staffing review	Policy Choice	(415)	(200)	Impact on capability to undertake basic disciplinary/sickness activity.

Dir'	Port- folio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	13	Directorate-wide	Staffing reviews across the directorate including Contact Centre, Revenues & Benefits, Internal Audit, Partnerships & Performance and Financial Management	Policy Choice	(601)	(424)	Contact Centre – channel shift from telephone enquiry to self-service. Revenues & Benefits – review of service reflecting wind-down of Housing Benefit paid locally and improvement in processes leading to reduction in workload. Limited impact on groups claiming benefit. Internal audit – Service plans, work allocations and training reviewed to enable staff reduction whilst maintaining effective service. Partnerships & Performance – phase 2 of the review seeking to identify efficiencies by reducing the number of data systems in operation and a move to collect it once – use it many times. Re-design the services which support the Safe and Strong Communities agenda in line with Locality governance arrangements (2014/15)
T&R	T&R	14	Access Trafford	Further review of library strategy. Increase in use of volunteers	Policy Choice	(106)	(116)	Additional volunteers across all libraries, and reduced management, relocation of Greatstone when TTH Library Facility opens. £30k loss of income re Children's Centres.

Dir'	Port- folio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	15	HR	Review of Training spend and reducing not critical/life & limb	Policy Choice	(200)		Phase 1 recently completed – priority will be given to ensuring the Council meets its statutory obligations.
T&R	F	16	Procurement	In collaboration with other local authorities, creation of Strategic Procurement Unit	Policy Choice	(125)	(50)	Savings will have limited impact on levels of services although links with commissioning activity will be crucial. In delivering the longer term benefits of joint procurement through the SPU this may mean development of more consistent service specifications across authorities.
T&R	T&R	17	Partnerships / & Performance Safer Community Project	Reduction in Safer Community Projects	Policy Choice	(271)		<p>Cease some projects that are funded from this budget: Integrated Offender Management Non-Statutory Provision</p> <ul style="list-style-type: none"> <li>• Victims and Witness Support Domestic Abuse Advocate.</li> <li>• GMFRS Fire Fly Youth Engagement Project</li> <li>• Various operations and activity to tackle seasonal and tactical threats</li> </ul> <p>Reductions in services to support victims, manage offenders, reduce reoffending and prevent/reduce crime. Reduction in services to support victims of Domestic Abuse. Reduction in Youth Engagement Activity. Cessation of travel expenses and reduction in training for Neighbourhood Justice Panels. Likely reduction in new volunteers and difficulties in retaining current volunteers.</p>



Dir'	Portfolio	Ref .	Service Area	Description of Saving	Category of Saving	2013/14 £000's	2014/15 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	18	Let's Go Global	Total cost of Let's Go Global to be fully self-funding by 2013/14	Policy Choice	(112)		The intent is for this commercially successful service to become entirely self-funding. This may mean a reduction in the size of the service to that which is commercially viable impacting on communications and marketing strategy. Additional funding for six months will be provided by the Council and the Cabinet Office to facilitate the transfer to a Mutual organisation.
T&R	T&R	19	Partnerships & Performance	Voluntary Sector Grants- cross council review including option to commission services and review rent grants.	Policy Choice		(100)	The review will involve participation of partners to map all funding and support provided to the voluntary and community sector. The objective is to reduce reliance on grant funding whilst maintaining the same level of outputs through alternative funding sources including commissioning of services from the voluntary and community sector.
T&R	T&R	20	Communications	Your Trafford to be issued electronically	Policy Choice	(35)		The current email database will be increased by promoting Your Trafford's availability online, via the web and social media.
<b>Policy Choice sub total</b>						<b>(1,865)</b>	<b>(890)</b>	
<b>Total All Proposals</b>						<b>(2,889)</b>	<b>(1,584)</b>	

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#### Portfolio Key

**T&R:** Transformation and Resources Portfolio

**F:** Finance Portfolio

Savings highlighted in grey are subject to future decisions to be taken by the Executive on 4 March, should these proposals be approved by Council.

## Council Wide Budgets

There are a number of budgets that relate to the Council as an entity and/or affect all services. These budgets include precepts and levies, treasury management, insurance and 'un-ring-fenced' Government grants which are not attributable to a particular service. Finance Services, of the Transformation & Resources Directorate, actively manage the expenditure and income for these areas.

Over the last 9 years, pro-active management of insurances, investments, long term loans, bad and doubtful debts and tax have generated over £24m of cash savings (above that planned in the budget) and numerous permanent savings. Further savings of a net £(1.2)m are proposed for 2013/15.

The current 2012/2013 net budget is £25.7m, of which the majority relates to the transport levy payable to the Greater Manchester Combined Authority, and debt charges for loans taken out to support past investment in infrastructure through the capital programme.

Based on the draft and indicative proposals for the next two years, the budget is estimated to reduce by £4.0m to £21.7m. A summary of the financial movements can be found at the end of this section, however, the three main reasons for the budgetary change are; an increase in transport levy £1.0m, a new grant to cover Statutory Responsibility for Pupils of £(3.4)m and efficiency savings from proposed changes to terms and conditions £(2.9)m.

### Un-Ring-Fenced Grants

The proposed Council Wide budget holds approximately £(6.34)m of Un-Ring-fenced grants. There has been a net increase in these grants of £(3.1)m in 2013/2014 consisting of a reduction in Council Tax Support grant of £1.3m, transfer of Community Safety Fund grant £0.1m to the PCC, new grants to cover Statutory Responsibilities for Pupils £(3.3)m, the Local Welfare Fund £(0.5)m and increases in New Homes Bonus Grant of £(0.7)m in 2013/2014 and £(0.5)m in 2014/2015.

### Precept & Levies

The Council has the legal responsibility to contribute to a number of agencies that provide services on behalf of all or a number of Greater Manchester Authorities; Transport for Greater Manchester, Coroners (South Manchester Coronal District), Flood defence (Environment Agency).

TfGM provide the Metrolink system, subsidy for bus and rail routes and concessionary fares for the elderly, contributing positively to the local economy. The costs for providing these services are forecast to rise by 3.63% in 2013/14 (£0.6m) & 5.0% in 2014/15 (£0.8m). In addition, due to an increase in our population, which is the baseline used to calculate each authority's levy across AGMA, Trafford's contribution will increase by a further £0.4m in 2013/2014.

## Treasury Management

The Council's treasury management operations ensures that day to day cash flow events are adequately planned for, surplus monies are invested and the longer term cash flow implications of the Council's current and historical capital spending operations are met.

As a result of the continuing worldwide economic climate, a cautious approach will continue to be adopted ensuring that the risk exposure of the Council's funds is kept to a minimum with investments continuing to be placed with low risk counterparties. As a consequence of borrowing rates (4.3%) continuing to be higher when compared to investment rates (1.5%), no new borrowing will be undertaken during 2013-15 resulting in a saving in interest payable of £(0.8)m. The Council owns a share of the Manchester Airport Group and income in the form of a dividend is anticipated to continue to be received.

## Local Welfare Fund

The Social Fund, currently administered by the Department of Works and Pensions (DWP), supports the most financially vulnerable people in society by paying for one off expenses and unforeseen costs. As part of wide ranging welfare reforms, the Social Fund is being abolished with effect from the 1<sup>st</sup> April 2013, with responsibility for delivering Local Welfare Assistance transferring to Local Authorities. Trafford has established a Local Welfare Fund, held within Council Wide, of £(0.5)m which will be met from an equivalent Government Grant (see Un-Ring-Fenced Grants above).

## Other Budgets

**Council Tax and Housing Benefit Subsidy;** The budgets for Council Tax Benefit and Housing Benefit payments and subsidy, which is administered on behalf of the Government, are held within Council Wide. The budget has been amended in 2013/2014 by the removal of the Council Tax Benefit/Subsidy budget of £(0.4)m; this budget has been replaced with a new Council Tax Support Grant, which forms part of the Council's Start Up funding.

**Provisions;** monies set aside for bad and doubtful debts on the £17m of invoiced income the Council raises each year, and liabilities relating to previous organisational changes.

**Insurance;** the cost of premiums and claims mainly for fire, public and employers liabilities. This budget is net of the recharge for similar insurance cover provided to Schools. Continued improvements in risk management are estimated to reduce costs by a further £(83)k in 2013/2014.

**Members Expenses;** the costs for Councillors' allowances and their communications and computing equipment, training and some printing, stationery, publications, etc. Allowances paid to Trafford Councillors are the lowest in Greater Manchester and are over 35% lower than the average for that group. The indicative

budget for 2014/15 assumes a saving in members allowances; this is linked to possible changes in staff Terms & Conditions.

**Partington Parish Grant;** The new Council Tax Support scheme has the effect of reducing the Council Tax Base. As a consequence Partington Parish Town Council would either need to reduce expenditure or raise their Council Tax precept rate in order to maintain the same level of revenue. In order to provide sufficient time for the parish to consider how to adjust their financial circumstances, the Council have made a provision to make a one-off grant in 2013/2014 of £0.032m.

**Unallocated Terms and Conditions;** a budget of £(0.2)m 2013/2014 and £(2.7)m 2014/2015 has been loaded on a temporary basis within Council Wide relating to amendments to Terms and Conditions which have yet to be formally concluded. Certain changes, such as amendments to the Car Lease Scheme, are in progress, however others remain in dialogue. Once concluded these will be redistributed across service Directorates. Savings regarding the existing Car Lease scheme will be approximately £(0.2m) as the scheme is wound down over the next 5 years.

**Carbon Reduction Commitment;** A budget of £0.06m exists in 2013/2014 for the purchase of annual Carbon Allowances as part of the Carbon Reduction Commitment scheme. Changes to simplify the scheme were announced in the Chancellor's Autumn Statement and the results of further consultation released in December. Amendments in the way passive street lights are treated and the removal of state schools from the CRC scheme, will currently result in Trafford falling under the minimum threshold required to participate in the scheme in 2014/2015. The budget for 2014/2015 has been adjusted to reflect these changes. It should be noted that the amendments to the scheme have not yet been enacted and the situation may subsequently change; Trafford may additionally fall back within Phase 3 of the scheme which begins in 2018/2019.

**Document Storage;** a budget provision of £0.1m has been established to cover off-site storage costs required as part of the long term accommodation strategy to reduce the amount of premium office space being used unnecessarily for files and documentation. The strategy has been supplemented by the introduction of an electronic document management system which will further reduce the demand for onsite storage and help in streamlining business processes.

## **Savings Proposals**

Improving procedures in the debt recovery processes to reduce bad and doubtful debts £(130)k;

External audit fees through improved financial management have reduced, saving £(106)k and a reduction in the budget following an upgrade in Payment Card Industry compliance software of £(18)k.

Maintaining generally good risk management across the Council, which has helped secure a reduction in insurance premiums, and introducing new risk management techniques to further reduce the incidence and cost of claims, £(83)k

Using internal funds to support capital expenditure, rather than borrowing externally, will save £(834)k.

Amendments to Terms and Conditions; budgeted efficiency savings of £(0.018)k 2013/2014 and £(2,700)k 2014/2015 has been loaded on a temporary basis within Council Wide relating to amendments to Terms and Conditions which have yet to be formally concluded. Once agreed these will be redistributed across service Directorates.

In line with the work being carried out across the Council by the ICT Department within the T&R Directorate to reduce communications and computing costs, realising potential benefits within Members Expenses of £(14)k in 2014/2015.

## Budget Movement Summary 2013/15

The following summary table categorises the movement in the Directorate's budget over the next 2 years. The Savings are also cross referenced to the Savings Schedules below.

<b>Council Wide</b>	<b>2013/14 (£000's)</b>	<b>2014/15 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
Unadjusted Budget Brought Forward	25,388		
Adjusted Budget Brought Forward	25,713	23,635	
Additional Resources to meet Pressures:			
- Changes in Government Grants	(3,049)	(523)	
- Removal of Council Tax Benefit	360		
- Transport Levy	955	838	
- Net Changes in Treasury Management	154	415	
- Carbon Allowances	5	(60)	
- Reducing Reserve Support to Insurance Budgets	100	100	
- Partington Precept Top Up	32	(32)	
- Document Storage	100		
- Local Welfare Fund	464		
- Other Levies, Liabilities and Inflationary Pressures	93	89	
- AGMA Budgets	59		
<b>Total new resources allocated</b>	<b>(727)</b>	<b>827</b>	
Resource Reallocations Through:			
- Efficiencies	(1,351)	(2,700)	C-W 1-5
- Policy Choices		(14)	C-W 6
<b>Total Resources Reallocated</b>	<b>(1,351)</b>	<b>(2,714)</b>	
Net Year-On-Year Change	(2,078)	(1,887)	
	(8.1)%	(8.0)%	
<b>Net Budget Proposal</b>	<b>23,635</b>	<b>21,748</b>	
Comparative Year-On-Year Change	(2,078)	(1,887)	
Adjusting for 2013/14 Funding Changes	(8.1)%	(8.0)%	

Budget 2013/15 – Saving Schedule – Council-Wide Budgets

Dir'	Port- folio	Ref	Service Area	Description of Saving	Category of Saving	2013/14	2014/15	Impact of Saving  (e.g. service, equality, other)
						£000's	£000's	
C-W	F	C-W1	Revenues & Benefits	Improved debt collection and management procedures.	Efficiency	(130)	0	Continuation of managed debt recovery process leading to fewer bad debts.
C-W	F	C-W2	Financial Management	Improved financial management, reduction in external audit and banking regulation.	Efficiency	(124)	0	External audit fees have reduced. Reduction in budget following upgrade in Payment Card Industry compliance software.
C-W	F	C-W3	Insurance Management	Improved risk mitigation reducing premiums and level of self-insurance.	Efficiency	(83)	0	There may be changes to regulations that would require speeding up insurance claims processing and this would be seen by claimants as a significant service improvement.
C-W	F	C-W4	Financial Management	Interest saved from not undertaking any new long term borrowing.	Efficiency	(834)	0	Continuation of internal borrowing strategy due to higher borrowing than investment interest rates.
C-W	F	C-W5	All Council	Unallocated savings related to Terms and Conditions	Efficiency	(180)	(2,700)	Unallocated savings associated with amendments to staff terms and conditions

				<b>Efficiency sub total</b>		<b>(1,351)</b>	<b>(2,700)</b>	
C-W	F	C-W6	Member's Allowances	Budget reductions.	Policy Choice	0	(14)	Reductions in the cost of communication and computing equipment.
				<b>Policy Choice sub total</b>		<b>0</b>	<b>(14)</b>	
				<b>Net Total All Proposals</b>		<b>(1,351)</b>	<b>(2,714)</b>	

**Portfolio Key**

F: Finance



## Draft Proposed Capital Programme 2013/16

Indicative Capital Programme	Estimate 2013/14 (£000)	Estimate 2014/15 (£000)	Estimate 2015/16 (£000)	Estimate Total (£000)
<b>Service Area Summary :</b>				
Children, Families & Well Being	23,403	19,366	9,289	52,058
Economic Growth & Prosperity	5,661	2,431		8,092
Environment, Transport & Operations	8,100	5,195	2,000	15,295
Transformation & Resources	1,548			1,548
<b>Total</b>	<b>38,712</b>	<b>26,992</b>	<b>11,289</b>	<b>76,993</b>
<b>Specific Resources</b>				
Children, Families & Well Being	21,746	19,346	9,289	50,381
Economic Growth & Prosperity	1,774			1,774
Environment, Transport & Operations	5,404	4,345	2,000	11,749
<b>Specific Resources Total</b>	<b>28,924</b>	<b>23,691</b>	<b>11,289</b>	<b>63,904</b>
<b>Discretionary Resources</b>				
<b>Capital Receipts</b>				
Minor Schools schemes	257	20		277
Corporate Landlord schemes	782	781		1,563
Town Centres – Public Realm	200			200
Altrincham – Altair Development	1,000			1,000
Highways schemes	1,052	500		1,552
Parks Infrastructure	280			280
Additional Burial Land	300	300		600
Grants to Homeowners / Empty Property Initiatives	100	100		200
ICT schemes	704			704
<b>Total Capital Receipts Requirement</b>	<b>4,675</b>	<b>1,701</b>		<b>6,376</b>
<b>LSVT VAT Receipts</b>				
Adult Social Care – Telecare System	400			400
Disabled Facility Grants	1,000			1,000
Altrincham Forward	400	1,600		2,000
Weekly Food Waste Collection	804			804
<b>Total LSVT VAT Receipts</b>	<b>2,604</b>	<b>1,600</b>		<b>4,204</b>
<b>Reserves &amp; Revenue</b>				
Altrincham Market Improvements	260			260
ICT schemes	844			844
Bringing Town Centres Alive	100			100

<b>Reserves &amp; Revenue Total</b>	<b>1,204</b>			<b>1,204</b>
<b>Prudential Borrowing</b>				
Long Term Accommodation Strategy	1,305			1,305
<b>Discretionary Resources Total</b>	<b>9,788</b>	<b>3,301</b>		<b>13,089</b>
<b>Total Capital Programme 2013-16</b>	<b>38,712</b>	<b>26,992</b>	<b>11,289</b>	<b>76,993</b>

<b>Available Resources 2013/16</b>	<b>Estimate 2013/14 (£000)</b>	<b>Estimate 2014/15 (£000)</b>	<b>Estimate 2015/16 (£000)</b>	<b>Estimate Total (£000)</b>
Capital Grants	25,666	22,155	11,289	59,110
Developer Contributions	1,784	1,536		3,320
Specific Capital Receipts	1,474			1,474
<b>Total Specific Resources</b>	<b>28,924</b>	<b>23,691</b>	<b>11,289</b>	<b>63,904</b>
Prudential Borrowing	1,305			1,305
Reserves & Revenue	1,204			1,204
LSVT VAT Receipts	2,604	1,600		4,204
Capital Receipts	6,310	520		6,830
<b>Total Discretionary Resources</b>	<b>11,423</b>	<b>2,120</b>	<b>0</b>	<b>13,543</b>
<b>Total Resources</b>	<b>40,347</b>	<b>25,811</b>	<b>11,289</b>	<b>77,447</b>

**REPORT of the DIRECTOR OF FINANCE  
to the COUNCIL 20 FEBRUARY 2013**

**ROBUSTNESS of the 2013/14 PROPOSED BUDGET ESTIMATES  
and the ADEQUACY of RESERVES (S25-26 LGA 2003)**

**1. INTRODUCTION**

- 1.1 The Local Government Act 2003 requires the Chief Finance Officer (Director of Finance) to report independently to the Council his own opinion as to the robustness of the budget requirement estimate (S25 of the Act) and on the adequacy of reserves (S26).
- 1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.
- 1.3 A summary of this report providing the general opinion is included within the main report at section 9.

**2. BACKGROUND**

- 2.1 With the support of the Head of Financial Management and Finance Managers for each relevant area of the budget, I have reviewed the Executive's budget proposals at varying levels of detail, and as far as possible have taken into account those known factors that will have a significant bearing on the conduct of the Council's business in 2013/14 and the medium term. This has included information and assurances supplied by Corporate Directors. I have also assessed the level of reserves which can be considered adequate to meet reasonable unforeseen circumstances not included in the detailed budget proposals.
- 2.2 The Council's proposed budget is based on the Government's notified grant settlement for 2013/14, including some important changes to the financial regime for local authorities. The budget takes account of the challenges presented by this settlement, and by the Comprehensive Spending Review announced in October 2010, plus the continuing effects of the current economic climate on the Council.
- 2.3 The consequences of the common business risks facing the Council can be summarised into three categories:

**Spending exceeds budget;** this can include where demand for services is higher than expected, either in terms of number or need, such as in the statutory services in social care. This can also be where external factors affect Council operations, such as the weather on winter gritting spending. There may also be new expenditure pressures or commitments which were not anticipated during the budget process, for example due to changes in regulations/legislation;

**Income falling short of expected levels;** the risks include customers no longer buying services or buying them from elsewhere, or reduced support from sponsors whether this is partners, Government departments or other public bodies. External factors, such as the economy, can have a significant impact on certain expected income levels;

**Challenge of organisational change;** the general challenge for local government to make a significant contribution to reducing the national budget deficit. The Council's proposed budget for 2013/14 contains for savings proposals of £(18.7)m, which is on top of the unprecedented levels of savings achieved over the last two financial years, and there is a specific risk that savings will not be sufficiently realised, or are not realised quickly enough.

- 2.4 My team and I have ensured at a detailed level that budgets are based on forecasted activity, and that these forecasts have been subject to appropriate challenge, sensitivity analysis and that they reasonably allow for a degree of error. In addition, risks can be mitigated during the year through a variety of management actions, and my team and I have worked with management to identify appropriate activity monitoring systems to identify early deviation from forecasts, and ensure that there is the capacity and ability to undertake corrective action as necessary. In addition, the Council has a policy of monthly financial monitoring of all Council activity on an outturn basis from June each year.
- 2.5 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible. When taken with an assessment of minimum reserve levels, a reasonable professional opinion on robustness can therefore be determined.
- 2.6 The following sections outline the assessment of expenditure and income, and the determination of an appropriate reserve level for the 2013/14 Executive Budget proposals in order for them to be considered as robust.

### **3. EXPENDITURE ANALYSIS**

#### **Schools related expenditure**

- 3.1 There are two main elements of Schools related expenditure; that which is delegated to Schools at around £115m, and that which is retained centrally around £16m.
- 3.2 The challenges facing the Schools delegated budgets are:
- There is a 0% increase in the per pupil amount of funding, so that all inflationary pressures will have to be met by savings or organisational rationalisation
  - This will include for any pressures relating to the national pay award for Teaching and non-Teaching staff.
  - Some Schools will have falling numbers of pupil numbers which will reduce funding, and there is a stepped nature to the costs for Schools experiencing either increasing or decreasing rolls
  - There is pressure on Schools from Government to address the attainment gap between affluent and not so affluent pupils. However, to assist in with this ambition the Pupil Premium Grant has increased from £600 per pupil to £900.
- 3.3 Schools set their own budgets and are aware of their responsibilities and the Scheme for Financing Schools. There is a framework whereby schools facing financial difficulties must inform the Council as soon as possible so that financial risks can be mitigated. Any reductions in pupil numbers are monitored closely and schools that may have problems are contacted. To assist schools in discharging their financial responsibilities the Council provides a dedicated professional finance team on a buy-back basis.
- 3.4 The level of schools balances overall is healthy, however, if an individual schools faces financial difficulty, for example as a result of falling rolls, the Council will work closely with the school to construct a recovery plan with the use of the licensed deficit scheme.
- 3.5 There are similar pressures on the centrally held funding, with the addition of:
- There is a draw on these budgets to fund the Minimum Funding Guarantee to Schools
  - Historical volatile pressures on SEN out-of-Borough placements
- 3.6 These risks are mitigated by:
- Increased funding from increasing pupil rolls
  - There is an expectation of selling on central services to Academies

- The number of available spaces for in-Borough placements has increased
- There is currently an SEN review taking place which is expected to reduce pressures on SEN expenditure
- The level of Dedicated Schools Grant has been announced for 2013/14 by the Government, thus reducing the level of uncertainty which has been an issue in the past..

### **(Non-schools) Employee costs**

- 3.7 Potential risks in this area include for national pay award, national insurance and pension changes, and the continuing effects of job evaluation. In the Autumn Statement, the Government has announced a 1% rise in public sector pay award for 2013/14 and a suitable provision has been built in to the draft budget. An allowance has been made within the calculation of the minimum level of reserves should a higher national pay award be announced.
- 3.8 Pension costs are subject to a triennial assessment by the pension fund actuaries and 2013/14 will be year 3 of the current assessment, therefore the budget provision of 1% is considered sound. Any changes to employers' national insurance contributions are usually heralded in the autumn, and no change is expected.
- 3.9 In addition, further controls to ensure pay enhancements, such as honoraria, regrading and other such allowances are appropriate and affordable have been introduced as a consequence of Job Evaluation in 2010, these continue to be reinforced by the Human Resource service.

### **Agency Staff**

- 3.10 Agency and contract costs have been strictly controlled since the Executive introduced austerity measures in July 2010, enhanced by an AGMA procured Agency contract which has fixed the rates for many job roles.

### **Organisational Change Costs**

- 3.11 The Council has established an earmarked reserve to cover the costs from organisational change. The reserve level has been based on average experienced costs and future likely activity for the next 2-3 years of continued austerity. The reserve is certainly of an adequate level for 2013/14 and any consequences that will accrue into 2014/15, but will be kept under review and recalculated based on experience and future plans.

### **Contract Costs**

- 3.12 The budget makes a general allowance based on known inflation rates for increases in contract costs, and specific additional allowance for particular contracts that have inflationary rates more specific to them.
- 3.13 Through the Council's Contract Procedure Rules, the Council's own Procurement Team and the AGMA Procurement Team the Council hosts, there is considerable contract activity to ensure that costs for goods and services are kept as low as possible. In many cases services have put forward savings in terms of contract cost reduction as a consequence of professional procurement activity, and each of these savings proposals has been subject to robust assessment by the appropriate professional staff.
- 3.14 The Council spends approximately £50.9m providing support for over 9,000 adults in residential and community care. A consultation process and market review of charges, with older peoples' residential and home care providers has already been completed and fees for 2013/2014 have been provisionally agreed, therefore mitigating the risk of unknown inflationary increases.

### **Demand led budgets**

- 3.15 Social care budgets, in particular, are dependent on the numbers of clients, and client need, which can be difficult to predict. The costs of service provision can also be volatile, as any one single client may cost hundreds or perhaps thousands of pounds per week. A significant risk arises therefore that the social services budgets, and similar volatile demand led budgets, are not sufficient to cover the Council's legal obligations, which would lead to an impact on reserves or other service budgets.
- 3.16 The proposed budget includes specific provision, £2.5m 2013/2014 and £2.6m 2014/2015, for additional placement costs and demographic pressure in both adults and children's service using forecasts of future demands. There has been a further £0.2m investment in reablement services within adult social care, which is intended to reduce long term client demand. There is an additional £0.4m investment from the capital programme to purchase additional telecare equipment to enhance our service allowing residents to remain independent for longer and reducing long term costs of care. Nevertheless a risk will still exist, particularly at a time of economic difficulties.

### **Benefit Payments**

- 3.17 In 2012/13 there is a significant gross budget at £79m (housing benefit £66m, Council Tax benefit £13m) which has increased over the last three years as a result of the economic climate. Both the cost of benefits and the cost of administration are largely covered by Government support as the Council undertakes this role essentially on an agency basis. The remaining funding of the costs of benefits comes from the recovery of overpaid benefit.

- 3.18 Caseload appears to have plateaued recently; however, there are risks associated with caseload demand increasing beyond expected levels in 2013/14, and the associated potential for reduced performance in the accurate awarding of benefit. Management action to improve processes to recover overpaid benefits sooner, have been implemented successfully over recent year sufficient to mitigate the risk of under recovery.
- 3.19 There are two major changes being introduced from 1<sup>st</sup> April which present new and increased risk for the Council. The first change is the abolition of the national council tax benefit scheme and the introduction of a local council tax support scheme (also known as the council tax reduction scheme). At the same time there will be a reduction in funding at a national level of 10% with each authority deciding how to deal with the funding reduction by determining its own Benefits Policy. The local scheme must protect pensioners from any changes.
- 3.20 The Council agreed its local scheme on 23 January and met the reduction in funding from a mixture of reduced benefit entitlement, changes to council tax exemptions and finally base budget. The financial risks to the Council are two-fold. The first is the number of claimants entitled to council tax support as any increase in this number has to be met from the Council's own budget whereas it was previously the Government's responsibility. Every 1% change could result in a cost of £110k. The second risk is that some households will have to pay more in council tax and some will be paying for the first time. An allowance for a reduction in the collection of council tax has been included in the budget but there is a risk that Council Tax collections may be lower than anticipated.
- 3.21 The second change in April is that the Council will be responsible for the administration of the Local Welfare Assistance fund, previously known as the Social Fund and was the responsibility of the DWP. A budget of £0.46m has been established which is met by an equivalent Government Grant. Strict criteria is being developed for approving applications to the fund, however any payments above the grant will need to be met by the Council. These two new risks have been taken into account within the minimum reserve level.

### **Debt Servicing**

- 3.22 There are a number of risks associated with treasury management and the Capital Investment Programme, many of which are outlined in more detail in the relevant reports also on the agenda. In 2013/14, given the historically low level of interest rates, the Council has built into its budget plans that no new external borrowing will take place and that cash balances will be run down instead. This is common in many authorities but the difference for Trafford will be that any changes in the approach would likely lead to adverse budget consequences.



3.23 These risks are influenced by external factors relating to the overall economy, which at the present time continues to be difficult to predict and may have uncertain effects.

3.24 The primary Treasury Management risks are:

Movements in the cash flow cycle, caused by changes in the rate of payments or receipts. A decline in the economy could reduce the rate at which income is received. The Council's cash flow is monitored on a daily basis, and a new end of year position and average cash flow level forecasted. This provides an early warning system so that appropriate action can be taken.

Interest rate changes for either debt or investments. Investment rates are expected to continue at their current low levels which will remain to suppress the Council's income. However, in the short term, as borrowing rates are significantly higher the Council will continue to borrow from cash flow to part finance its capital programme and avoid these higher costs. The loss in investment rate is therefore mitigated by avoiding higher borrowing costs. However, rates could change rapidly, and the Council not only undertakes pro-active Treasury Management, it also employs on a retainer basis external consultants who ensure as best as possible that the Council is informed early of any adverse changes and/or potential opportunities.

This pro-active Treasury Management is governed by a number of rules, indicators and regular review by Members as outlined in the Treasury Management Strategy elsewhere on the agenda.

3.25 In addition to debt charges the proposed Capital Investment Programme (elsewhere on the agenda) has other business implications. Capital receipts may not be realised before expenditure has taken place. Past experience has shown this is a small risk.

3.26 A Treasury Management smoothing fund has also been established to avoid changes in the external markets impacting on the budget. None the less, the sums and risks involved in these areas can be considerable, and special attention has been given in the assessment of the minimum reserve calculation.

## **Levy payments**

- 3.27 The risks associated with levy payments for GM Combined Authority (passenger transport) and Flood Defence are borne by the respective levying body. The Waste Disposal levy can vary according to the tonnage of waste collected. A reasonable assumption on the tonnage figures has been included in the budget and monthly figures are provided by the Waste Disposal Authority to assist in monitoring of the budget. In addition there is a small smoothing reserve available to equalise the costs of the Waste Disposal PFI over the medium term.

## **Efficiencies**

- 3.28 The 2013/14 budget is based on achieving savings totalling £7.4m. The Council has now built up considerable expertise in efficiency programming, monitoring, delivery and benefit realisation, and a tradition of successfully delivering significant savings.
- 3.29 Each of the savings proposals is subject to milestone and contingency planning, backed up by a robust delivery plan. However, the generation of efficiencies is getting harder, taking more effort and time to deliver. Whilst confidence in the processes is high, there remains the possibility that for other business reasons, projects may slip or may not be fully deliverable, and as such these considerations have been taken into account when forming a view on the minimum reserve level.

## **4. INCOME ANALYSIS**

### **Government Grants**

- 4.1 The main source of funding remains Government grants. The proposed 2013/14 budget is based on the level of general and specific grants as notified by the Government. There are a few grants still to be announced by the Government in particular Education Support Grant, budgeted at £(3.4)m which is subject to change dependent upon pupil count. Should there be a relative change in pupil numbers with other authorities and/or Academies the value of this grant could change, and any shortfall will impact adversely. The Extended Rights & Sustainable Travel grant of £(86)k has also not been announced and a reduction would also adversely affect the budget. The remaining unconfirmed grants total £(1.3)m, however, these grants relate primarily to project type expenditure, and it would be expected that plans would be rephased or adapted to available funding.

- 4.2 To mitigate this risk, Management has identified projects which can be scaled to the level of funding provided, in addition based on prior year pupil number forecasts being accurate to within 1%, the likelihood of significant variation is deemed not to exceed a level which can be eliminated by management action within the base budget.

### **Fees and Charges**

- 4.3 Variations in income are expected to be managed by services within their budgets. However, certain income streams have reduced significantly due to the effects of the current economic climate since 2009, and this is continued to be reflected in Directorate budget proposals for 2013/14, although to a much lesser extent than in previous years.
- 4.4 The budget includes income from Fees and Charges of £20m. The calculation of the minimum general reserve level allows for potential reductions in fees and charges generally, and for any further effects of the economic climate on existing and, in particular, new income streams included in the proposed budget.
- 4.5 Any downturn in the economic climate can also reduce the ability to collect debt, and improved arrangements for bad debt collection were introduced during 2010/11 giving managers more responsibility for the recovery.
- 4.6 Trading activities will be closely monitored during the year and costs reduced to compensate for changes in trading levels.

### **Investment Income and Dividends**

- 4.7 The main source of dividend income is from Manchester Airports Group (MAG). The budget includes for £1m in dividend as notified, and is based on the company's ten year business plan. MAG is in the legal process of acquiring Stansted Airport but this is not expected to have an adverse impact on the 2013/14 dividend payment. This will be kept under review each year as the aviation industry is volatile.
- 4.8 Interest rates are forecast to continue at their current low levels for the duration of the year with the first movement upwards not expected until 2015, however this will depend on the speed of economic recovery. This issue is discussed in greater detail in the Treasury Management Strategy elsewhere on the agenda. A small provision for either a rate reduction and lower than expected balances has been built into the calculation of the minimum general reserve level.

## **Council Tax**

- 4.9 On the whole council tax is a reliable and sustainable source of income, however, it does have some risks:

In recent years there has been an unexpected rise in the number of council tax discounts and exemptions requested, some of these being back-dated for up to six years.

Revaluation claims, thought to be on the decline, have shown signs of increasing again during 2012/13.

A number of households will have to pay more in council tax as a result of changes to exemptions and also the new council tax support scheme (see para 3.19 and 3.20 above). The service has a track record of increasing collection performance year on year, and the Council has the highest performance in Greater Manchester. However these new changes could have an adverse impact and therefore will be kept under close review during the year

- 4.10 With a council tax freeze proposed by the Council, and improving collection performance, the risks to income levels will only arise should future discounts and exemptions exceed expected levels. This is monitored closely throughout the year and reported to the Executive in the monthly revenue budget monitoring reports.

## **Business Rate Retention Scheme**

- 4.11 This is another important changes in the financial regime governing local authorities. The Local Government Resource Review introduced the potential for Local Government to retain an element of the growth in their business rates. The scheme is complex, however, the key element for Trafford are:

- The Government baseline (target) for collection in 2013/14 is £151.6m.
- It is currently estimated that the value of outstanding valuation appeals in the Borough is £8.9m, which will impact on the amount collected should they be successful.
- Should actual collection exceed baseline in 2013/14, the Council will retain 24.5% of any excess.
- Should the actual collection fall below baseline in 2013/14, the Council will be required to meet the costs of 49% of this shortfall up to a safety net of £146.7m, or a budgetary impact of £2.4m.

- Considerable uncertainty exists over the likely financial impact of outstanding appeals against rateable values (RV) lodged with the Valuation Office. Nearly 50% of the total RV in Trafford is subject to appeal and for the first time the Council has a financial interest in the outcome of all appeals.

The Council is not budgeting for any loss, nor surplus, on business rates as a result of the new Rate Retention Scheme. However the financial impact of underwriting the safety net payment has therefore been included in the minimum reserve calculation.

## 5. **GENERAL APPROACH TO THE BUDGET**

- 5.1 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2012/13 budget monitoring process and planning process review have all been addressed in the 2013/14 budget wherever appropriate.
- 5.2 The process has involved the Executive Portfolio Holders, members of the Corporate Management Team and other service management supported by Finance Managers.
- 5.3 All budget managers have been requested to sign their budget working papers and are therefore aware of their proposed budget for 2013/14 and 2014/2015, and the assumptions the budget is based on, which includes income targets.

## 6. **EMERGENCIES and CONTINGENCIES**

- 6.1 Across the Council relevant services have been reviewing their contingency and emergency plans to deal with business interruptions, such as a power cut or high levels of localised sickness, and emergencies, such as extreme weather conditions. Business continuity plans are developed to reduce reliance on increased expenditure.
- 6.2 The Council carries some insurance to mitigate some potential risks and circumstances, and in the cases of emergencies, the Government has an emergency funding (the "Bellwin") scheme.
- 6.3 However, there are limits to insurance and the extent of the Council's insurance reserves, and the Government emergency funding scheme has both an activation threshold and a maximum percentage contribution to costs. The minimum level of general reserve also includes for the need to set aside monies for emergencies and disasters.

## 7. CONCLUSION ON ROBUSTNESS

7.1 There can be no guarantee that expenditure will be contained within each and every budget; this is due to the varying demands that are part and parcel of the Council's business. In recognition of this there is a comprehensive approach to the budget preparation and the assumptions underpinning its calculation, together with monitoring arrangements, provide reasonable assurance that overall the Council will meet the majority of its financial responsibilities with the planned resources available.

7.2 The year ahead presents a number of financial challenges, and in particular I would draw Members' attention to:

The negative effects of the current economic climate in terms of uncertainty and:

- The level of reduction in Business Rates required to be covered by the Council before the Government safety net applies under the business rate retention scheme;
- The implications of changes to the new council tax support scheme and changes to exemptions for council tax;
- Reduced income from fees and charges, in particular new income streams, and income from Town Centre rents and leases;
- Potentially higher than anticipated numbers of `clients in demand led budgets;
- Reduced investment rates and the potential for volatility in the market;

The positive effects of the current economic climate:

- potentially greater competition in the market place assisting securing efficiency by way of procurement;
- low annual pay awards.

Areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required;

- Changes in Welfare Reform associated with amendments to the administration of Council Tax Benefit and Local Welfare Assistance Fund;
- Slippage in achieving efficiencies and income generation proposals;
- The ability to manage inflation target through better procurement;
- The effect of any pay award above the provision assumed;

## 8. GENERAL and other RESERVES 2013/14 – MINIMUM LEVEL and MOVEMENTS

- 8.1 Based on the above robustness assessment I advise Council to set a minimum level of £6.0m for the general reserve, as assessed in the following table which links to the relevant risk area in the above report. The overall risk has been reduced by 30% to reflect that not all risks will occur at the same time:

Para Ref	Table 1: Advised minimum level of General Reserve	2013/14 £m
3.21 – 3.25	Tax & Treasury Management	0.31
3.7 – 3.14	Pay & inflation	1.48
4.3 – 4.6	Fees and Charges	0.10
6.0	Emergency & Disaster Recovery	1.97
3.27 – 3.28	Efficiencies	1.86
3.15 – 3.20	Demand led budgets	0.43
4.1 – 4.11	General Fund Financing	2.60
	<b>TOTAL</b>	<b>8.75</b>
	<b>Nominal reduction of 30%</b>	<b>(2.63)</b>
	<b>Advisory level of minimum reserve</b>	<b>6.12</b>

- 8.2 Based on the latest available 2012/13 revenue budget monitoring information, the expected balance on the General Reserve as at 1 April 2013 and the uncommitted balances for future years is as follows:

Forecast General Reserve level	Forecast (£000's)
<b>Balance brought forward 31 March 2012</b>	<b>(9,802)</b>
Reversal of PCT support in 2011/12 for LD Pool	(400)
<b>Adjusted balance brought forward</b>	<b>(10,202)</b>
Planned base budget support 2012/13	994
Further authorised use in 2012/13:	
- Purchase of e-Book Readers	10
- Town Centre Regeneration	750
- Improvements to Highways and Footpaths	650
- Residential Parking Improvements	100
- Reduction in Youth and Drug Intervention	38
- Maximising Community Infrastructure Levy 3 year project	140
- Second Year Apprenticeship Programme	50
- Payment Card Industry Standard Security	40
- Pathology & Mortuary Contract Transition	22
- Legal Costs Biomass appeal	120
- Waste Service Improvements	100
- Catering Services Investment	60
- Increase Equal Pay Provision	500
Underspend on Council-Wide budgets	(507)
-Transfer from Insurance Reserve	(2,646)
<b>Forecast balance 31 March 2013</b>	<b>(9,781)</b>

<b>Forecast balance 31 March 2013</b>	<b>(9,781)</b>
<b>Commitments 2013/14:</b>	
Planned base budget support 2013/14	850
Further planned support (one-off schemes):	
- Reablement Community and Wellbeing	200
- Waterside Investment	50
- Enforcement Review	60
<b>Forecast balance 31 March 2014</b>	<b>(8,621)</b>
<b>Commitments 2014/15:</b>	
Planned base budget support 2014/15	2,000
<b>Forecast after commitments</b>	<b>(6,621)</b>

8.3 The above table shows a modest balance of 10% over the recommended minimum level of £6m.

8.4 In addition to the general reserve there are a number of other earmarked reserves and provisions held for specific purposes, in summary these are:

<b>Reserve Statement (estimated as at February 2013)</b>	<b>Estimated Balance at 1 April 2013 (£000's)</b>	<b>Estimated net spend 2013/14 (£000's)</b>	<b>Estimated Balance at 31 March 2014 (£000's)</b>	<b>Estimated net spend 2014/15 (£000's)</b>	<b>Estimated Balance at 31 March 2015 (£000's)</b>
<b>Schools</b>	<b>(13,567)</b>		<b>(13,567)</b>		<b>(13,567)</b>
<b>Non-Schools Earmarked Reserves:</b>					
Synthetic pitches	(105)	(15)	(120)	(15)	(135)
Insurance	(2,528)	245	(2,283)	220	(2,063)
Revenue Projects	(2,735)	(12)	(2,747)	(236)	(2,983)
Employment Rationalisation Transformation	(1,415)	500	(915)	500	(415)
Services' Carry Forward	(1,747)	1,071	(676)	392	(284)
Smoothing Reserves	(1,954)	102	(1,852)	0	(1,852)
<b>Total</b>	<b>(2,815)</b>	<b>1,222</b>	<b>(1,593)</b>	<b>419</b>	<b>(1,174)</b>
<b>General Reserve</b>	<b>(9,781)</b>	<b>1,160</b>	<b>(8,621)</b>	<b>2,000</b>	<b>(6,621)</b>
<b>Total of non-School Revenue Reserves</b>	<b>(23,080)</b>	<b>4,273</b>	<b>(18,807)</b>	<b>3,280</b>	<b>(15,527)</b>
<b>Capital reserves:</b>					
Capital Projects	(14,748)	11,030	(3,718)	3,011	(707)
VAT Shelter	(6,902)	1,921	(4,981)	917	(4,064)
<b>Total Capital Reserves</b>	<b>(21,650)</b>	<b>12,951</b>	<b>(8,699)</b>	<b>3,928</b>	<b>(4,771)</b>

8.5 A review of these reserves and provisions has been undertaken, and the following transfers, which have been included in the above table, have taken place :

- £2.65m from the Insurance reserve to the General Reserve; following a review of the long term needs for this reserve this amount is thought safe to release for other purposes.



- £0.73m from the Insurance reserve to the provision relating to Municipal Mutual Insurance clawback

8.6 In addition to reserves the Council also has a number of provisions. In addition to bad debt provisions, the Council has three provisions dealing with specific liabilities:

- **Equal Pay**; currently the Council is in litigation with a number of past and present members of staff and the outcome may not be known for some time. The Council is defending these claims but has taken the prudent step of maintaining a sum of money in the event that it is found that some liability exists. It is not possible to be precise about the extent of liability, if any, until the legal process has been completed.
- **Public and Employee Liability**; relating to insurance claims, these provisions are reviewed by an independent Actuary every May, and the levels reflect the advice of the Actuary.
- **Section 117 Mental Health Act**; following a legal challenge at another authority and subsequent change in the law, previous common practices on the charging of income have been deemed unlawful. The Council has set money aside to compensate claimants.

## 9. CONCLUSION

9.1 If the general reserve is set at £6.0m, the reserves available to the Council in 2013/14 are considered to be adequate to cover the calculated financial risks contained within the 2013/14 budget proposals.

**IAN DUNCAN**  
**DIRECTOR OF FINANCE**  
**12 FEBRUARY 2013**

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