



TRAFFORD
COUNCIL

**SUPPLEMENTARY AGENDA PAPERS FOR
SCRUTINY COMMITTEE MEETING**

Date: Wednesday, 3 October 2018

Time: 6.30 p.m.

**Place: Committee Rooms 2 & 3, Trafford Town Hall,
Talbot Road, Stretford M32 0TH**

A G E N D A	PART I	Pages
4.	EXECUTIVE'S RESPONSE TO THE TASK AND FINISH GROUP REVIEW OF THE COUNCIL'S CRM SYSTEM	
	To receive a report of the Corporate Director of Governance and Community Strategy.	To follow under separate cover
7.	REDUCING SINGLE USE PLASTIC IN TRAFFORD	
	To receive a supplementary report of the Executive Member for the Environment, Air Quality and Climate Change.	1 - 6
8.	OVERVIEW REPORT	
	To receive a presentation on the 2019/20 Budget Challenge and Assumptions and the 2018/19 Savings Programme, as referred to on page 3 of the Overview Report (page 17 of the original agenda).	7 - 20

JIM TAYLOR

Interim Chief Executive

Membership of the Committee

Councillors D. Acton (Chair), C. Boyes (Vice-Chair), R. Bowker, J. Coupe, J. Holden, A. New, B. Shaw, S. Taylor, S. Thomas, A.J. Williams, M. Young, R. Chilton (ex-Officio) and D. Western (ex-Officio)

Scrutiny Committee - Wednesday, 3 October 2018

Further Information

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

Chris Gaffey, Democratic & Scrutiny Officer

Tel: 0161 912 2019

Email: chris.gaffey@trafford.gov.uk

This agenda was issued on **Monday, 1 October 2018** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD COUNCIL

Report to: Overview and Scrutiny Committee
Date: 3rd Oct 2018
Report of: Executive Member for the Environment, Air Quality and Climate Change

Report Title

Reducing Single Use Plastic in Trafford Town Hall

Summary

The Council believes that the reduction of single-use plastic would benefit health in Trafford and reduce waste.

Council therefore requests the Executive Member for the Environment, Air Quality and Climate Change to:

1. Develop a robust strategy to ensure Trafford Council phases out single-use plastics (SUP) in its activities within the next two years.
2. Work with partners and other large institutions to encourage them in developing similar strategies to reduce SUP.
3. Inform the public of Trafford of the reasons for phasing out SUP and encourage them to switch to alternatives.
4. Commit the Council to explore the implementation of reusable cups to officers and members to show leadership on this important issue

Recommendation(s)

To note:

- a. Implementation of a holistic recycling scheme within the Terrace restaurant to support the Town Hall scheme.
- b. Implement quick wins (including associated price increases)
- c. The review of sandwich and takeaway suppliers, prioritising compostable packaging.
- d. Continue to use recyclable products for football openings and branded drinks / water until the industry provides price comparative alternatives.
- e. To review the use of SUP across the schools catering service.

Contact person for access to background papers and further information:

Name: Richard Roe
Extension: 4265

1. Background

- a. The Terrace is not subsidised by the Authority and therefore relies on customer sales to ensure its sustainability. The forecast expenditure (staff, supplies and overheads) must be matched by the income generated by sales. The income target includes hospitality across TTH, operating a service for Manchester United home games, both marathons and large events.
- b. The Terrace is currently utilised by both internal customers (Trafford staff) and external customers. There is also a mixture of usage including takeaway and eating in.
- c. The objective of the Terrace is to supply an affordable catering outlet for both staff and members of the public.

2. Single Use Plastic Use.

- a. Single use products are in use at the Terrace to provide a takeaway service for food and drinks.
- b. All but one product line is recyclable (Lucozade bottles). This product will be removed.
- c. We have now ceased using plastic cups for internal hospitality requests. We will also cease using of plastic cups for normal service and plastic straws will also be removed from the Terrace.
- d. Although the market is adapting to supply compostable products to replace SUP's these are significantly more expensive (at this time) as the industry has not adapted to meet the increasing demand. It is anticipated that, as legislation and demand changes, the unit price for these products will decrease. There are no real cost effective alternatives at this time to SUP in this case.
- e. We have considered every aspect of our business and we believe we operate efficiently. Although every attempt will be made to source alternative products to SUP's at the same price of SUP's it is highly likely that currently they will be more expensive and any increase in costs will require an increase in tariffs.
- f. The table below highlights the key areas of SUP within the Terrace. These represents circa a 5th of the sales income required to ensure the sustainability of the Terrace, this income must be retained or the Terrace will be in a negative position.

Item	Item	Item
Branded Drinks (Coca Cola, San Pelligrino, Vimto etc.)	Bottled Water	Sandwiches
Sundry Take away containers	Costa Coffee	Soup
Cutlery	Football plastic pint pots	

3. Options.

- a. The options available have been classed as *quick wins* - those with an acceptable impact on both the customers (price impact) plus service sustainability; and *long term* objectives (those that will be introduced over the next 2 years).

b. Quick wins – Implemented on approval.

Item	Proposal	Impact
Lucozade	Cease sales.	Sell alternatives Powerade that can be recycled
Plastic Straws	Remove from service	Utilise alternative compostable product
Plastic cups	Remove from normal service and hospitality	Use Glasses
Costa Coffee	Sign up to Costa recycle scheme & encourage bring your own reusable cup.	Increase cost for SUP cup use (15p). This will offset the cost of the specialist Costa recycling scheme.
Soup	Change to compostable cup - takeaway	Price increase 3p per sale. Potential reduced sales.
Cutlery	Metal for sitting in. White recyclable or compostable for take away. Customer choice	<ol style="list-style-type: none"> 1. Metal 0.30p cost per theft/ loss. 2. White recyclable ones no price increase. (phase out over next 6-8 months) 3. Compostable ones 9p

		increase per sale. Proposal to initially provide all (customer choice)
Hospitality.	No disposables used	Recharge to services for loss of crockery / cutlery. No Increased cost if all items returned

c. Long Term Objectives – over 18 months - 2 years or sooner.

Item	Proposal	Impact
Sandwiches	Move to recyclable packaging Source company using Compostable packaging. Need to be competitive compared to meal deal at Tesco.	1. TTH holistic recycling solution. 2. Review contract in 2019. No price effective suppliers at this time.
Sundry Take away containers	Source compostable containers	Review contract 2019. No price effective alternatives at this time. Additional difficulties of recycling waste contaminated with food adds complexity.

d. Outstanding SUP usage.

There will still remain a number of items for which there are currently no alternatives (apart from ceasing selling). These are the SUP bottles of drinks. In addition, to continue to operate for football / large scale outdoor events then SUP cups will be required, advice from the law enforcement agencies requests we use products that cannot be used to injure or maim another individual whilst open on football match days. There is no cost effective alternative at this time to SUP. To cease these operations will have an impact on the viability of the Terrace. It is also important to note that virtually all confectionary is wrapped in plastic of some form and we are lobbying our suppliers to use sustainable wrapping / products.

Item	Proposal	Impact
Branded Drinks (Coca Cola, San Pelligrino, Vimto Recyclable)	Recycling of plastic bottles	TTH holistic recycling solution.
Water	Recycling of plastic bottles	TTH holistic recycling solution.

Football / Outdoor events	Recycling system	TTH holistic recycling solution.
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4. Recycling

- a. Recycling bins have never been introduced within the Terrace area due to the concerns of contamination from food. The introduction of the Town Halls recycling scheme within the Terrace will be introduced and staff education to avoid food contamination will be circulated. See appendix 1
- b. The Costa Coffee scheme is specific to their branded cups and requires sending these single use cups to specialists recycle plants, where the plastic lining is removed and the products recycled. To facilitate taking part in the Costa recycle scheme we have set stations up to collect cups efficiently within the Terrace area and this will be extended across the building.

Appendix1.



**TRAFFORD
COUNCIL**

We are phasing out single use plastics and we want you to play your part in the campaign!

Think Green!

Please try to avoid bringing single-use plastic bottles into work and consider using reusable coffee cups.

- LUCOZADE – will not be sold as the bottles cannot be recycled.
- PLASTIC STRAWS – They will be replaced with recyclable paper ones.
- PLASTIC CUPS – They will be replaced by glasses.
- SOUP CUPS – They will be replaced by the compostable variety when available.
- CUTLERY – Black knives, forks and spoons cannot be recycled so will be replaced with white recyclable ones
- HOSPITALITY – No single-use plastics will be used.
- SANDWICHES – There are also long-term plans to introduce compostable packaging when the industry can supply them.



Additionally, people who use the Costa Coffee machine can now bring their own cup in to get filled up.



Scrutiny Committee – 3 October 2018



Agenda



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Agenda Item
2018/19 Budget Scrutiny Process
Background
The Budget Challenge and Budget Assumptions
2018/19 Savings Programme Update
Reserves Position
Investment Fund Performance



Scrutiny Process

§ Stage 1 (This Session)

- § Review of the current MTFP position
- § Understanding the Funding Gap
- § Review of the Budget Assumptions
- § Plans for consultation
- § Progress on achievement of 18/19 savings
- § Investment Portfolio Update

§ Draft Budget to Executive 15 October 2018

§ Stage 2 (Future Session)

- § Leader to present budget proposals to Scrutiny on 7 November 2017
- § Scrutiny review of budget proposals

Financial Context

- § Trafford Council:
 - § Over the period 2010-2017 has saved £128m
 - § In 2018/19 to save a further £10m
 - § By 2021/22 needs to save a further £41m

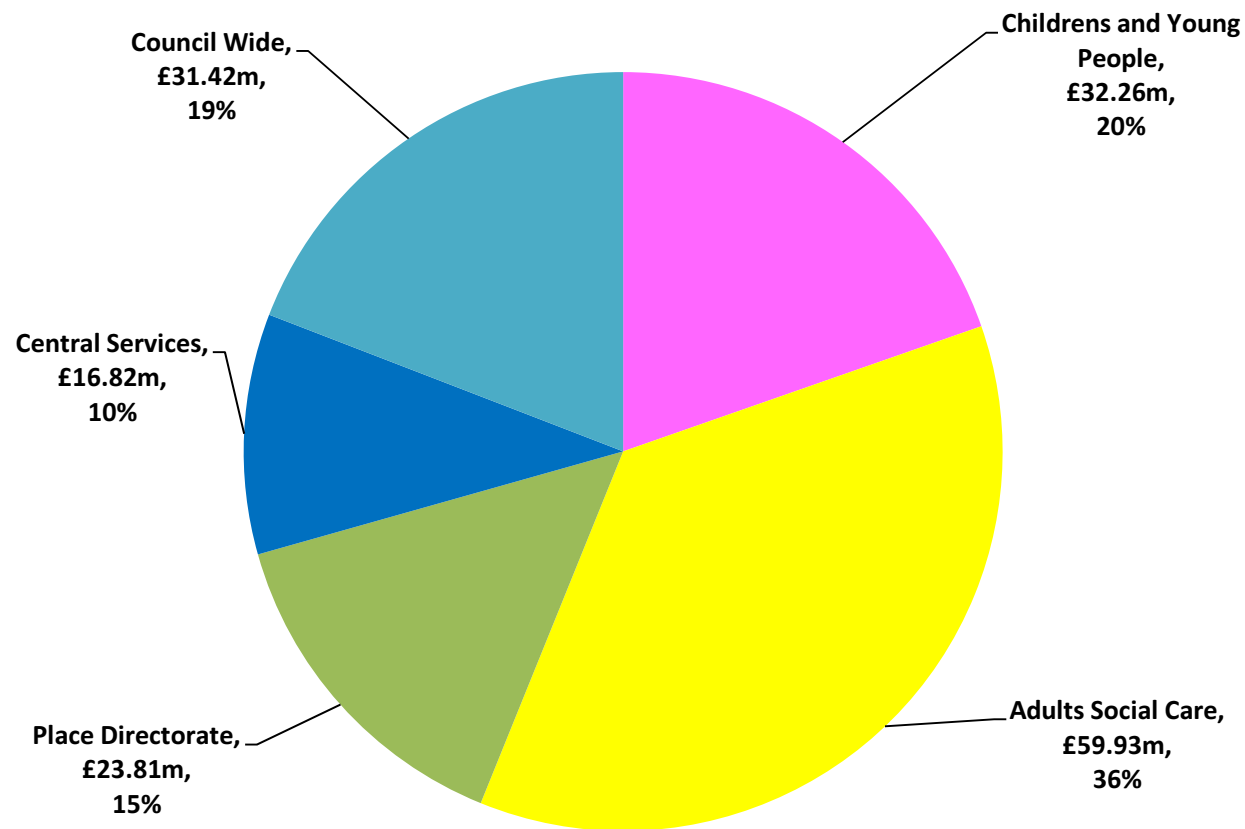
- § Reasons for this are:
 - § Continuing pressure of austerity
 - § Rising demand on services
 - § Changes to central Government funding arrangements

2018/19 Budget

	£m		£m
Gross Expenditure	450.58	Schools DSG	(138.76)
Government Grants	(224.58)	Housing Benefit	(68.56)
Sales, Fees & Charges and Rents	(35.14)	Other	(17.26)
Contributions & Re-imburements	(15.08)		
Other Income	(8.15)		
Earmarked Reserves	(3.38)		
Net Budget	164.25		
Business Rates - Baseline Funding	(57.73)	CFW	92.20
Business Rates - Growth	(9.89)	EGEI	23.81
Council Tax	(95.00)	T&R	16.82
Budget Support Reserve	(1.63)	Council Wide	31.42
Funding	(164.25)		164.25

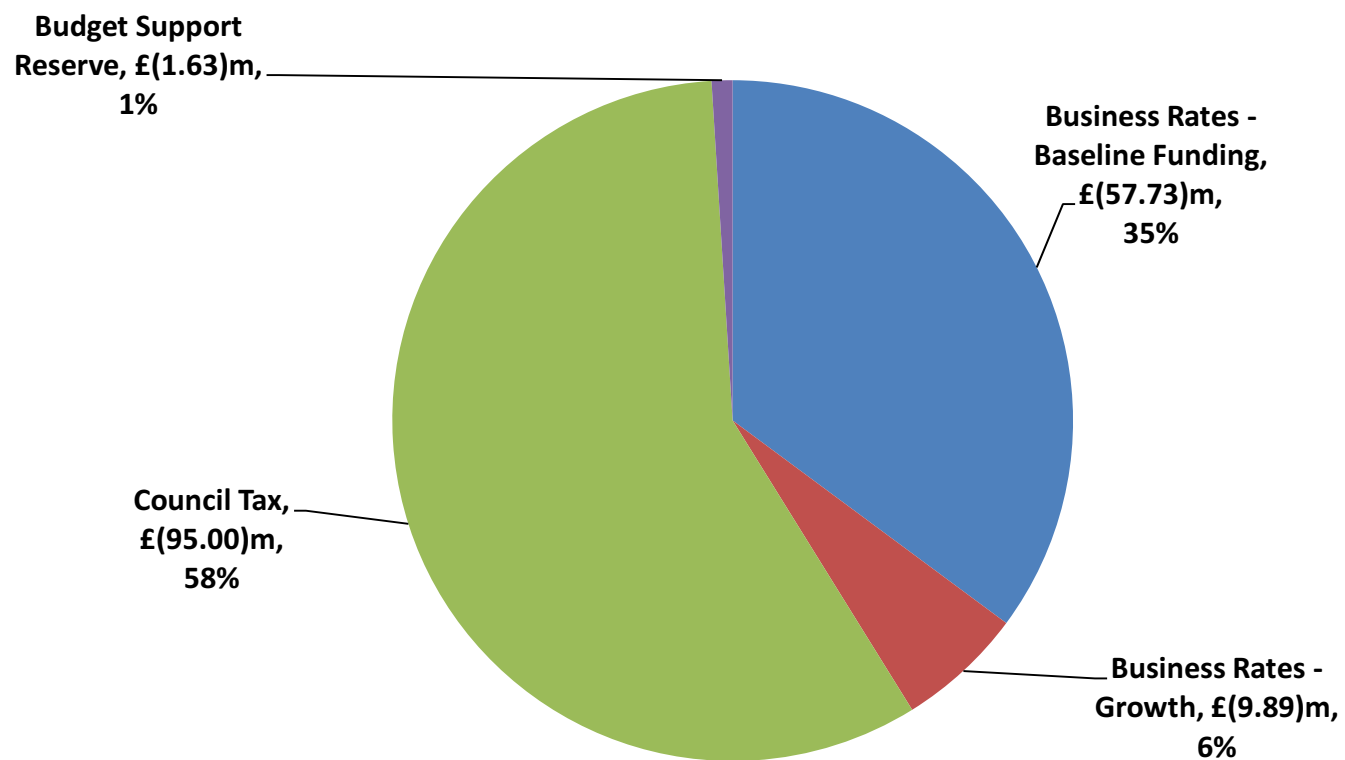
Controllable Budget by Directorate

Controllable Budget by Directorate - £164.25 (£m)



Budget Funding by Source

Budget Funding by Source- £164.25 (£m)



MTFS Position

<i>The 2019-22 Revised Budget Gap</i>	October 2018		
Budget Forecasts	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)
Net Budget b/fwd	164,245	172,958	184,998
Budget Assumptions:			
Pay	1,839	1,670	1,721
Living Wage	1,929	1,572	1,572
Inflationary	278	282	287
Contractual Obligations	2,057	1,930	1,960
Levies	1,188	639	507
Demographic	2,500	2,500	2,500
Grants, Legislative & Service Transfers *	(2,198)	0	0
Loss of Income	(45)	(250)	0
Treasury Management	(420)	(698)	0
Other	1,585	4,395	0
Total Budget Assumptions	8,713	12,040	8,547
Net Budget	172,958	184,998	193,545
Funding:			
Council Tax	(95,460)	(96,476)	(97,548)
Council Tax Release of Prior Year Surplus	(900)		
Business Rates	(65,103)	(53,894)	(54,625)
Contribution to Budget Support Reserve	600		
Available Funding	(160,863)	(150,370)	(152,173)
Cumulative Gross Revised Budget Gap	12,095	34,628	41,372
Annual Revised Gross Budget Gap	12,095	22,533	6,744

MTFS Position

Base Budget Assumptions	2019/20 £m	2020/21 £m	2021/22 £m
Service Expenditure			
Pay: Inflation	2.0% to 7.3%	2.0%	2.0%
	£1.73	£1.32	£1.33
Pay: Pension Inflation	0.0%	0.5%	0.5%
	£0.00	£0.26	£0.26
Pay: Increments & Pension Auto-Enrolment	£0.06	£0.05	£0.05
Pay: Living Wage	£1.93	£1.57	£1.57
General Inflation: Prices	0.0%	2.0%	2.0%
	£0.00	£0.28	£0.28
Contractual Obligations: Inflation Specific e.g. energy	£2.03	£1.91	£1.94
Levies: Waste (GMWDA) Levy Increase	£1.80	(£1.60)	(£0.33)
Demographics: Children	£1.00	£1.00	£1.00
Adults	£1.50	£1.50	£1.50
Treasury Management			
Investment Rates	0.70%	0.99%	1.20%
Debt Rates	2.50%	2.50%	2.50%
Funding			
Council Tax rate increase (Adult Social Care)	1.00%	0.00%	0.00%
Council Tax rate increase (Relevant Basic Amount)	2.99%	2.99%	2.99%
Council Tax base increase	1.00%	1.00%	1.00%
Change in Baseline Funding Level	(8.02)%	1.34%	1.35%
	£(4.62)	£0.71	£0.73

Funding Gap

- § The funding gap for 2019/20 is £12.1m
- § The Council continues to:
 - § Revisit financial assumptions i.e. inflation assumptions, accounting policies
 - § Review business cases and budget proposals to identify further savings
 - § Explore the feasibility of new ideas/proposals put forward
 - § Review income generating proposals to address the remaining gap
- § Draft proposals will be taken to the Executive on the 15th October 2018 after taking into consideration all the above options to address the funding gap

2018/19 Savings Programme

RAG Rating	Orig Prog	Latest Position
	£000	£000
	-	336
	6,477	3,728
	3,496	5,909
Total	9,973	9,973

Council Reserves

<i>Usable Reserves</i>	17/18 £m	18/19 £m	19/20 £m	20/21 £m	21/22 £m
Specific	6.82	6.06	4.95	4.05	4.01
Smoothing	8.36	7.14	5.93	4.77	4.77
Business Rates Growth Pilot	6.69	6.69	6.69	0.00	0.00
Budget Support	6.58	4.95	5.55	4.95	4.95
Service C/fwd	4.56	2.70	2.45	2.32	2.32
Investment Fund	4.96	2.94	0.00	0.00	0.00
NDR Deficit/Levy	5.26	0.00	0.00	0.00	0.00
Earmarked Reserves	43.23	30.48	25.57	16.09	16.05
General Reserve	6.00	6.00	6.00	6.00	6.00
Capital Related Reserves	17.48	6.29	5.36	2.14	0.00
School Related Reserves	8.31	7.61	7.38	7.38	7.38
Total Usable Reserves	75.02	50.38	44.31	31.61	29.43
Provisions	42.59	42.59	42.59	42.59	42.59
Total Usable Reserves & Provisions	117.61	92.97	86.90	74.20	72.02



Investment Fund

Strategic Investment Portfolio	Investment Type	Investment Price £m	Average Annual ROI*	Net Additional Income 2017/18 £'000	Net Additional Income 2018/19 £'000	Net Additional Income 2019/20 £'000	Net Additional Income 2020/21 £'000
Sonovo House	Property	12.2	0.7%	134.3	47.6	47.0	46.9
DSG Preston	Property	17.4	2.6%	169.1	280.4	280.4	430.5
Grafton Centre	Property	10.8	1.3%	37.1	81.4	101.0	101.0
Sale Magistrates Court	Regeneration (direct investment)	4.3	0.0%	0.0	0.0	0.0	0.0
Brown Street, Hale	Regeneration (direct investment)	6.2	0.0%	0.0	0.0	0.0	0.0
K-Site, Old Trafford	Regeneration (direct investment)	14.2	0.0%	0.0	0.0	0.0	0.0
No1 One Trafford	Debt	40.8	3.7%	2.3	720.3	1,651.0	155.1
Bruntwood	Debt	12.2	2.9%	0.0	307.4	343.2	343.6
Arrangement under consideration	Debt	60.8	2.7%	0.0	627.6	1,644.1	1,860.0
Portfolio Total		179.0	2.0%	342.7	2,064.7	4,066.6	2,937.1



QUESTIONS?

