

# Public Document Pack

## **PRESENTATIONS MADE AT SCRUTINY COMMITTEE**

**Date: Wednesday, 16 November 2016**

**4. 2017/18 BUDGET PRESENTATION**

To receive a presentation of the Leader of the Council.

1 - 26

**7. INCREASING PHYSICAL ACTIVITY ACROSS THE BOROUGH**

To receive a report of the Executive Member for Communities and Partnerships.

27 - 42

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TRAFFORD  
COUNCIL



## Scrutiny Committee – 16 November 2016



# Agenda



Page 2

Agenda Item	Lead
Welcome	Cllr Sean Anstee
Overview of the budget position & the Council's approach	
Savings Proposals	
Consultation Process	
Questions	All



# Financial Update

## Some Context

- § Trafford Council has saved £113m since 2010
- § By 2020 Trafford Council needs to save a further £42.09m
- § Reasons for this are:
  - § Continuing pressure of austerity
  - § Changes to central Government funding arrangements up to 2020
  - § Rising demand on services

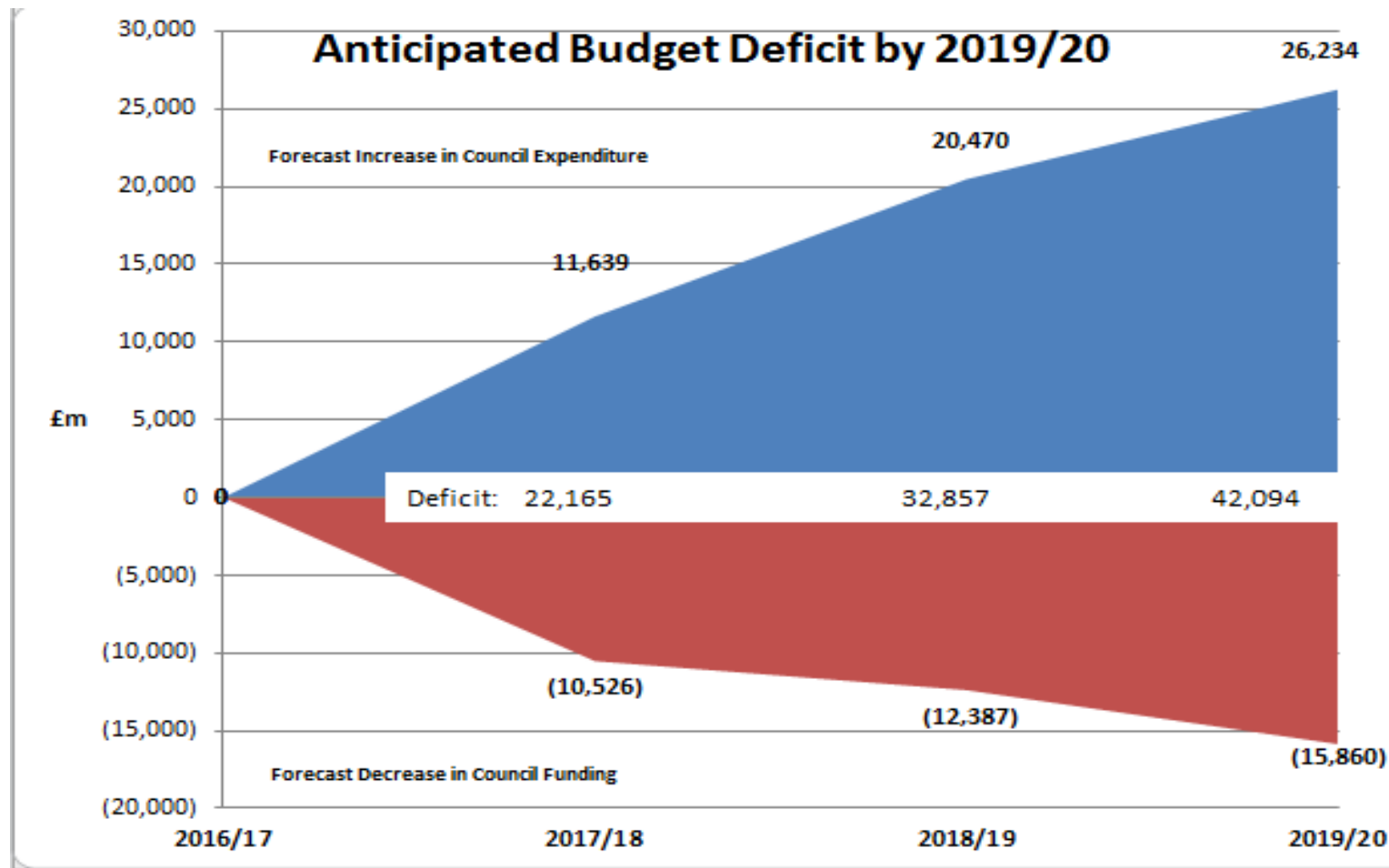
**This level of additional savings to be made presents the Council with its greatest task yet**



# MTFS POSITION 2017/18 to 2019/20

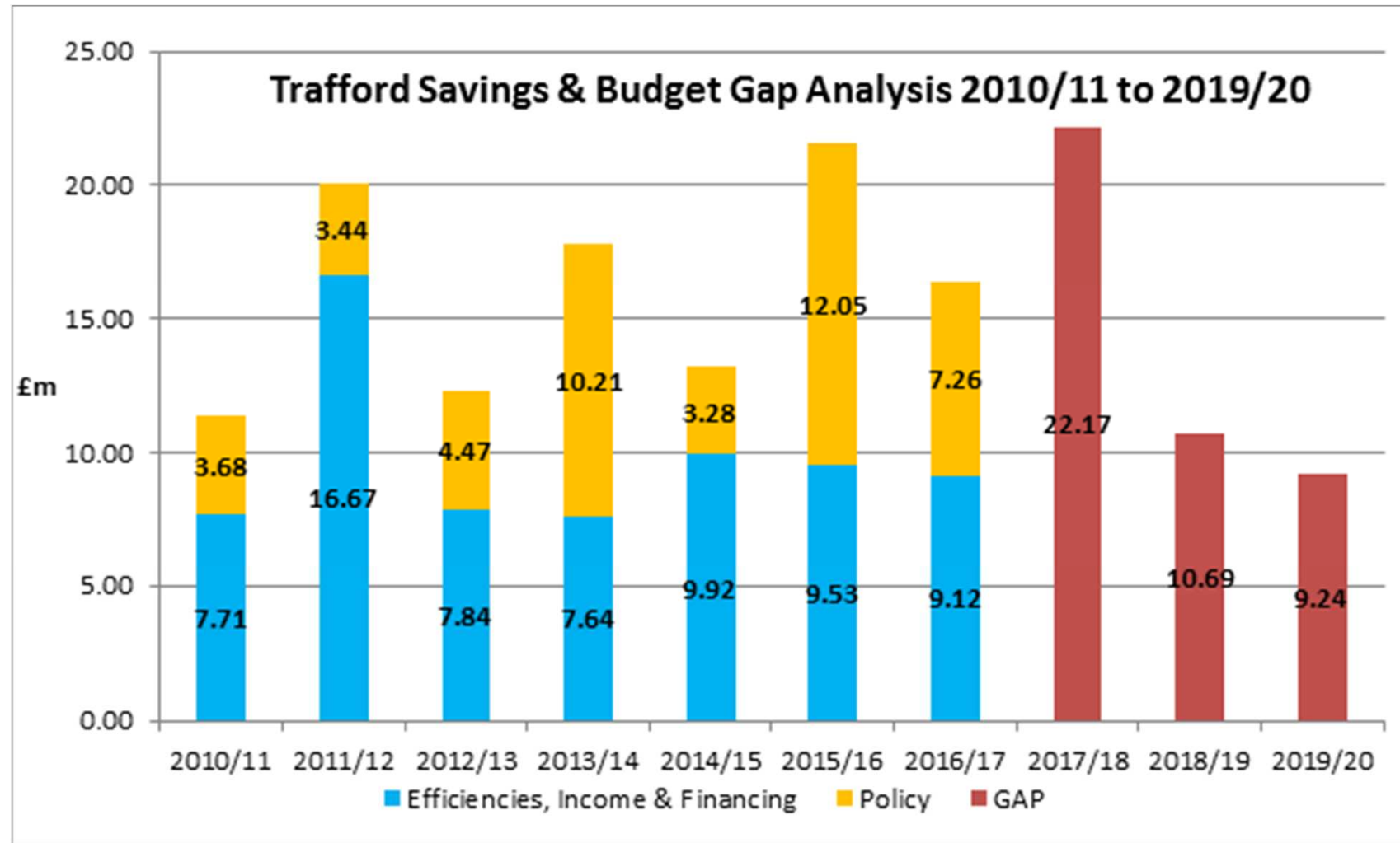
## Budget Gap

§ The updated budget gap of £42.1m for 2017/18 to 2019/20 comprises of both cost pressures £26.2m and reduction in funding £15.9m



# MTFS POSITION 2017/18 to 2019/20

## Savings & Budget Gap





# MTFS POSITION 2017/18 to 2019/20

## Budget Proposals – Summary



- § The table below shows the current position following the latest round of business cases & budget proposals

Table 4: Summary of the Reduction in the Budget Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Total Gap</b>	<b>22,165</b>	<b>10,692</b>	<b>9,237</b>
Less Social Care Precept (as per budget report February 2016)	(1,682)	(1,732)	(1,783)
<b>Remaining Budget Gap</b>	<b>20,483</b>	<b>8,960</b>	<b>7,454</b>
Less Savings from existing programmes	(9,346)	(250)	0
New Savings and Income Proposals	(4,650)	(635)	(811)
Increase in Council Tax (general increase of 1.99%)	(1,665)	(1,730)	(1,818)
<b>Net Gap</b>	<b>4,822</b>	<b>6,345</b>	<b>4,825</b>
Use of Budget Support Reserve	(2,800)	2,800	0
<b>Total Remaining Budget Gap</b>	<b>2,022</b>	<b>9,145</b>	<b>4,825</b>

- § Further savings proposals will need to be developed over the coming months in order to bridge the gap in the 2017/18 budget and later years



# Funding Gap

- § Currently after taking into account the draft budget proposals there remains a budget gap for the year 2017/18 of £2.02m
- § The Council will continue to:
  - § Review business cases and budget proposals to identify further savings
  - § Review income generating proposals to address the remaining gap
  - § Explore the feasibility of new ideas/proposals put forward
  - § Revisit financial assumptions i.e. inflation assumptions, accounting policies
- § Final decisions will be taken by the Executive after taking into consideration the above options to address the gap on 22nd February 2017

# Council Tax

- § Trafford currently has the lowest council tax in the North West and also has the lowest council tax of any Metropolitan District in England
- § Proposal is to increase the level of council tax of 3.99% in 2017/18 comprising of:
  - § 2% increase for the social care 'precept' to be earmarked for adult social care expenditure
  - § 1.99% general increase
- § For a band D property in Trafford this equates to an increase of 86.5 pence per week or £44.98 per annum
- § This will raise £3.35m in Council Tax

# Business Rates

- § Greater Manchester are planning to pilot the 100% Business Rates Retention Scheme from 2017/18 to 2019/20
- § At this stage discussions are still on-going with DCLG to finalise the details of the pilot before it is finally agreed
- § Confirmation of the pilot and the operation of the scheme is expected in December
- § DCLG have agreed the principle of a “no detriment” position for each Council from the operation of any pilot and so all authorities are budgeting on a business as usual basis
- § Any local benefit from piloting the new scheme is at present uncertain and has not been factored into the draft budget
- § National roll out of the 100% scheme is expected 2020/21

# Savings Proposals

# Strategic Interventions

Our strategy has identified eight key interventions and the savings proposals have been themed: as follows:

- § Make Trafford a Destination of Choice (Tourism, visitor attraction, economic growth)
- § Accelerate housing and economic growth
- § Supporting communities and businesses to work together to design services, help themselves and each other
- § Working together for Trafford
- § Creating a national beacon for sports, leisure and activity for all
- § Optimising technology to improve lives and productivity
- § Developing a wider education and skills offer that better connects people to jobs
- § Mersey Valley becomes a significant visitor attraction that connects the North to the South of the Borough

# Savings Proposals by Strategic Intervention



Make Trafford a destination of choice (3)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
Waterside Arts Centre				100	100	0

Accelerate housing and economic growth (4)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
Planning Income				70	0	0



# Savings Proposals by Strategic Intervention

Supporting communities and businesses to work together to design services, help themselves and each other (5)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
Parking				702	0	0
Capitalisation of Costs	170	0	0			
Review of Sale PFI Contract	50	50	0			
Review of Bad Debt Provision	200	0	0			
Review of Council Tax Support Scheme	160	40	40			
Insurance Premium Savings	50	0	0			
Reablement – Phase 2	946	0	0			
Base Budget Review	332	0	0			
Property Repairs and Maintenance System	89	0	0			
Energy and Water Consumption	80	0	0			
Voluntary plus Compulsory Unpaid Leave	500	0	0			





# Savings Proposals by Strategic Intervention

## § Parking

Time	Current Parking Fees	Proposed Parking Fees
30 mins	£0.20	70p
2hrs	£0.50	£1.50
3hrs	£1.00	£2.50
4hrs	£2.00	£3.50
Full day	£4.00 (£3.00 on street)	£7.00 (£6.00 on street)

## § Introduce charges at seven off-street car parks which are currently free all day:

- § Lacy Street (Stretford)
- § Flixton Road (Urmston)
- § Manor Avenue (Urmston)
- § Hampson Street (Sale Moor)
- § Balmoral Road (Altrincham)
- § Atkinson Road (Urmston)
- § James Street (Sale Moor)

## § The proposal is for 2 hrs free with over 2 hrs £1.00



# Savings Proposals by Strategic Intervention



Working together for Trafford (6)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
Income from Kerbside Green Waste Collection				430	75	395
#BeResponsible - Right Stuff Right Bin	151	232	261			
School Crossing Patrols Traded Service	350	0	0			
Transfer of maintenance to individual bowling clubs	18	0	0			

Page 16



# Savings Proposals by Strategic Intervention



- § Introduce partial cost recovery for the collection of green waste from the kerbside (voluntary opt-in service). Food waste will still be collected weekly without additional charge as part of the universal council offering.
- § A range of measures proposed to encourage recycling and reduce waste disposal costs. There will be no change to collection frequencies but a stricter approach to ensuring only non-recyclable items are included in the general (grey) waste bin
- § Schools crossing patrols to become a traded service which will be offered to schools and/ or community groups
- § The Council will pay individual bowling clubs a fixed amount to undertake their own greens maintenance. This arrangement already operates successfully at one club and the proposal is to roll this out across the Borough



# Savings Proposals by Strategic Intervention



Creating a national beacon for sports, leisure and activity for all (2)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
Franchise income – Trafford leisure				0	100	100

Optimisation technology to improve lives and productivity (8)	Cost Savings			Income Generation		
	17/18	18/19	19/20	17/18	18/19	19/20
LED roll out – energy saving	100	0	0			
CCTV Business Development				10	10	15
Business Scanning	100	28	0			
Online Integrated Council Tax Forms	42	0	0			

Page 18



# Savings Proposals by Strategic Intervention

- § Use of a Central Management System to control LED lighting (dimming and trimming). The roll out is scheduled between April 2016 and September 2017
- § Business efficiency savings from enhanced use of scanning technology
- § Business efficiency savings from improved use of on-line technology in the administration of Council Tax

# Consultation Approach

# Changing the Approach to Consultation

- § No specialist company commissioned
- § Analysis of consultation outcomes to be completed by Council Officers
- § Two main public consultation events in the North and South of the borough in a question and answer format rather than several smaller events
- § Talking to residents in a different way by using the power of digital to deliver the message i.e. Twitter, Facebook
- § Use of live streaming to show the public consultation events
- § Enhancement of the online pages - join the conversation
- § Targeted consultations where relevant and appropriate

# Example Online Consultation



## Welcome to the 2017/20 Budget Conversation page

### Budget Conversation 2017 to 2020

Join the Budget Conversation to help us focus on what you value most  
- we need to make more savings and need to talk about what matters most to you!

Page 22

How do we spend our money now?

See where we spend now

[See the breakdown](#)

Join the conversation

Look at our budget proposals and complete the Conversation survey

[Join in and have your say](#)

Follow the conversation

Budget Conversation  
[Respond to what people are saying](#)







# Revised Consultation Process Approach

1

2 public sessions (one in the North and one in the South of the borough) in Nov / Dec 2016.

2

Continue with the 'join the conversation' theme introduced on line and the term 'consultation' will be replaced with 'conversation' regarding public engagement activity

3

The public will be informed about those things which could directly affect them and the neighbourhood they live in

4

As much activity as possible will be undertaken online promoting the 'join the conversation' approach adopted last year and via social media

# Timeline – Short Term



Budget proposals presented to Executive	15/11/16
Budget proposals presented to Scrutiny Committee	16/11/16
Public consultation event	23/11/16
Public consultation event	03/12/16
Budget Scrutiny	Dec 2016
Executive Member Workshops	Jan 2017
Final Budget is presented to Council	Feb 2017



# QUESTIONS?



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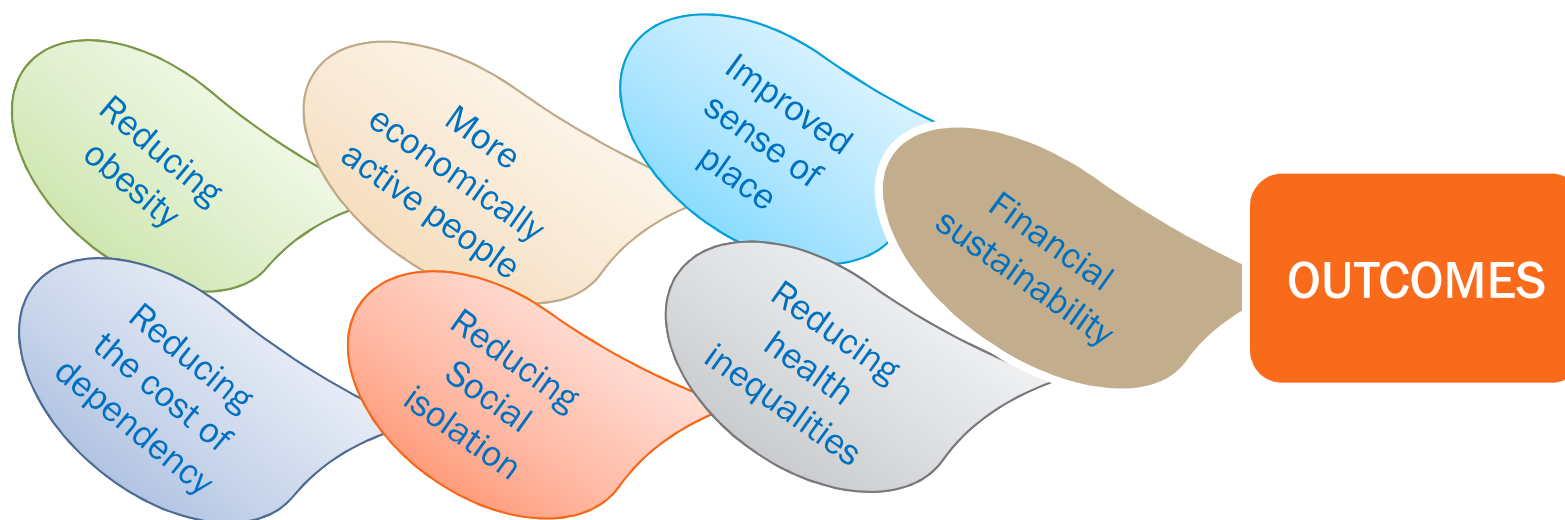


## Overview



# Physical Activity Vision

- § A vision for a step change improvement in health and wellbeing outcomes for Trafford residents
- § Through a strategy to get every resident physically active
- § Because we know the impact on health and wellbeing outcomes is significant and will help to reduce the pressure on the health and social care system.





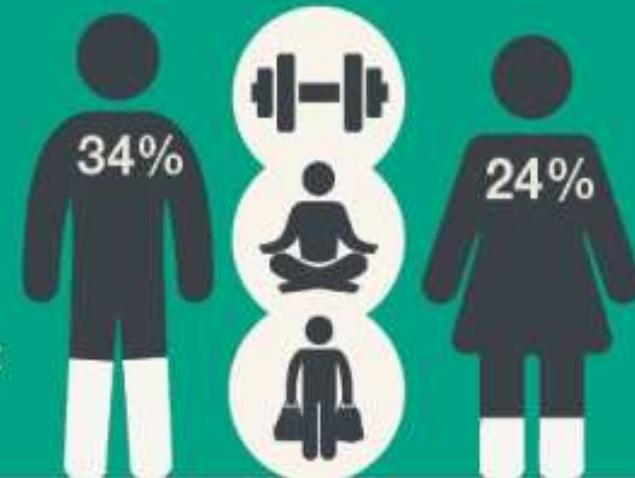
# Physical Inactivity

## How active are we?

1 in 4 women and 1 in 5 men in England are classed as physically inactive – doing less than 30 minutes of moderate physical activity per week.



Only 34% of men and 24% of women undertake muscle-strengthening activities at least twice a week.

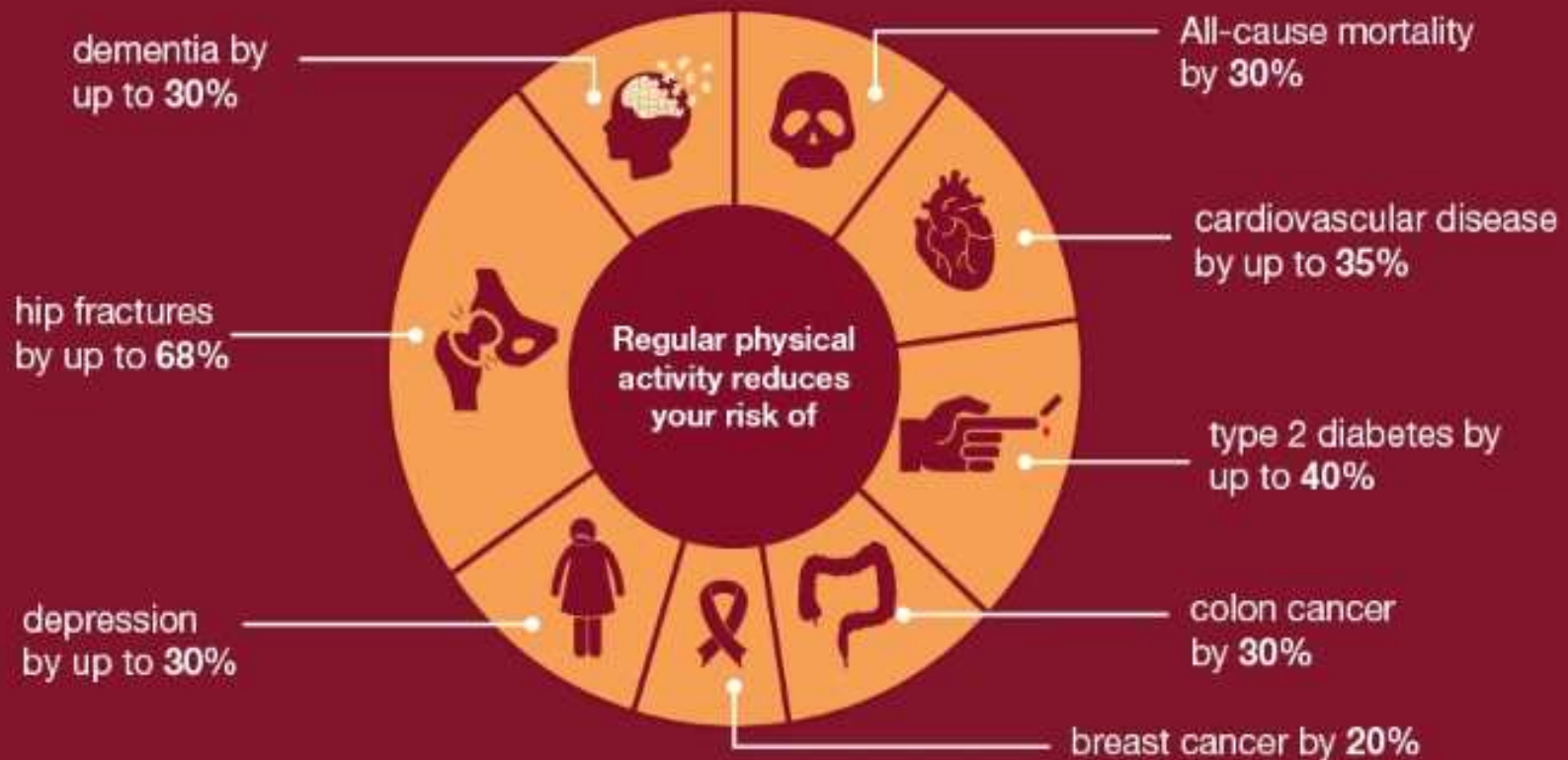


Men are more likely than women to average 6 or more hours of total sedentary (sitting) time on both weekdays and at weekends.



# Physical Activity Benefits

## What are the health benefits of physical activity?





# Behaviour Change

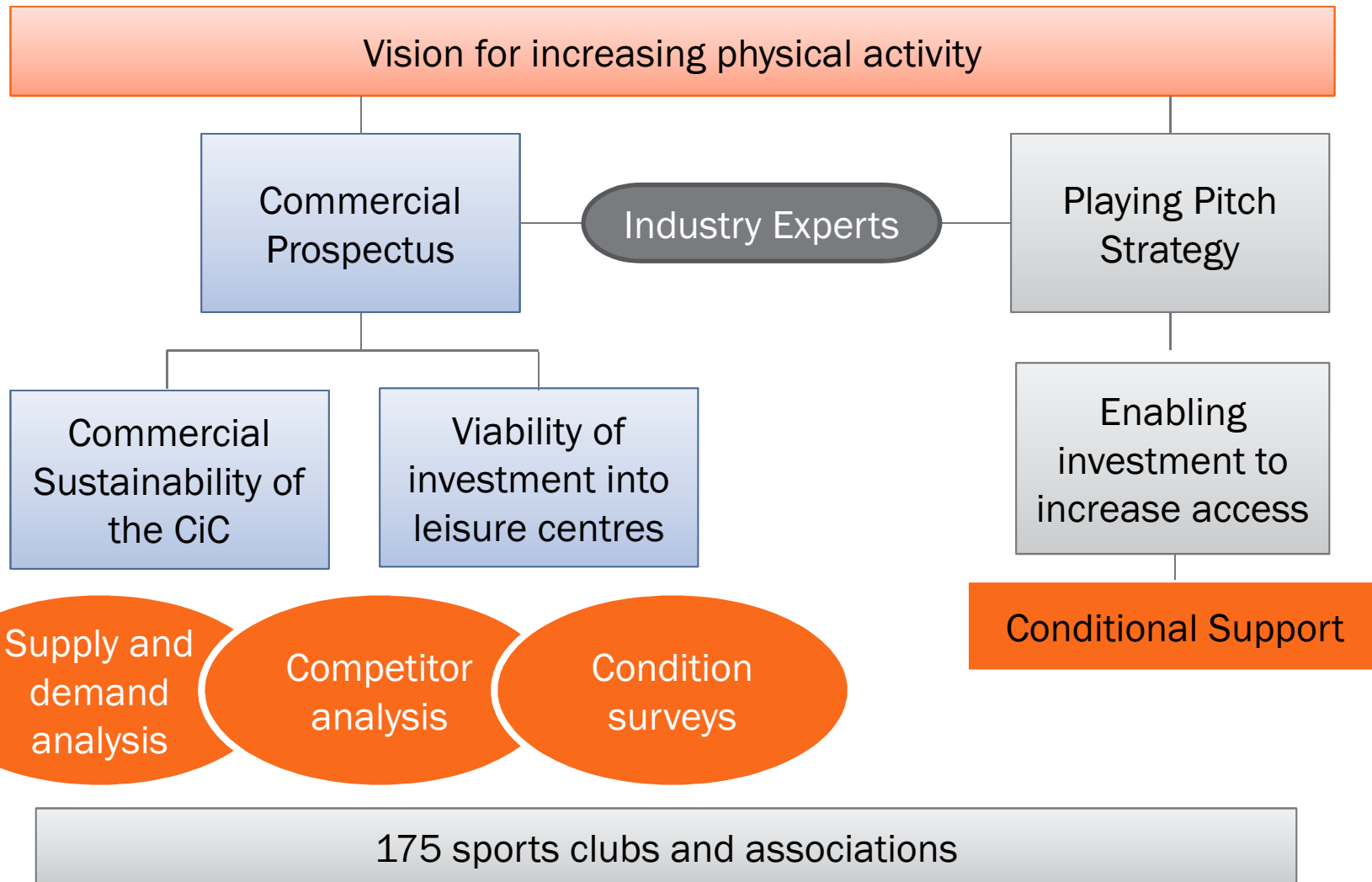
For lifelong engagement in physical activity



# Core Aims

Our aims boil down to three key outcomes

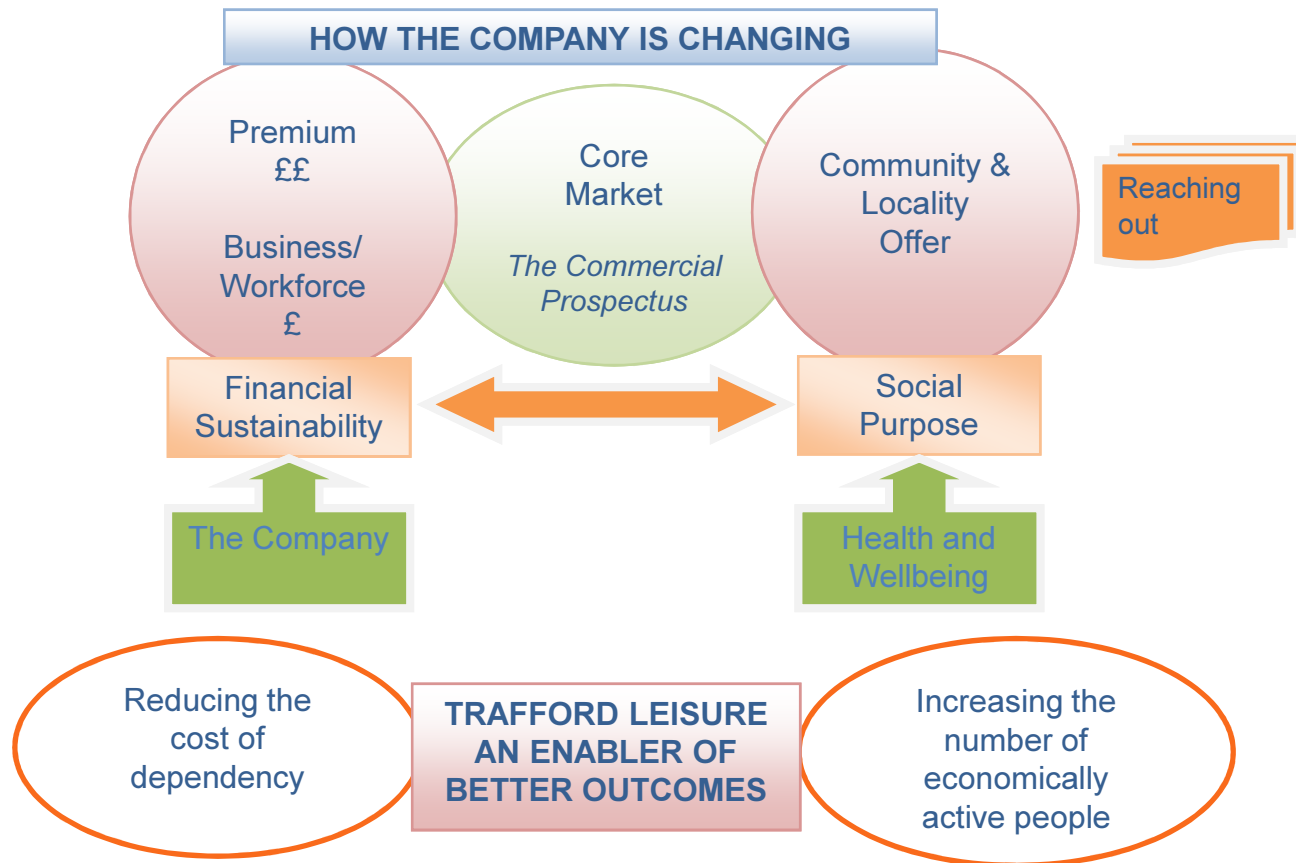
- **Reducing ill health.**
- **Increased take up of leisure opportunities in all localities reflecting that leisure facilities are clearly adding to the sense of place in Trafford's localities.**
- **The provision of leisure facilities that are economically sustainable – Decision made on a commercial basis.**



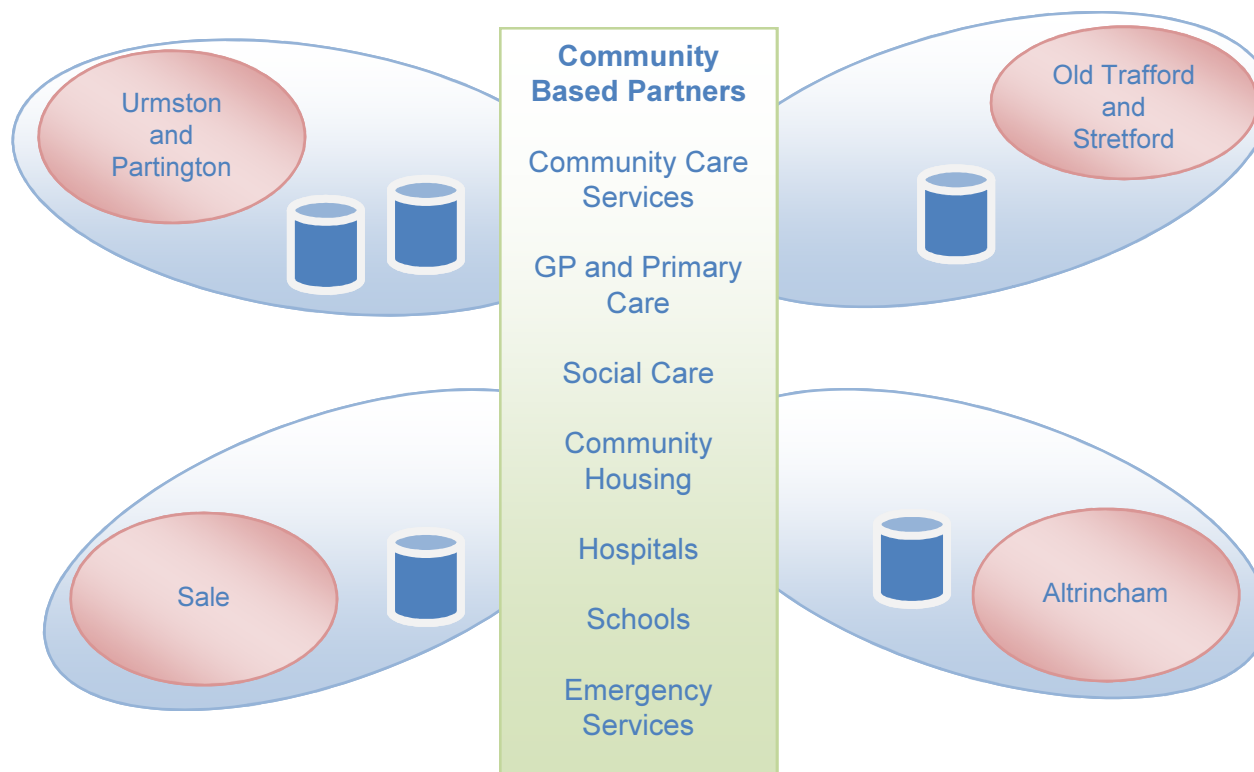
# Community Interest Company



- Wholly owned by the Council
- Commenced trading 1<sup>st</sup> October 2015
- Financially stable (no subsidy)
- Strategic objectives and mission aligned to vision



# Place Based Approach



Page 35



Leisure Centre



# Investment Requirements

## Context

Centre	P1 - 1 year	P2 - 2 years	P3 - 4 years	P4 - 8 years	Total
Stretford	£8,274	£614,063	£977,067	£1,318,163	£2,917,567
Sale	£12,031	£111,789	£234,327	£647,142	£1,005,289
Urmston	£22,880	£40,029	£26,840	£748,272	£838,021
George H Carnell	£23,432	£263,406	£1,082,907	£468,265	£1,838,010
Partington	£1,568	£61,835	£381,955	£404,986	£850,344
Altrincham	£133,172	£556,940	£1,410,641	£813,458	£2,914,211
Total	£201,357	£1,648,062	£4,113,737	£4,400,286	£10,363,442

- **£10m to stand still**
- **Potential for customer attrition without modernisation**

# Independent Feasibility

- **Assessment of traditional sports facilities, review options of new, more commercial leisure and retail activities that can enhance income and enable increased visits;**
- **Design concepts for each facility;**
- **Indicative but robust costs for the development of the facilities, together with assumptions used in costing;**
- **Five-year revenue business plans, identifying assumptions underlying the revenue projections and the anticipated level of financial return;**
- **The financial modelling to include the net impact of the income and expenditure for all development areas in the facilities.**

# Return on Investment

- ⌘ **The overall financing requirement is £24.39 million (includes Altrincham £10m)**
  
- ⌘ **Avoids required maintenance costs of £10.36m over 8 years**
  
- ⌘ **Commercial Prospectus shows additional profit at full maturity (after 5 years) will be sufficient to repay investment costs**
  
- ⌘ **Positive impact on health and social care system – improving physical activity levels of Trafford Residents**



# New Facilities



# Sources of Funding

- Capital receipts from the sale of assets accelerating housing development.
- Prudential borrowing
- Sport England
- Original Leisure Trust

Centre	Total Capital Cost £000	Borrowing Repayment Cost £000
<b>Phase 1</b>		
Urmston	2,113	95
Sale	4,431	199
<b>Sub Total</b>	<b>6,544</b>	<b>294</b>
<b>Phase 2</b>		
Altrincham	10,000	450
<b>Sub Total</b>	<b>10,000</b>	<b>450</b>
<b>Phase 3</b>		
Stretford	6,479	291
Partington	1,365	61
<b>Sub Total</b>	<b>7,844</b>	<b>352</b>
<b>Grand Total</b>	<b>24,388</b>	<b>1,096</b>

## CiC Director's Views

- In principle supportive of the commercial prospectus and the deliverability of the income targets providing there is consolidation of non-viable aspects of the business as identified in the Commercial Prospectus –
- The Board supports the consolidation of leisure activities in the Urmston Centre which would see the closure of George H Carnall Centre.
- In addition there is an over provision of golf facilities and the Board proposes they cease operating from William Wroe
- Want to push ahead with developments at Sale and Urmston as a priority in phase 1 – they offer the shortest payback period
- Believe more work is required on plans for Altrincham and Stretford

# Recommendations to Executive



- **The vision**
- **Investment**
- **The Community Interest Company**
- **The Playing Pitch Strategy**

