



**Business
Intelligence
Unit**

Finance & Change Programme

**Update for Scrutiny
21 September 2022**



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Programme rationale...

What are the drivers for change?

- In February 2022 the budget gap was **£15.7m for 2023/24** (8% of budget); and further **£2.7m in 2024/25**
- Utilised £22.6m of reserves over last two budget years – not sustainable
- Require a greater focus on a medium term programme plan rather than planning on a year by year basis
- No easy solutions as over £170m has been saved already through efficiencies, savings and additional income since austerity commenced in 2010
- Demand led services continuing to rise and people's needs are changing
- Residents still having high expectations of service delivery
- Changes in legislation e.g. white paper and changes to funding
- Recognition that we cannot change Trafford by ourselves – collaboration and working with others is key
- Doing nothing is not an option – need to think how we can do things differently but this may mean making difficult decisions
- By being the 'kind of council we want to be' we will deliver our Corporate Plan vision, priorities and outcomes

Update on the budget gap – July 2022

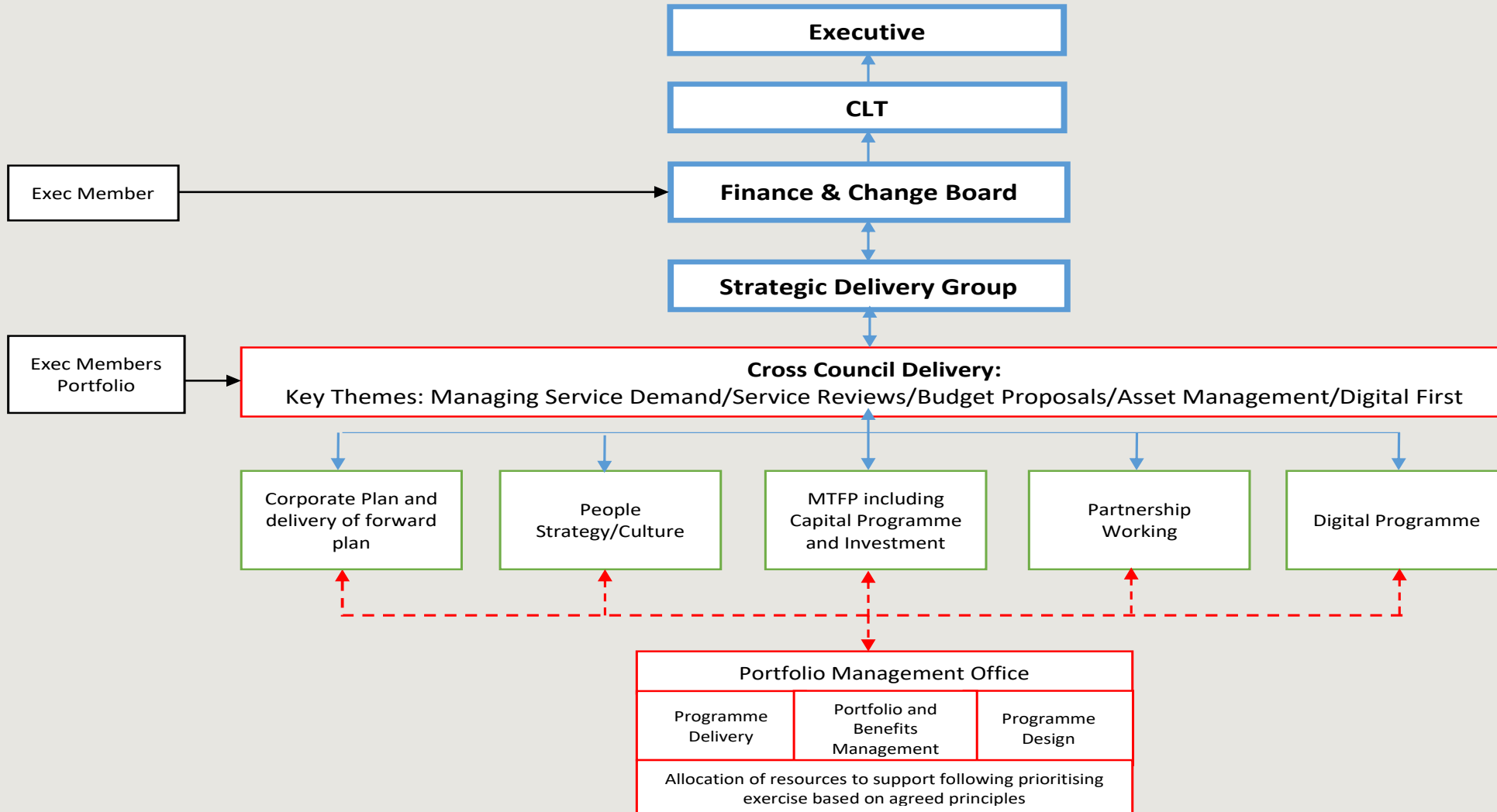
| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|-----------------------------|------------------|------------------|------------------|------------------|
| Total Budget Gap February 2022 | 15,697 | 2,696 | 6,278 | 5,857 | 7,920 |
| Ongoing impacts of pay settlement 22/23 - assume 6% | 3,328 | 64 | 64 | 64 | 64 |
| Ongoing impacts of energy inflation from 22/23 | 1,600 | | | | |
| Impact of Inflation in 2023/24:- | | | | | |
| Pay - assume 4% | 1,600 | 32 | 32 | 32 | 32 |
| Impact of Inflation on NLW/RLW and Fair Price for Care Calculations | 4,400 | | | | |
| Estimate of additional ASC grants of £500m in 23/24 and 24/25 | (2,000) | (2,000) | | | |
| £750k ICT and Digital Investment | | | 750 | | |
| Updated Budget Gap July 2022 | c24,000 – 26,000 | 792 | 7,124 | 5,953 | 8,016 |



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Programme governance...

Finance and Change Governance



Initial Milestones

Pre - Mobilisation

Share presentation and
discussion with CLT

9 February

Leader update

11 February

Exec Briefing update

14 February

Virtual Leaders sessions to
explain F&C Programme and
financials

23 February, 1 & 24 March

Mobilisation

F&C Board meeting #1 –
Vision, scope, programme
framework and initial ideas

8 March

F&C Board meeting #2 –
Developing the programme
and resources aligned

29 March

Agree target development /
support for F&C Board

31 March

Implementation

April 2022 onwards

Build on the framework in the
coming months - develop
processes, monitoring etc

Note: Officer work to continue during pre-election period

F&C Board Terms of Reference (ToR)

| | | | |
|---|---|---|---|
| <p>Chair:</p> <ul style="list-style-type: none"> • Cllr Tom Ross <p>Secretariat:</p> <ul style="list-style-type: none"> • PMO <p>Attendees</p> <ul style="list-style-type: none"> • Cllr Tom Ross • Sara Todd • Graeme Bentley • Sara Saleh • Richard Roe • Dominique Sykes • Jill McGregor • Diane Eaton • Paul James • Angela Beadsworth • Dianne Geary • Sharon Winn • Paul Foster (PMO) | <p>Key objectives:</p> <ul style="list-style-type: none"> • Oversee the delivery of the 3 year Financial and Change Programme | | |
| <p>Frequency: Monthly Duration: 1.5 hrs (end of extended CLT) Location: Council Room / MS Teams</p> | <p>Key responsibilities:</p> <ul style="list-style-type: none"> • Ensure delivery is aligned to the 3 strategic corporate priorities (if not what can be stopped) • Deliver savings to support the budget gap over the 3 year programme • Provide business expertise and resource/capacity (external/internal) to complement the change agenda • Oversee the delivery of programmes to agreed timelines and benefit outcome • Approval/decision of change control requests • Resolve escalation points risks/unintended consequences | | |
| <p>Papers: 2/3 days prior</p> | <p>Agenda</p> <ol style="list-style-type: none"> 1. Review minutes and actions from previous meeting 2. Review budget savings target 3. Review and approve BC savings above £100k 4. Review of upcoming milestones 5. Review Risks/Issues 6. Track progress against BC outcomes | <p>Inputs</p> <ul style="list-style-type: none"> • PMO Reporting (PM3) • Other papers as requested | <p>Outputs</p> <ul style="list-style-type: none"> • Minutes • Action log • Executive Summary |
| | <p>Escalation Points Corporate Leadership team</p> | | <p>Escalation Rules Any significant risk Political impact Unexpected financial expenditure Adverse publicity/communication</p> |

F&C Roles and Responsibilities

| Name | Role | Area of Responsibility |
|----------------|------------------|---|
| Cllr Tom Ross | Chair | <ul style="list-style-type: none"> Leading the Board and focusing on strategic matters, overseeing the group's business and setting high governance standards |
| Sara Todd | CEX | <ul style="list-style-type: none"> Lead the Corporate Plan for the better health, better jobs, greener future outcomes Providing and ensuring the continuing organisational context for the '3 year' programme Authorising the organisation's strategic direction against which the '3 year' programme is to deliver |
| Graeme Bentley | Finance Director | <ul style="list-style-type: none"> Assist in decision making and ensure that the authority meets its budgetary requirements Provide continued commitment and endorsement in support of the '3 year' programme objectives Securing the investment required to set up and deliver the '3 year' programme, and fund the transition activities so that the desired benefits are realised |
| Board Members | | <ul style="list-style-type: none"> Reporting progress as appropriate for the programme/project Where required, to take responsibility for a specified project issue or area of work Seek corporate agreement for change control and associated funding Lead the escalation process for programme/project risks, issues, and decisions Ensure appropriate cross operational engagement against the key themes |
| PMO | | <ul style="list-style-type: none"> Monitor and evaluate programme/project performance to establish goals Prepares risk analysis and action plan to mitigate the risk Gather data on programme/project progress and produce reports |
| All | General | <ul style="list-style-type: none"> Check and challenge - act as critical friend Provide assurance to the programme Designate external/internal functions as and when required |

Strategic Delivery Group (SDG) Terms of Reference (ToR)

| | | | | |
|--|--|---|--|---|
| <p>Chair:</p> <ul style="list-style-type: none"> Graeme Bentley <p>Secretariat:</p> <ul style="list-style-type: none"> PMO <p>Attendees</p> <ul style="list-style-type: none"> Dave Muggeridge (Peter Carr/Helen Zammit) Adrian Fisher (Chris Morris/Clare Huber) Joy Preston (Emma Brown/Karen Ahmed/Helen Gollins) Pamela Wharton (Karen Samples) Steven Boyle Nina Kijowski /Bev Norton Riz Hafezji (Jon Thomson) Dianne Geary Sharon Winn Paul Foster (PMO) | <p>Key objectives:</p> <ul style="list-style-type: none"> Support the work of the F&C Programme to deliver the corporate plan and three year financial strategy <p>Key responsibilities:</p> <ul style="list-style-type: none"> Develop, deliver and approve; monitoring delivery of robust business cases Engage and inform F&C Board, Executive Portfolio Holder and key stakeholders Ensure Enabling function support and deliver Lead and undertake appropriate consultation (staff, stakeholder and public) where required Support the preparation of the draft and final budget report for approval by the Budget Council each February Notify any escalation points risks/unintended consequences Monitoring progress and interdependencies | | | |
| <p>Frequency: Bi-weekly Duration: 1 hour Location: Council Room / MS Teams</p> | <table border="1"> <tr> <td data-bbox="952 625 1488 1029"> <p>Agenda</p> <ol style="list-style-type: none"> Review actions from previous meeting Finance Update Risks/Issues Track progress against BC outcomes and savings </td> <td data-bbox="1488 625 1972 1029"> <p>Inputs</p> <ul style="list-style-type: none"> Business Cases Corporate Plan Quarterly Update Other papers as requested </td> <td data-bbox="1972 625 2537 1029"> <p>Outputs</p> <ul style="list-style-type: none"> Meeting notes / action log F&C Summary Report Decision notices Stakeholder Communication Risk tracking Interdependency mapping </td> </tr> </table> | <p>Agenda</p> <ol style="list-style-type: none"> Review actions from previous meeting Finance Update Risks/Issues Track progress against BC outcomes and savings | <p>Inputs</p> <ul style="list-style-type: none"> Business Cases Corporate Plan Quarterly Update Other papers as requested | <p>Outputs</p> <ul style="list-style-type: none"> Meeting notes / action log F&C Summary Report Decision notices Stakeholder Communication Risk tracking Interdependency mapping |
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| <p>Papers: 1/2 days prior:</p> | <table border="1"> <tr> <td data-bbox="952 1029 1556 1268"> <p>Escalation Points Finance and Change Board Peer Review</p> </td> <td data-bbox="1556 1029 2537 1268"> <p>Escalation Rules Any business case above a savings value of 100k (including costs) Any changes to statutory responsibility Any risk rated extreme (20 or above) Any consultation</p> </td> </tr> </table> | <p>Escalation Points Finance and Change Board Peer Review</p> | <p>Escalation Rules Any business case above a savings value of 100k (including costs) Any changes to statutory responsibility Any risk rated extreme (20 or above) Any consultation</p> | |
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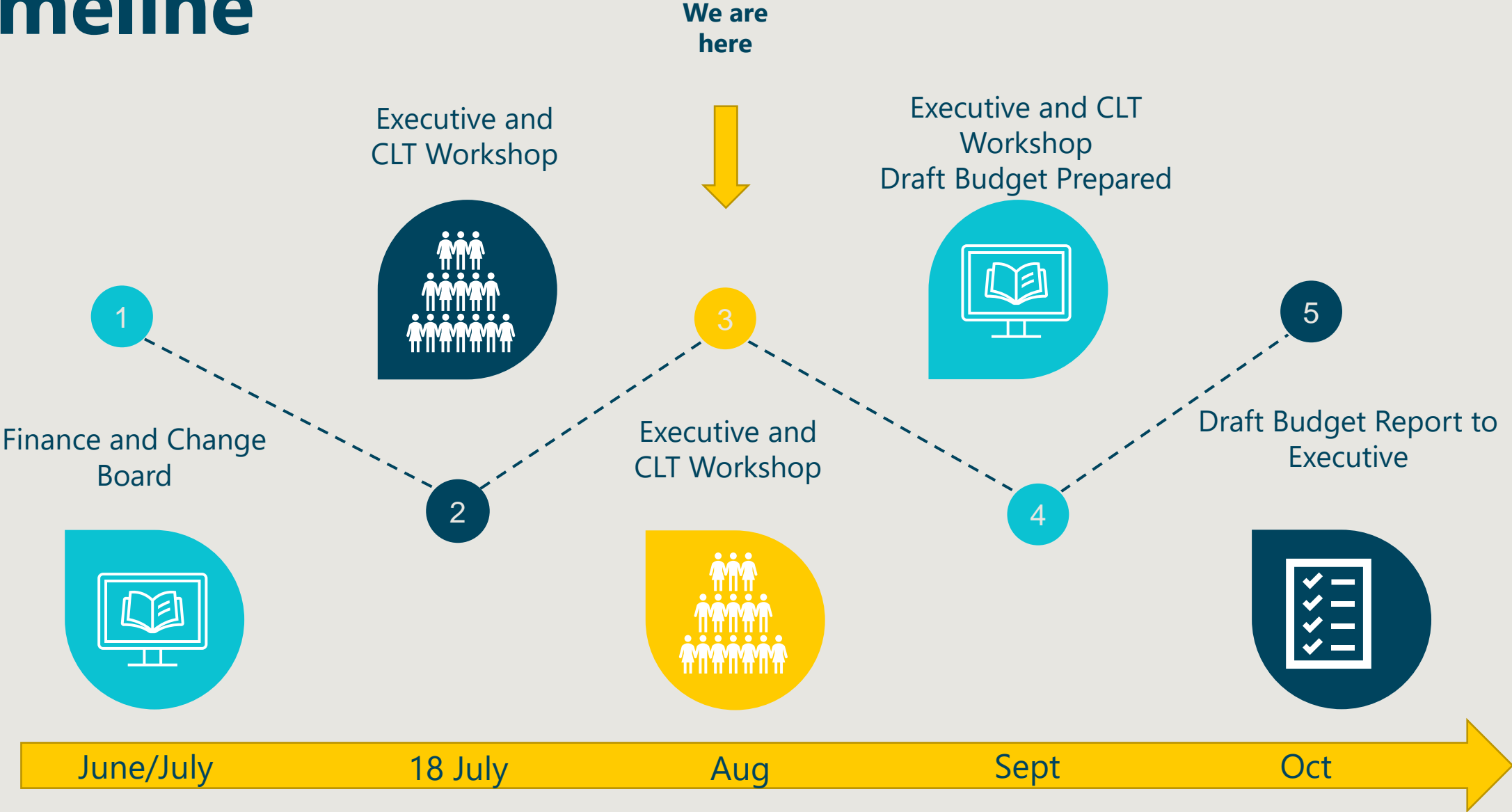
SDG Roles and Responsibilities

| Name | Role | Area of Responsibility |
|----------------|---------|--|
| Graeme Bentley | Chair | <ul style="list-style-type: none"> Leading the Board and focusing on business case development to meet '3 year' programme budget requirements |
| Board Members | | <ul style="list-style-type: none"> Ensuring the viability of the business case Ensuring that the programme/projects delivers within its agreed boundaries (e.g. cost, organisational impact, expected/actual benefits realisation etc.) To work with chair to develop programme plans to inform the F&C board Create the vehicle to deliver the programme/ project into Business as Usual (BAU) as a sustainable delivery model To be ambitious and create change to achieve our corporate plan priorities, ensuring our EPIC values are aligned Act as the first point of escalation for any programme questions, risks, issues, and changes Have knowledge of other directorates priorities to achieve our Corporate outcomes |
| PMO | | <ul style="list-style-type: none"> Monitor and evaluate programme/project performance to establish goals Prepares risk analysis and action plan to mitigate the risk Gather data on programme/project progress and produce reports |
| All | General | <ul style="list-style-type: none"> Check and challenge - act as critical friend Provide assurance to the programme Nominate appropriate deputy |

Finance and Change Board - Themes

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

Timeline



Programme Phases

2022

2023

Jan Feb Mar Apr May Jun July Aug Sept Oct Nov Dec Jan Feb Mar April +

Relevant communications to Exec, colleagues, partners and updates to stakeholders throughout the lifecycle of the programme

Phase 1:

Pre-mobilisation and Mobilisation
Vision, scope and programme framework
Producing the Initial Scoping, connecting
IT & Digital, Capital, Investment and
Estates activity



Phase 2:

Revisiting what we know – any more options?

Phase 3:

Service Redesign and Deep Dives on Discretionary Services

Phase 4:

Statutory Service Review - Art of the Possible

Scrutiny

Scrutiny

Phase 5:

Worse Case Scenario

Ongoing Lobbying Campaign

Ongoing data reporting and collection – Benchmarking reviews

Budget
Exec

Draft
Budget

Spending
Review /
Financial
Settlement

Budget
Exec

End of Q4 '21/22

End of Q1 '22/23

End of Q2 '22/23

End of Q3 '22/23

End of Q4 '22/23



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Activity so far...

What have we done so far...Phase 1

Established **Finance and Change Programme** with Exec Member Chair which has overseen:

- Work underway on the first 15 scoping ideas
- Review of the operational and strategic estates
- Incorporated digital strategy to understand links and priority areas for delivery

- Undertook benchmarking exercises – financial and best practice research
- Delivered a 'doing things differently' workshop including a revisit of MoSCoW



What have we done so far...Phase 1

- Launched staff ideas scheme for savings
- Identified initial service savings to date of £700k
- Reviewed all council wide and corporate budget areas – potential for £8-9m but some risk
- Developed timeline for 2022/3 activity
 - 5 phases identified
- Drafted lobbying leaflet and letter to ministers
- Ongoing dialogue with DLUHC



Scoping Activity Undertaken

- Internal Reablement (Care at Home)
 - Preparing for Adulthood
 - Doing it Differently (AST)
 - External Placements
 - Allowances
 - Short Breaks
 - SEND
 - Offsite Document Storage
- Amey 7 Year Review incl review delivery model for parks and open spaces
 - Review of Operational and Strategic Estate
 - Waterside
 - Flixton House
 - Recruitment / Agency
 - Fairer Charging / Traded Services
 - Waste Levy

Lobbying Campaign

A leaflet for Trafford Council's Medium Term Budget Plan. The top left features the council's name and logo. The main text discusses the financial challenges of the council and lists several key statistics under the heading 'Trafford in Numbers'. The background of the leaflet shows a colorful, abstract graphic of a building.

Trafford Council
Medium Term Budget Plan

TRAFFORD COUNCIL

After a decade of austerity, demand outweighing resources, escalating inflation and funding uncertainty, the financial sustainability of Trafford Council is not certain. The way resources are allocated must change.

Trafford in Numbers

Trafford Council has a proven long term success in balancing its budget.

An effective and prudent culture of sound financial management and a strategic approach to economic development has delivered:

- **Low spend per head of population** – Trafford has the lowest total expenditure per head of population across all GM authorities and 5th lowest across all metropolitan authorities at **£1,369 spend per head** A balanced budget every year since being formed in 1974
- Efficiencies and income generation since the start of austerity (2010) **+£170 million**
- Council Tax in year collection rate, one of the highest in the country **97%**
- Annual contribution (21/22) to revenue budget from Business Rates Growth **£8.7 million**
- Annual Dividend from strategic investment in Manchester Airport Group (pre-pandemic) reinstatement date unknown **£5.6 million**
Annual income from a local Asset Investment Strategy 21/22 **£6.3 million**
- Average Met Districts Exxxx spend per head (I will get figure)

Aim of the campaign is to:

- Create awareness of the financial position Trafford faces and secure more funding from government

Create awareness by:

- Producing a resident specific lobbying leaflet and showing residents we are leading the way forward for them
- Sharing information /infographics across social media platforms
- Following up the leaflet with a specific media campaign
- Considering drop ins sessions (public meetings) in various locations across the borough – link in with other key work across the borough, for example, cost of living
- Link the information to the consultation process for the draft budget

Secure more funding by:

- Spearheading the F20 campaign
- Continued liaison with LGA, DLUHC, Unison, all local councillors
- Undertaking targeted meetings with GMCA and Mayor to agree a GM combined approach to lobbying govt
- Meeting with MPs specifically Sir Graham Brady to put forward Trafford's position
- Considering how the change of leadership with impact on the allocation of funding and following up appropriately

Ideas Scheme

- Launched 13 June and over 100 ideas received
- Working group established to manage the process
- Departmental Management Teams (DMTs) are currently reviewing the ideas relevant to their areas to recommend those ideas that:
 - Should be taken forward
 - Either require further consideration or are already being worked on
 - Will not be taken further including a rationale to explain the decision



TRAFFORD IDEAS SCHEME

WE WANT TO HEAR YOUR IDEAS ABOUT HOW TRAFFORD COUNCIL CAN KEEP IMPROVING.

ideascheme@trafford.gov.uk



NO IDEA IS TOO BIG OR TOO SMALL!

- DMs are currently reviewing
- Feedback has been shared with the Strategic Delivery Group late August
- Ideas recommended will be considered at the September Finance and Change Programme Board
- For the ideas selected, a draw will take place and the individual nominating the idea will be given 'shopping vouchers' as a token of appreciation
- Communications around the ideas scheme and successful items chosen along with the outcome of the draw will be shared via staff updates/intranet



Approach to draft budget



- **Reviewed all phase 1, 2 and 3 options**
- **Discussions undertaken** at CLT, DMTs and Strategic Delivery Group
- CLT and SDG **revisited previous budget planning exercises**
- **Reviewed the financial benchmarking** and research
- Obtained **input and discussed with Exec Members**
- **Completed a draft assessment of risks and impacts to help including:**
 - Impact on Staff
 - Impact on Vulnerable/ Residents
 - Complexity of Implementation
 - Reputational Impact
 - Linked to Digital Strategy
 - Invest to Save Requirement

Summary of the information



- Budget options are a mixture of savings, service redesign and in some cases cuts to services
- There are 41 options across all directorates, with some requiring cross directorate decisions and others corporate decisions
- The word document shows each option with key information including the monetary amount for the one, two and/or three years
- Separate spreadsheet exists which details the options and any capital investment required – all reference numbers match across all documents
- The options can be categorised by financial amount:

| Number of options with figures over three years in ranges | | |
|---|-------------------|------------------|
| Range | Number of Options | Value of Options |
| Up to £100k | 26 | (1,451) |
| £101k to £500k | 14 | (3,939) |
| GT £501k | 1 | (800) |
| Total | 41 | (6,190) |

Approach to Consultation



- Decision required in next few weeks as to consultation required to enable planning to commence for a 'go live' date October
- Number of options available including a blended approach:
 - **All digital** – survey, video, social media platforms, blog, tailored page on website, intranet page
 - **Public consultation on all budget options** affecting residents – this could be **face to face** with a couple of main events or events in each locality, and / or live streamed
 - **Targeted consultations** as required dependent on the proposal and the user groups - proportionate in scale to the proposal concerned and targeted to the stakeholder group concerned
 - **Staff consultation** dependent on options taken forward
- The approach adopted will determine the cost, budget and resources that will be required i.e. for video, room hire, marketing materials, managing project etc

Key Risks

plus any other specific service risks

Inflation – particularly impacts on ongoing pay and energy costs

Central Government and Tax Changes – change to central government position and potential for tax cuts could impact on public service budgets over and above what's already been planned

Adult Social Care - Market Sustainability and Charging Reform

DSG - Education Reform and SEND Green Paper/High Needs Deficit

Business Rates

- 100% Pilot for GM will continue in 2023/24
- Assumptions on reset and taper (taper over 4 years) from 2024/25
- Distribution on national rates growth
- Wider economic impact

Real Living Wage – particularly given the current level of inflation

Resourcing and Recruitment - potential impact on ongoing delivery

Timescales - pace and capacity needed to ensure development and delivery of the programme for a balanced budget





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How will Scrutiny monitor and influence the Finance and Change Board....

Role of Scrutiny

- To understand the remit and work done so far.
- To assess the budget position in October when the draft budget is presented to Executive, the key assumptions included in the budget and risks and the deliverability of savings and income proposals identified so far.
- To challenge the progress made to date in trying to address the budget gap and understand how the remainder will be met.
- To understand the statutory role of the S151 officer





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