



**TRAFFORD  
COUNCIL**

**AGENDA PAPERS FOR  
EXECUTIVE MEETING**

**Date: Monday, 16 November 2015**

**Time: 6.30 pm**

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

<b>A G E N D A</b>	<b>PART I</b>	<b>Pages</b>
1.	<b>ATTENDANCES</b>	
	To note attendances, including officers, and any apologies for absence.	
2.	<b>DECLARATIONS OF INTEREST</b>	
	Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.	
3.	<b>MINUTES</b>	1 - 4
	To receive and, if so determined, to approve as a correct record the Minutes of the meeting held on 26 <sup>th</sup> October 2015.	
4.	<b>MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)</b>	
	To consider any matters referred by the Council or by the Overview and Scrutiny Committees.	
5.	<b>EXECUTIVE'S DRAFT BUDGET PROPOSALS 2016/7</b>	5 - 80
	To consider a report of the Executive Member for Finance and Director of Finance.	
6.	<b>WORKING WELL EXPANSION PROGRAMME</b>	81 - 88
	To consider a report of the Leader of the Council and Chief Executive.	

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7. **TAMWORTH SITE, OLD TRAFFORD** 89 - 96  
To consider a report of the Executive Member for Economic Growth and Planning.
8. **TREASURY MANAGEMENT STRATEGY - REVIEW OF THE MINIMUM REVENUE PROVISION** 97 - 104  
To consider a report of the Executive Member for Finance and Director of Finance.
9. **TREASURY MANAGEMENT 2015/16 MID-YEAR PERFORMANCE REPORT** 105 - 116  
To consider a report of the Executive Member for Finance and Director of Finance.
10. **REVENUE BUDGET MONITORING 2015/16 PERIOD 6 (APRIL - SEPTEMBER)** 117 - 174  
To consider a report of the Executive Member for Finance and Director of Finance.
11. **CAPITAL INVESTMENT PROGRAMME MONITORING 2015/16 2ND QUARTER (APRIL - SEPTEMBER)** 175 - 184  
To consider a report of the Executive Member for Finance and Director of Finance.
12. **ANNUAL DELIVERY PLAN 2015/16 - SECOND QUARTER PERFORMANCE REPORT** 185 - 228  
To consider a report of the Executive Member for Transformation and Resources.
13. **AGMA COMBINED AUTHORITY / EXECUTIVE BOARD: FORWARD PLANS AND DECISIONS**  
To receive and note the following:
- (a) GMCA Decisions 30/10/15 229 - 232
- (b) Joint GMCA / AGMA Decisions 30/10/15 233 - 236
14. **URGENT BUSINESS (IF ANY)**

Any other item or items which by reason of:-

- (a) Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chairman of the meeting, with the agreement of the relevant Overview and Scrutiny Committee Chairman, is of the opinion should be considered at this meeting as a matter of urgency as it relates to a key decision; or

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- (b) special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

### **15. EXCLUSION RESOLUTION**

Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

**THERESA GRANT**  
Chief Executive

**COUNCILLOR SEAN ANSTEE**  
Leader of the Council

#### Membership of the Committee

Councillors S.B. Anstee (Chairman), Mrs. L. Evans, M. Hyman, J. Lamb, P. Myers, J.R. Reilly, A. Williams and M. Young (Vice-Chairman)

#### Further Information

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

Jo Maloney, 0161 912 4298  
Email: [joseph.maloney@trafford.gov.uk](mailto:joseph.maloney@trafford.gov.uk)

This agenda was issued on Thursday 5<sup>th</sup> November 2015 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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## EXECUTIVE

26 OCTOBER 2015

## PRESENT

Leader of the Council (Councillor Sean Anstee) (in the Chair),  
Executive Member for Economic Growth and Planning (Councillor M. Young),  
Executive Member for Adult Social Services and Community Wellbeing (Councillor A. Williams),  
Executive Member for Children's Services (Councillor M. Hyman),  
Executive Member for Communities and Partnerships (Councillor J. Lamb),  
Executive Member for Environment and Operations (Councillor John Reilly),  
Executive Member for Finance (Councillor P. Myers),  
Executive Member for Transformation and Resources (Councillor Mrs. L. Evans).

Also present: Councillors Adshead, Bowker, Cordingley, Coupe, Duffield, Freeman, Hynes, Lloyd, Mitchell, Procter, Ross, Sharp, A. Western and Mrs. Young.

### In attendance:

Chief Executive (Ms. T. Grant),  
Deputy Chief Executive (Ms. H. Jones),  
Acting Corporate Director, Transformation and Resources (Ms. J. Hyde),  
Director of Finance (Mr. I. Duncan),  
Director of Legal and Democratic Services (Ms. J. Le Fevre),  
Joint Director for Adults (Social Care) (Ms. D. Eaton),  
Democratic and Scrutiny Officer (Mr. J.M.J. Maloney).

### Also in attendance:

Mr. B. Postlethwaite, Chair, Trafford Safeguarding Children Board (item 39).

## 36. DECLARATIONS OF INTEREST

No declarations were made by Executive Members.

## 37. MINUTES

RESOLVED – That the Minutes of the meeting held on 21<sup>st</sup> September 2015 be approved as a correct record.

## 38. MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

#### a) Report of the Scrutiny Task and Finish Group – Home To School Transport

Councillor Cordingley was in attendance to introduce a follow-up report, considered by Scrutiny Committee in October 2015, concerning issues arising from the reorganisation of Home To School transport and changed procurement arrangements, and making recommendations for the Executive's consideration. On behalf of the Executive, the Leader thanked Scrutiny for its report, and the Transport Team for its input into implementing the updated arrangements, and indicated that the Executive would give consideration to the report's recommendations and respond.

RESOLVED -

- (1) That the content of the report be noted.
- (2) That the Executive consider the report's recommendations and respond to the Scrutiny Committee in due course.

#### **39. CHILDREN'S SAFEGUARDING BOARD ANNUAL REPORT**

The Chair of the Trafford Safeguarding Children Board was in attendance to deliver a presentation on the Board's Annual Report 2014/15. The presentation highlighted key features of the Board's activity in 2014/15, and of its Business Plan for 2016/16, including its established priorities, improvements identified via OFSTEd inspection and emerging issues. An opportunity was provided for Members to raise questions on the presentations and its implications; and on behalf of the Executive, the Leader thanked the Chair for his report and attendance, and for the Board's wider work in safeguarding children.

RESOLVED – That the content of the presentation be noted.

#### **40. S.75 AGREEMENT - BETTER CARE FUND**

The Executive Member for Adult Social Services and Community Wellbeing and Acting Corporate Director for Children, Families and Wellbeing submitted a report seeking to formalise the funding associated with the Better Care Fund under a s.75 agreement. Members were advised of an additional proposed recommendation, to provide formal authorisation to complete the agreement.

RESOLVED -

- (1) That approval be given to the s.75 agreement for the Better Care Fund for 2015-16 and the risk share included in the agreement.
- (2) That it be agreed that the Trafford Clinical Commissioning Group will host the s.75 agreement.
- (3) That authority be delegated to the Director of Legal and Democratic Services to complete the Agreement on behalf of the Council.

*Executive (26.10.15)***41. TRAFFORD STATEMENT OF COMMUNITY INVOLVEMENT - APPROVAL FOR ADOPTION**

The Executive Member for Economic Growth and Planning submitted a report providing a summary of responses to the consultation in respect of the production of a revised Statement of Community Involvement (SCI) for Trafford, and seeking approval for the amendments to the SCI and its formal adoption.

RESOLVED -

- (1) That the consultation responses be noted.
- (2) That the proposed Council responses set out in Appendix A to the report be endorsed.
- (3) That the revised Statement of Community Involvement as set out in Appendix B to the report be adopted.
- (4) That responsibility for approving any minor amendments to the wording of the document prior to its publication be delegated to the Director of Growth and Regulatory Services.

**42. REVENUE BUDGET MONITORING 2015/16 - PERIOD 5 (APRIL - AUGUST 2015)**

The Executive Member for Finance and Director of Finance submitted a report which set out for Members' information details of the outcomes of the latest monitoring of the Council's revenue budget. An opportunity was provided for Members to ask questions on the content of the report, with responses given at the meeting or to be supplied subsequently.

RESOLVED - That the latest forecast and planned actions be noted and agreed.

**43. AGMA COMBINED AUTHORITY / EXECUTIVE BOARD: FORWARD PLANS AND DECISIONS**

The Executive received for information details of the GMCA and joint GMCA / AGMA forward plans covering the period October 2015 – January 2016.

RESOLVED – That the content of the forward plans be noted.

The meeting commenced at 6.30 pm and finished at 7.09 pm.

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**TRAFFORD BOROUGH COUNCIL**

**Report to:** Executive  
**Date:** 16 November 2015  
**Report for:** Decision  
**Report of:** Executive Member for Finance and the Director of Finance

**Report Title**

**Executive's Draft Revenue Budget Proposals 2016/17**

**Summary**

This report sets out the Executive's draft revenue budget proposals for 2016/17.

The Council's revenue budget has a large degree of reliance on financial support from the Government. Further reductions in government support are expected in this seventh austerity budget. At this stage and until the outcome of the Comprehensive Spending Review on 25 November 2015, our grant settlement for 2016/17 onwards will not be known and therefore this draft budget is based on a number of assumptions which will need to be clarified before the Council agrees its budget in February 2016.

The key summary points for the revenue budget, based on current estimates and draft proposals, include:

- The total budget gap is estimated at £21.087million comprising additional costs, including planning investment in services, amounting to £11.123million and funding pressures of £9.964million.
- additional income from areas such as business rates, airport dividend, reserves and changes in our financing arrangements will generate £8.626 million
- Savings of £12.461million will be needed to balance the budget and be met from efficiencies of £5.444 million leaving a balance of £7.017 million (33%) to be met from policy choices.
- Budget will decrease by £3.099 million or 2.1%, from £148.914 million to £145.815 million.

This report represents a draft set of proposals which will now form the basis of a further round of consultation with members of staff and the general public; the draft proposals are also subject to review by the Scrutiny Committee.

Final decisions will be taken by the Executive after taking into consideration all relevant matters and feedback, at which time a proposed budget will be put to full Council for approval on 17 February 2016.

## **Recommendation(s)**

It is recommended that :

- a) The proposals for the draft revenue budget for 2016/17 be agreed for the purposes of consultation and referred to the Scrutiny Committee for their consideration.
- b) It is noted that the draft proposals are subject to various consultation exercises and impact assessments, movements in core funding, specific grants, costing and robustness assessments.

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

Name: Cllr Patrick Myers                      Ian Duncan  
Extension: 4884                                      4884

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed draft budget for 2016/17 supports all key priorities and policies.
Financial	The report sets out the proposed draft budget for 2016/17, allocating available resource across service objective heads as detailed in the report.
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 and will continue to comply with the statutory processes associated with the effect of the proposed budget on staffing levels.
Equality/Diversity Implications	Equality impact assessments to be carried out supporting the budget proposals as appropriate.
Sustainability Implications	None arising out of this report.
Risk Management Implications	An impact assessment of each budget proposal is in the process of being finalised.
Staffing/E-Government/Asset Management Implications	Human Resources – statutory processes have begun and any impact on staffing will be subject to consultation.
Health and Wellbeing Implications	Equality Impact Assessments in relation to the budget proposals to be carried out.
Health and Safety Implications	An impact assessment of each budget proposal to be carried out.

### **Other Options Considered**

High level savings proposals were the subject to a first phase of public consultation in September 2015.

### **Consultation**

The report recommends that the draft and indicative proposals go forward for consultation.

### **Reasons for Recommendation**

To enable consultation with the public, businesses (s65 of the Local Government Finance Act 1992), stakeholders, staff and Scrutiny Committee to take place

### **Key Decision**

This is a key decision currently on the Forward Plan: No.

**Finance Officer Clearance** ..... GB.....

**Legal Officer Clearance** .....JLF .....

### **CORPORATE DIRECTOR'S SIGNATURE**

*Helen Jones*

*(electronic)*

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



**TRAFFORD**  
**COUNCIL**

**Executive's  
Draft Revenue Budget  
Proposals 2016/17**

**16 November 2015**

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## **FOREWORD by the EXECUTIVE MEMBER for FINANCE COUNCILLOR PATRICK MYERS**

### **Background**

The budget proposals contained in this report are the 7<sup>th</sup> since austerity began in 2010. Throughout this period the Council has been committed to delivering value for money services and a low Council Tax. This can only be achieved by a strong culture of financial management across all services. The Council also has a strong ethos of collaboration and working in partnership to strengthen our local and organisational resilience. As in recent years it is important to remind ourselves of the strengths of the borough and the many achievements of the Council.

Trafford has a robust economy and its population, of just over 230,000, is highly skilled/educated with 44% qualified at NVQ4 and above compared to the Greater Manchester (GM) average of 32%. The borough has the highest productivity rate per head in GM and the highest Gross Value Added (GVA) outside of Manchester producing £6.6 billion p.a. Total employment in Trafford stands at 158,000 and is predicted to increase by 8% over the next 10yrs.

With our Partners we have won several awards for our innovative and collaborative work across Public Sector Partnerships and our Trafford Partnership Executive, which represents all sectors including the faith community, is a powerful force to enable partners to work differently and galvanises communities to take the lead in their local areas. Also in 2014 the Council received a commendation in the North of England Excellence Awards.

As a Council, we have been recognised at a national level for our employment and equality initiatives, employee relations and quality of apprentices.

Our Children's Services were rated by OFSTED as the joint highest performing Children's safeguarding service in the country. OFSTED cited 'many examples of innovation, hard work and determination demonstrated by elected members, officers and workers at all levels to ensure that vulnerable children and families get the best possible service';

94% of Trafford pupils attend schools which are rated as "good" or "outstanding", which puts us in the top 10 local authorities nationally, at both primary and secondary level. Provisional figures show we were ranked 7<sup>th</sup> in the country for GCSE and 3<sup>rd</sup> for A Level results in 2014. Provisional Key Stage 2 data for 2014 shows Trafford joint 1<sup>st</sup> nationally, with 87% of pupils achieving Level 4 or above in Reading, Writing and Maths.

Work is continuing to implement the strategic frameworks for all the town centres including the Stretford Masterplan, Urmston and Sale Road Maps and Altrincham Strategy. The Council is committed to the sustainability of its main town centres. The Council commenced the first phase of the comprehensive public realm improvement works in Altrincham, totalling over £3 million including repaving and environmental improvements to Shaws Road, Cross Street, George Street (part of), Stamford New Road and Goose Green. The Council dealt with just under 250 new business enquiries and referred 170 to our business support partners. New partnership arrangements have been established in Stretford, and residents and

businesses have been consulted on proposals for improved public realm improvements.

Through direct service delivery and effective partnership working the Council has maintained performance and quality standards even at a time of significant change, increasing demand and reducing resources:-

- Trafford continues to be the safest area in Greater Manchester, with the lowest crime rate per 1000 head of population and the highest public satisfaction and confidence rates.
- Trafford is the best in Greater Manchester for processing new benefit claims.
- Action to reduce fraud has resulted in £1,100,776 of fraudulent benefit overpayments in 2014/15 being identified and 120 sanctions, including 59 prosecutions.
- Supported 100 residents into employment through the innovative Trafford Pledge, matching young unemployed people with local employers.
- Supported 87 new affordable homes to be delivered by our housing association partners in 2014/15.
- Successfully combined local and general elections in May 2015.

When the budget proposals are discussed and debated the focus tends to be on what financial savings are to be made. Whilst this is important, we should also consider what services will be carried out next year. Some of these include:

- 9,485 social care clients receiving packages of support at a cost of £49m.
- 120,000 visitors to Waterside Arts Centre, selling more than 51,000 tickets.
- Collect over 98% of Council Tax in year to support the Council's financial resources.
- Receive over 330,000 telephone enquiries per year through our customer contact service alone.
- Clean 2000 linear miles of highway channels and footways at least once every 8 weeks.
- Remove approximately 6,000 tonnes of street sweepings per month and 500 tonnes of litter from approximately 1,200 waste and litter bins (streets and parks).
- Remove approximately 1,200 tonnes of fly-tipping per year.
- Respond to more than 450 incidences of graffiti per year.
- Maintain 40 public parks covering 243 hectares, with 4 parks currently achieving Green Flag status.
- Support 30 active Friends of Parks Groups.
- Provided 69 active school-crossing patrol points in Trafford and maintain 86 children's play areas.

- Mow over 1 million square metres of grass each year across parks, sports pitches, highway verges and other open space.
- Collect domestic waste from 30,000 wheeled bins every day.
- Recycle 62% of domestic waste making Trafford the best performing district in Greater Manchester and the highest performing metropolitan district in the country.
- Supporting new development in the Borough, for example the Carrington strategic site, which has capacity for thousands of homes and new jobs.

Furthermore, the Council continues to respond to the financial and service demand challenges by focussing on developing a broad spectrum of initiatives designed to provide multiple opportunities for cost reduction and service improvement. Since the last budget the Council has:-

- Created a fully integrated Children's Service for education, health and social care.
- Received the only 'Outstanding' rating issued by OFSTED for children leaving care.
- Collaborated with Stockport, Tameside and Cheshire East on adoption services.
- Provided crisis welfare assistance for 2,063 residents, via Trafford assist.
- Worked with Stockport and Rochdale to consolidate our STAR Strategic Procurement Service.
- Proposed collaboration and co-location with Greater Manchester Police (GMP) for a transactional HR shared service.
- Retained Hale, Lostock and Timperley libraries through working with the private sector and community partnerships.
- Developed innovative proposals to establish a Youth Trust to ensure continued youth provision in the borough.
- Achieved significant savings in Home to School Transport whilst still meeting the needs of all eligible children and young people.
- Successfully implemented the One Trafford Partnership with AMEY.
- Consulted on the transformation of the Stretford Public Realm.
- Launched wedding and event packages at Trafford Town Hall as part of the maximising income initiative.
- Achieved one of the country's highest ratings in an inspection carried out by HMI Probation for Trafford's Youth Offending Services.
- Secured £26k Arts Council funding to bring Wi-Fi to more of our public buildings.

- Launched Trafford Business Network with over 100 people attending from approximately 70 Trafford Park businesses.
- Stretford Public Hall sold to the friends group as part of an innovative community asset transfer.
- Launched Trafford Leisure as a new community interest company.
- Been ranked the highest performing Metropolitan Council in England for recycling, and 5<sup>th</sup> of all councils.
- Increased car parking charges without any significant impact on customer parking numbers.

The Council also continues to invest in the borough with current initiatives including:-

- Contribution to the new Trafford Park metrolink extension to the Trafford Centre.
- Four new library buildings to be provided by the end of 2017 at Altrincham, Old Trafford, Hale and Timperley.
- Working with AGMA to improve service delivery and enhance customer experience e.g. one library card.
- Shrewsbury Street, Old Trafford – £18m new community hub with extra care housing, library and health centre.
- Town Centre Loan Scheme – loans awarded to 18 new businesses supporting the creation of 70 jobs.
- Town Centres – potential investment of over £9m identified to transform the public realm in Stretford and Altrincham; Phase1 at Altrincham completed.
- Trafford Pledge – 39 businesses signed-up to the Pledge, creating over 450 employment opportunities.

### **Draft 2016/17 Budget**

Turning to the Council's finances, since 2004/05 the Council has approved £(77)m of efficiencies, and a further £(5.5)m is proposed for 2016/17. This is equivalent to 103% of the current Council Tax, helping to maintain service levels at times of significantly reducing resources.

Following the general election in May 2015, the Government has set out its high level plans to eliminate the current budget deficit by 2020, largely through spending reductions. Government departments that are not protected from spending reductions have been asked to identify options to save 25% and 40% of their budgets over the lifetime of the Parliament. The precise details of future Government funding will become clear in December 2015, however, based on the best information available it is believed that the Council will need to fund a total shortfall of £21.1m, as a result of:

- £10.0m reduction in funding, consisting of £7.3m reduced sustainable Government funding, £3.4m reduction of one off contributions from business

rates and reserves in 2015/16 offset by additional income of £(0.7)m from an estimated increase in growth from our Council Tax base.

- £11.1m spending pressures due to general inflation, increasing public expectation and demographic pressures in key services, increasing charges from levying bodies for waste disposal and some reduction in income and the introduction of the new living wage from April 2016.

To offset the need to make service reductions of this magnitude net additional funding of £(8.6)m has been identified. This is one of the biggest ever contributions towards a budget gap from non-government funding:-

- £(3.0)m from business rate growth.
- £(1.0)m additional projected dividend from Manchester Airport Group.
- One-off support from our reserves of £(1.0)m.
- £(0.9)m council tax freeze grant for 2016/17
- £(1.4)m financing related savings
- £(1.3)m additional service related income

The net deficit is therefore £12.5m which it is proposed will be funded by:-

- Efficiency savings amounting to £5.5m, 26% of the gross deficit.
- £7.0m of policy choice savings, 33% of the gross deficit.

The savings from policy choice measures at 33% of the budget gap is lower than the average contribution made from policy choices since 2010/11 - see chart in Section 1.6).

Identifying new efficiencies and income streams that can be achieved cost effectively is becoming more and more challenging and it is known the national austerity measures will not be removed for some time. For this reason the Council commenced a different approach to managing this austerity challenge over the medium term.

Under the Council's Reshaping Trafford Programme we are planning to have a mix of different delivery models in place from 2017/18 which will mean that some services will be delivered by others rather than the Council directly. Those we continue to deliver will be monitored for quality by a much smaller Council core. Our plan is set out in the 'blueprint' document which is available below.

<http://www.trafford.gov.uk/budget>

The aims of the organisational model are to:

- Improve local outcomes.
- Increase local resilience.
- Generate profit to be reinvested in front line services.
- Manage demands on services through focussing on prevention and asking citizens to 'be responsible'.
- Deliver good quality services within the funding available to us.

An example of this approach is the major procurement exercise undertaken in 2015 for a number of service areas, including refuse collection, highways maintenance, street lighting, grounds maintenance, asset management and technical services. The outcome was the One Trafford Partnership with AMEY which has maintained service standards, with no job losses, and savings of £(3.5)m (over 20%).

The transformation of care services over the last 12 months has been substantial with new services developed to meet the needs of vulnerable adults more efficiently. This includes:

- Establishment of a new approach to Reablement that provides a range of options depending on individual need to complement the restructured internal service.
- A review of Learning Disability services with investment in assessment and review functions to ensure care packages meet individual needs leading to improved support at a lower cost.
- Development of an integrated commissioning service on an all-age basis to support better use of resources and improving relationships with providers.
- Testing out new ways of using assistive technology to support individuals within their own homes

The opportunities of GM Health and Social Care devolution and collaboration across the sub-region will further assist in ensuring our services are delivered on a sustainable basis in the future.

This year the Reshaping Trafford Programme has six themes which are referred to in the report:

- Working Smarter.
- Joining up and working together.
- Buying Better.
- Promoting Independence.
- Eligibility and Access.
- Maximising Income.

As part of the Phase 1 consultation these themes were discussed with the general public and feedback has helped inform and shape the budget proposals contained in this report.

It is inevitable, however, that there will be an impact on the number of budgeted jobs within the Council.

A range of options relating to service redesign are being explored and these will be shared as part of an informal consultation process; formal consultation on potential workforce reductions will not commence until such time as these options have been appraised and the Council is in a position to engage in detailed and meaningful consultation with the recognised trade unions.

## **Summary**

To ensure a balanced budget, the draft budget for 2016/17 will reduce by £3.1m, from £148.914m to £145.815m. In order meet the funding gap of £21.1m it has been

necessary to find service savings of £12.5m and additional income of £8.6m. Of this £14.8m of service savings and additional income proposals (see section 3.8) will now form the basis of the consultation with residents and service users. This is planned from late November to early December.

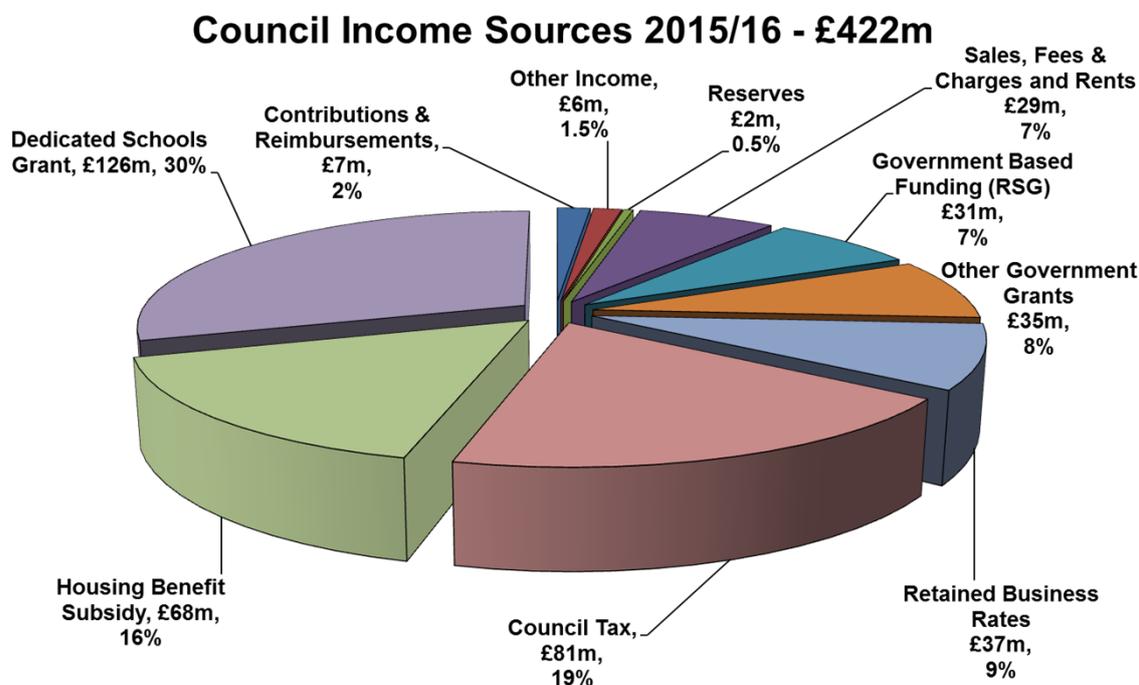
Decisions on these proposals will be made in early 2016 when feedback from the various consultations has been evaluated.

## 1. FINANCIAL BACKGROUND

This section provides information on the Council's budget for 2015/16 and details the overall size of the budget, what the money is spent on and where it comes from.

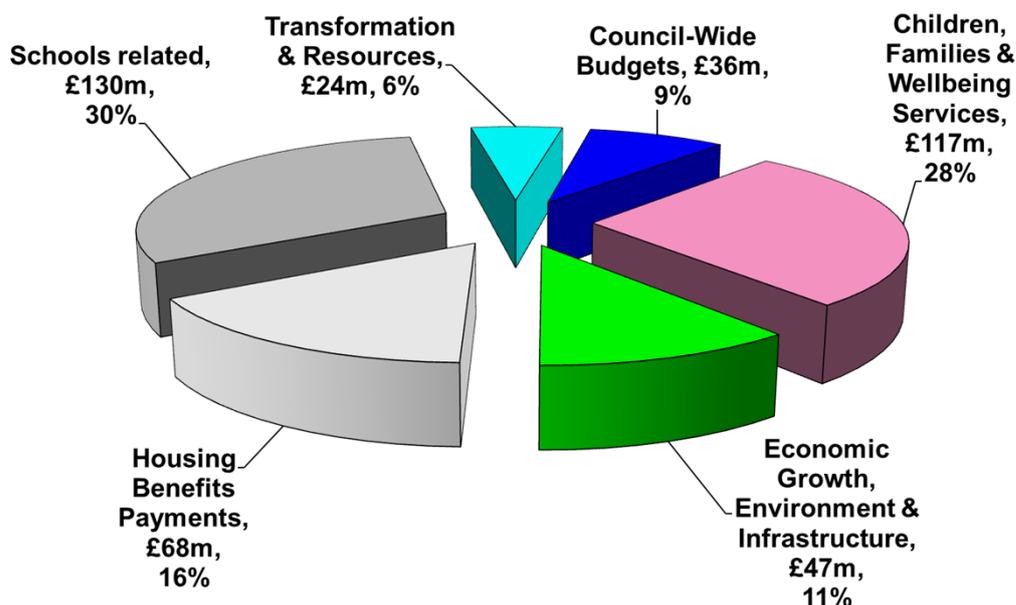
### The Council's Gross Revenue Budget

1.1 The chart below demonstrates that money to run the Council's services comes from a wide range of sources. Nearly half of the funding is for specific purposes and the Council must spend it on those services; the biggest of these is Dedicated Schools Grant which must be spent on schools, and Housing Benefit subsidy which largely reimburses the Council for the money paid out on Benefits. Out of the total planned spend, these two areas, totalling £194m, are outside of the Council's deliberations for allocating resources.



1.2 The Council's gross budget, or total revenue planned expenditure, for 2015/16 is £422m. The extent of total Council expenditure is dictated by the amount of income or funding it receives, either by way of redistributed central taxation from the Government in the form of general or specific grants, local taxation in terms of Council Tax and retained Business Rates, or smaller sources such as fees, charges, rents and investments.

## Where the money is spent 2015/2016 - £422m

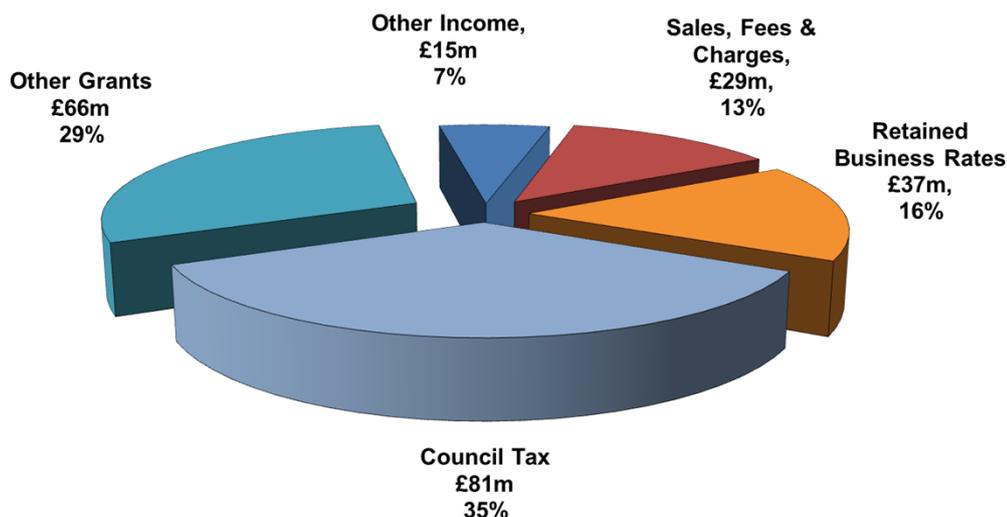


1.3 Excluding Schools and Housing Benefits, the gross expenditure for which the Council determines the distribution of resources is £228m. However, the extent by which the Council can determine resource distribution is not uniform across services and functions:

- Many services must be delivered to at least a mandatory minimum level and/or to all those who meet the criteria. The Council is required to ensure that there are sufficient resources allocated to meet these forecasted demands. Services which the Council can choose to provide or not are known as discretionary services. The Council can decide whether and to what level it will provide discretionary services.
- Some expenditure is legally or contractually required based on prior decisions, such as the revenue consequences of borrowing to finance capital expenditure. There are also services, such as Waste Disposal and Passenger Transport, which are operated at a Greater Manchester level, and whilst the Council has a shared influence on these services it does not have overall control.

1.4 The proportion of this £228m of service expenditure funded by the Government is significant at £103m or 45%, and as a consequence budget decisions are sensitive to changes in Government funding. This is equally true whether you measure the budget on a gross or net basis. The net budget of £149m is 45% supported by £(67)m of Government base funding, and the remainder from local resources, primarily Council Tax.

## Council Income Sources 2015/16 - £228m



- 1.5 For 2016/17 it is forecast that the Government will withdraw £7.3m of funding either in terms of base funding or specific grants used to support the base budget. Ordinarily this may be viewed as £7.3m from a gross spend of £422m, however as demonstrated in the table below the controllable budget is £125m, of which £76m (61%) is related to care services.

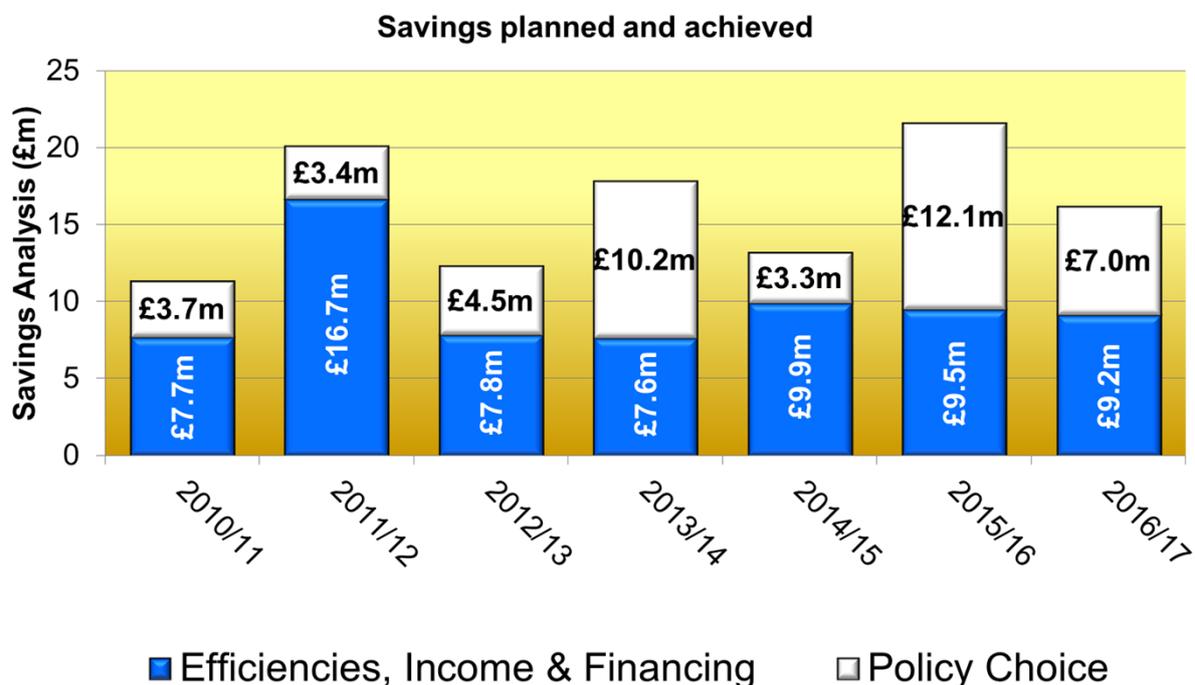
## Revenue Budget 2015/16 Gross to Net

Revenue Budget 2015/16 Gross to Net			
<b>Gross Expenditure</b>	<b>£422m</b>		
Government Grants	£(230)m	Schools DSG	£(127)m
Sales, Fees & Charges and Rents	£(29)m	Housing Benefit	£(68)m
Other Income	£(13)m	Other	£(35)m
Earmarked Reserves	£(1)m		
<b>Net Budget</b>	<b>£149m</b>	Children, Families and Wellbeing	£76m
Government based funding (RSG)	£(31)m	Economic Growth, Environment & Infrastructure	£32m
Retained Business Rates	£(36)m	Transformation and Resources	£17m
Council Tax	£(81)m	Council Wide	£24m
General Reserve	£(1)m		
<b>Funding</b>	<b>£(149)m</b>		

} Controllable Services £125m

- 1.6 Over the seven years of austerity the Government will have withdrawn some £49.5m of funding, equivalent to around 62% of current Council Tax. This

pressure is in addition to inflation, increases in client numbers and need, as well as the increasing cost of waste and transport levies. However, longer term planning and investment in dedicated capacity has enabled the Council to identify efficiencies and new income to help meet this financial challenge and thereby minimise the effect on front line services. The table below shows that the total savings requirement since 2010/11 has been £112.6m and some £68.4m (61%) of this has been delivered from efficiencies and income.



1.7 The following section describes the likely resource position available to the Council and the expenditure demands expected to be faced in 2016/17.

## 2. RESOURCE AVAILABILITY AND BUDGET PRESSURES 2016/17

2.1 The Council's estimated funding gap is summarised in the table below:

<b>Table 1: Indicative Budget Forecasts 2016/17</b>	<b>2016/17 £'000</b>
<b>Net Revenue Budget from 2015/16</b>	<b>148,914</b>
Cost Pressures:-	
Inflationary: non-staff	2,766
Levies	817
Pay Related	3,198
Demographic	3,072
Other	1,270
<b>Total Cost Pressures</b>	<b>11,123</b>
<b>2015/16 Budget plus cost pressures</b>	<b>160,037</b>
Original Estimated Funding:-	
Council Tax	(81,017)
Revenue Support Grant (RSG)	(23,487)
Redistributed Business Rates	(33,715)
Business Rate Growth	(77)
Other Funding	(654)
<b>Total Funding</b>	<b>(138,950)</b>
<b>Budget Gap</b>	<b>21,087</b>

2.2 One of the biggest uncertainties in the table is the level of RSG which will be received next year, together with other specific grants from the Government. All that is known currently is that non-protected government services, which include local government, have to provide options for reductions of 25% and 40% in funding during the lifetime of the current Parliament. The precise details of future Government funding will not become clear until December 2015, however based on the best information available it is estimated that the Council will need to make total savings of £21.1m, as a result of:

- £10.0m reduction in funding, consisting of £7.3m reduced sustainable Government funding, £3.4m reduction of one off contributions from business rates and reserves in 2015/16 offset by additional income of £(0.7)m from an estimated increase in growth from our Council Tax base.
- Inflation, increasing public expectation and demographic pressures in key services, increasing charges from levying bodies for waste disposal and some reduction in income totalling another £11.1m.

- 2.3 The figures above include the latest assumptions and are slightly higher than the £20.4m quoted during the recent public consultation. It is normal for budget assumptions to be refined as we go through the budget round. Assumptions will not be finalised until February 2016 when the Council approves the budget for 2016/17.
- 2.4 The cost pressures amount to £11.1 million which is 7.5% of the net budget. The main features are:
- Pay: includes provision for a 1% pay award; 0.7% increase in employer's pension rate; abolition of the national insurance contracted out rebate; auto-enrolment into the pension scheme.
  - Inflation: relates to non-staffing budgets and includes a general allowance of 2%; provision for the New Living Wage; other contractual inflation.
  - Levies: allowances for increases in waste disposal, Combined Authority (incl. transport), Environment Agency (flood defence) and Coroner's service.
  - Demography: allowance for increasing number of adults (£1.5m) and increasing number and cost of looked after children's (£1.5m).
  - Other: includes for an allowance for non-delivery of a small number of savings from 2015/16 and minor contingency items.
- 2.5 Further information on these assumptions are summarised in Annex A.
- 2.6 Whilst a focus will understandably be more on the proposed savings that have to be made it is worth pausing to consider some of the investments included in this budget.
- Care services for children and adults will see additional resources of £3.5m for demography and cost increases.
  - In addition an allowance of £2.4m has been made for the cost of the new Living Wage, which is likely to affect the care market particularly.
  - An amount of £0.4m as the Council's commitment to the risk sharing agreement as part of the Better Care Fund.
  - An increase in the rate of pay for apprentices working for the Council £0.087m.
  - A new dedicated fraud team at a cost £0.170m which will be entirely self-financing.
- 2.7 During September a first phase of public consultation was undertaken on some high level themes which would assist in balancing the budget; a further and more detailed round of consultation will be undertaken in November / December 2015. During the first phase, views were received on a range of areas such as use of reserves, council tax levels, raising more income, provision of services and these have been taken into consideration in developing the draft budget proposals.
- 2.8 The challenge once again for the Council is to contain its spending within the resource constraints set out above. The following section explains the approach and the proposed specific measures to achieve this. These will form the basis of the next phase of consultation.

### 3. APPROACH TO BUDGET 2016/17

3.1 Reference was made in previous budget reports to the fact that the traditional, almost silo, approaches to budget planning cannot deliver the scale of savings required over a sustained period of time. The Reshaping Trafford approach was outlined last year and this has been further refined.

3.2 The approach to the budget shortfall for 2016/17 and later years has focused on a “One Council” approach by taking a cross directorate view to the savings that need to be achieved by applying the following themes:-

- **Maximising Income** – maximising income from our services or generating income from assets such as advertising.
- **Working Smarter** – looking at the way things are done such as redesign of the workforce.
- **Buying Better** – working with our partners and suppliers to ensure we get best value for our expenditure.
- **Eligibility and Access** – reviewing current care packages and all new applications applying the reshaping social care policy utilising equipment, assistive technology and adaptations.
- **Joining Up and Working Together** – looking at how we deliver community health and social care services for adults in Trafford.
- **Promoting Independence** – helping people to help themselves, through our care strategy.

3.3 The first of these themes was a priority for the Executive as the creation of new income into the Council will avoid the equivalent amount having to be found from service budgets and thereby minimise adverse impacts on residents and businesses in the borough. Some examples of the work that has been done include:

- **Business Rates** – it was not clear whether the use of business rates would be sustainable under the retention scheme that was introduced by the government in 2013. Additional income was included in the 2015/16 budget but it was not assumed this would be recurring due to the uncertainty around forecasting caused by the impending business rate Revaluation in 2017, the impact of outstanding appeals and the level of empty property exemptions. However what we are now seeing is a relatively buoyant rateable value base, including the expected opening of the first of two new power stations in Carrington and a new supermarket in Broadheath. The ability to attract and retain businesses is not an overnight initiative but is the result of a range of factors, including the Council ‘being open for business’, making the borough an attractive place for businesses and their employees, and having in place an excellent education system. The budget plans assumes £3.0 million will be available from business rate retention to support the budget, including continuation of the shared pool arrangements within AGMA.

- Council Tax – monitoring reports have shown how council tax income has remained buoyant in recent years. Not only is this due to the success of the local economy, with less having to be paid in council tax support, but also the Council now has a proactive approach in assisting housing developers with their planning applications including linking them into funding sources to improve the prospect of delivery. Also investment in public realm is expected to have the twin benefits of attracting more business whilst also making our town centres attractive places to live. Of course strong collection performance together with initiatives such as the single person discount review and proactive interventions in council tax support help maximise this important source of funding. The forward plans have an expectation of £0.400 million growth in council tax each year but in 2016/17 we are able to increase that by a further £0.300 million.
- Council Tax Freeze Grant – the budget assumes this ‘free’ grant will continue, worth £0.9 million to the Council.
- New Homes Bonus – it is assumed this grant will continue in 2016/17. It is payable not only for each new home that comes onto the valuation list but also for each long term empty (longer than 6-months) property which comes back into use. We have carried out a recent exercise to target apparently empty homes to identify those which in fact have been brought back into use. The grant is assumed to be worth an extra £0.583 million in 2016/17.
- Airport Dividend – following the restructuring of the Manchester Airport Group (MAG), which required the Council’s approval, its trading performance has improved and dividends have increased. The budget assumes an additional dividend of £1 million.
- Treasury Management – the Council makes use of its day-to-day cash by investing in the money market. Returns are currently suppressed and therefore the Council has decided to invest in a property fund which should generate additional income of at least £0.170 million next year.
- We have also looked at some of our existing financing arrangements. A report will be presented to the Council to consider how quickly to pay off our loan debt. Much of our borrowing costs were supported through Revenue Support Grant (RSG) in the past but as this funding source has been the main route by which the government reduces funding it has meant a smaller contribution is received towards this cost. The recommended course of action would release over £1 million in revenue resources. In addition, part of the interest we receive from the equity loan with MAG is set aside as a provision to guard against potential default on this long dated loan. The Airport is in a healthy financial position and it is proposed that the annual provision is no longer made, thereby freeing up £0.288 million of revenue resource.
- The Executive is minded to recommend that the Council supports the 2016/17 budget with a £1 million contribution from reserves. This is consistent with the Council’s financial strategy and will still leave the minimum level of the General Reserve at £6 million.

- 3.4 The impact of all the income initiatives, including those above, provide an important contribution to the financial challenge in 2016/17 and have resulted in significantly reducing the requirement to make budget savings by £8.626m (41% of the target). However, on their own they could not address the full resource shortfall and savings within services will have to be made of £12.461m as summarised below. This comprises of efficiency savings of £5.444m (26% of target), leaving a balance of £7.017m to be met from policy choices which is equivalent to only 33% of the overall target.

<b>Table 2: Reduction in Shortfall from Income Generation &amp; Financing</b>	<b>£'000</b>	<b>%</b>
Original Gap	<b>22,370</b>	
Less New Homes Bonus	(583)	
Less Council tax base increase	(700)	
Existing Budget Gap	<b>21,087</b>	<b>100</b>
<b>Additional Resources from Income Generation and Financing (not already assumed in figures)</b>		
Business Rates (**)	(3,000)	
Council Tax Freeze Grant 2016/17	(900)	
Maximising Income – Airport Share Dividend	(1,000)	
Maximising Income - Other	(1,299)	
Financing Related Savings	(1,427)	
One off use of General Reserve	(1,000)	
<b>Total Additional Resources</b>	<b>(8,626)</b>	<b>41</b>
<b>Efficiencies</b>	<b>(5,444)</b>	<b>26</b>
<b>Policy Choices</b>	<b>(7,017)</b>	<b>33</b>
<b>Total Remaining Budget Gap</b>	<b>0</b>	<b>0</b>

(\*) (\*\*) This is net growth and consists of funding growth of £(5.3)m offset by £2.3m levy cost and AGMA rebate held within Council-wide.

- 3.5 Efficiencies and policy choices in Table 2 amount to £12.461m out of the gross budget shortfall of £21.087m and are required to be found from the “One Council” approach; the amount that each theme is expected to

contribute is in the table below. Further details are included in annexes to this report.

<b>Table 3: Summary of Savings 2016/17</b>	<b>£'000</b>
Buying Better	3,678
Working Smarter	1,031
Eligibility and Access	4,000
Joining Up and Working Together	750
Promoting Independence	2,470
<b>Sub-total (One Council approach)</b>	<b>11,929</b>
<b>Terms &amp; Conditions (para 3.6)</b>	<b>532</b>
<b>Total Savings</b>	<b>12,461</b>

- 3.6 In 2014/15, as part of a review of staff terms and conditions, employees agreed to a period of 3 days unpaid leave for a period of two years. This financial saving to the Council was approximately £0.5m per annum and it was agreed to review this arrangement after two years. The budget shortfall referred to in section 2 has assumed the unpaid leave arrangements would end in April 2016. However, given the extent of savings that continue to be required it is intended to consult staff and trade unions about retaining the unpaid leave arrangements and the current budget proposals now assume this continuation.
- 3.7 Full details of all savings are listed and discussed in more detail within the service narratives which can be found at Annexes C to F. Detailed Schedules of Savings for each service area can be found on the following pages:
- Children, Families and Wellbeing – Pages 36 to 52.
  - Economic Growth, Environment and Infrastructure – Pages 53 to 60.
  - Transformation and Resources – Pages 61 to 68.
  - Council-wide – Page 69 to 75.
- 3.8 The schedules are included in the usual directorate format. The table below shows how the “One Council” themes are included in each directorate’s budget proposals.

<b>Table 4</b>	<b>CFW</b>	<b>EGEI</b>	<b>T&amp;R</b>	<b>C-W</b>	<b>Total</b>
<b>One Council Theme</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Buying Better	(1,967)	(1,711)			(3,678)
Working Smarter	(450)	(115)	(466)		(1,031)
Eligibility & Access	(4,000)				(4,000)
Joining up and working together	(750)				(750)
Promoting Independence	(2,470)				(2,470)
Terms and Conditions	(264)	(106)	(162)		(532)
<b>sub-total</b>	<b>(9,901)</b>	<b>(1,932)</b>	<b>(628)</b>	<b>0</b>	<b>(12,461)</b>

Maximising Income	(80)	(905)	(314)	(1,000)	(2,299)
<b>Total</b>	<b>(9,981)</b>	<b>(2,837)</b>	<b>(942)</b>	<b>(1,000)</b>	<b>(14,760)</b>

## Impact on staff

- 3.9 Employee costs form a large proportion of the Council's expenditure; it is therefore inevitable that savings will have an impact on the Council's workforce. In 2016/17 and beyond, the Reshaping Trafford programme will 're-shape' our services to enable us to adapt to the increasing financial pressures and demands through a mixed economy of service delivery models.
- 3.10 This will be particularly important in the Children, Families and Wellbeing Directorate, where there is a dedicated programme to support the delivery of significant savings targets. This will mean working collaboratively and innovatively with partners and residents to explore alternative options for service delivery, with the aim of protecting employment across the borough, as far as possible. It is inevitable, however, that there will be an impact on the number of budgeted jobs within the Council.
- 3.11 A range of options relating to service redesign have been explored and these will be shared as part of an informal consultation process; formal consultation on potential workforce reductions will not commence until such time as these options have been appraised and the Council is in a position to engage in detailed and meaningful consultation with the recognised trade unions.
- 3.12 In circumstances where it is proposed that more than 20 staff will be dismissed on the grounds of redundancy, then a S.188 notice will be issued to mark the commencement of a statutory minimum consultation period of 30 days. Where those proposals exceed 99 staff, then this period will be extended to 45 days.
- 3.13 It is anticipated that informal consultation will commence from 5<sup>th</sup> November 2015, with formal collective consultation taking place at the earliest opportunity thereafter, where it is deemed necessary to issue a S.188 notice.
- 3.14 During the consultation period, as always, the Council will strive to minimise the number of redundancies and support employees by:
- Continuing to operate robust vacancy management systems.
  - Operating a centrally managed redeployment process.
  - Considering options for voluntary redundancy or early retirement where these are cost effective and operationally viable.
  - Considering secondment and temporary project assignment opportunities where appropriate.
  - Considering options for other employees to take voluntary redundancy or early retirement to enable a redeployment opportunity for displaced staff, where this is cost-effective and operationally viable.
  - Providing an employee assistance and outplacement support programme for staff at all levels.

- 3.15 In addition to the savings relating to service reviews, there is also a Council-wide proposal which relates to changes to staff terms and conditions. In 2014, the Council introduced a number of changes to staff terms and conditions which realised savings in the region of £1.7m. Whilst most of these changes related to permanent contractual changes, the introduction of 3 days mandatory unpaid leave was made as a temporary variation, subject to a review. Given that this temporary variation realises savings of £0.5m, year on year, it is proposed that this arrangement is extended for a further two years until 2018. This proposed extension requires the Council to undertake a period of statutory collective consultation. Therefore, on 5<sup>th</sup> November 2015, a S.188 notice relating specifically to this proposal will be issued to the recognised trade unions and will run for a minimum period of 45 days.
- 3.16 Following consultation, in relation to any staff who do not voluntarily accept the extension of the contractual variation, the Council will be required to issue those staff with notices of termination and re-engagement.

### Summary

The draft budget for the purpose of consultation is summarised below.

<b>Table 5: 2016/17 draft summary budget, compared to 2015/16</b>	<b>2015/16 Budget (£000's)</b>	<b>Cost pressures (£000's)</b>	<b>Savings (£000's)</b>	<b>Move-ment (£000's)</b>	<b>2016/17 Indicative Budget (£000's)</b>	<b>Change (%)</b>
<b>Children, Families &amp; Wellbeing</b>	75,834	9,836	(9,981)	(145)	75,689	(0.2)
<b>Economic Growth, Environment &amp; Infrastructure</b>	33,020	1,589	(2,837)	(1,248)	31,772	(3.8)
<b>Transformation &amp; Resources</b>	16,213	1,098	(942)	156	16,369	1.0
<b>Council-wide budgets</b>	23,847	565	(2,427)	(1,862)	21,985	(7.8)
<b>Total Net Budget</b>	<b>148,914</b>	<b>13,088*</b>	<b>(16,187)**</b>	<b>(3,099)</b>	<b>145,815</b>	<b>(2.1)</b>

\* Gross pressures including estimated levy on assumed business rate growth (see footnote on Table 2) and other changes to specific grants

\*\* comprises savings of £14.760m in table 4 plus financing savings in para 3.3 (page 20)

- 3.17 A fuller version is shown at Annex B, with further commentary included in the service schedules detailed at Annexes C to F.

### Medium Term

3.18 As already mentioned the outcome of the Comprehensive Spending Review on 25 November will give a strong indication of the Council's likely funding position over the next 4 or 5 years. It is planned to refresh the Council's medium term financial strategy, taking account of the CSR, in February 2016 at the time the Council agrees its budget for next year.

3.19 However it is already clear that local government generally, as a non-protected government department, will face a continued period of austerity. Our current assessment is that the Council will face a financial challenge for the next three years in the order of £43 million:

2016/17 - £21 million

2017/18 - £12 million

2018/19 - £10 million

3.20 The focus of this report is on 2016/17 and the means by which the budget can be balanced in that year. However, when considering the options to balance the budget Members are asked to take account how decisions taken for 2016/17 will have an impact on later years. This can include decisions on reserves, taxation as well as individual savings proposals.

## **4. SCHOOLS FUNDING & BUDGETS 2016/17**

### **Background**

- 4.1 Schools are funded from ring fenced grants, the most notable of which is the Dedicated Schools Grant (DSG). This funding cannot be used for any other Council function, and essentially schools operate within their own fund with any under or over expenditures being taken forward into future years. DSG can be divided into three main areas:
- Mainstream block - approximately £143m which essentially funds schools' budgets. This includes approximately £57m for academies which is determined by the Schools Funding Forum and Council but paid to Academies through the Education Funding Agency (EFA).
  - High Needs block - approximately £22m which primarily supports Special Educational Needs expenditure. This includes £10m to fund Trafford Special Schools.
  - Early Years block - approximately £11m, which funds educational, provision for 2 to 5 year olds in both LEA Schools and Private, Voluntary and Independent (PVI) settings.
- 4.2 The DSG is apportioned between authorities largely based on pupil numbers and historical formulae. The grant level for 2016/17 will not be finalised until December when the schools census data has been collated.
- 4.3 Locally, the schools funding forum, which comprises of representatives from Primary, Secondary and Special Schools, will make recommendations to the Council on how much funding should be allocated to the three blocks and also the formula that should be used to distribute monies to individual schools.

### **Government Funding**

#### **DSG**

- 4.4 Distribution to Trafford is dependent upon the census count of pupil numbers and there is a commitment nationally to increase spending in line with pupil numbers. Trafford is one of the lowest funded local authorities in the country and a recent Council resolution urged the Government to bring forward its promised review of a fair funding system for schools.

#### **Pupil Premium Grant (PPG)**

- 4.5 In 2016/17 maintained schools (i.e. excluding academies) are expected to receive £6m in PPG. This is £1,320 per eligible Primary pupil and £935 for eligible Secondary pupil. This money is designed to bridge the attainment gap for pupils who are in receipt of free school meals.
- 4.6 There is an additional PPG for looked after children of £481k which is initially held centrally and allocated to schools on the basis of their needs via personal education plans. There is also a PPG which is allocated to schools on the

basis of children adopted from care and children who have left care under a special guardianship or residence order. This amounts to £1,900 per pupil and totals £287k.

### **Universal Infant Free School Meals (UIFSM)**

4.7 From September 2014 every infant (key stage1) pupil is entitled to a free school meal. This is funded by an additional specific grant amounting to £2.30 per pupil and will total approximately £2.85m in 2016/17 (excluding academies). Academies also receive this grant direct from the EFA.

### **6<sup>th</sup> Form Funding**

4.8 There are two schools with 6<sup>th</sup> forms that are not academies and their sixth form funding comes via the EFA and amounts to £1.320m. Sixth form funding for schools is reducing in line with that given to 6<sup>th</sup> form colleges and is therefore a pressure on all schools which have 6<sup>th</sup> forms.

### **Local Funding Distribution**

4.9 Distributing funding across schools, recognising deprivation and special educational needs (SEN) factors, has become increasingly difficult at a time of no growth in resource availability. There are schools who do not receive any deprivation or SEN monies who find it increasingly difficult to set sustainable balanced budgets to cover basic needs.

4.10 Schools are protected by a nationally set Minimum Funding Guarantee (MFG). This is set at -1.5% per pupil for 2016/17. This means that a school's budget cannot fall by more than 1.5% per pupil from the previous year, regardless of any formula changes that are made.

4.11 The Schools Funding Forum has recognised that secondary schools are relatively well funded as compared to primary schools. There are no specific proposals to address this because of lack of additional funding and the impact the MFG has on formula changes.

4.12 Early Years funding is distributed by the Early Years Single Funding Formula (EYSFF), which is currently under review.

### **Pressures on schools**

4.13 Schools are required to meet all inflationary increases out of their delegated budgets, namely:-

- Pay awards of 1% or higher.
- Increased pension contributions.
- Inflation at a prevailing average, forecasted to be 1.9%, but with heating and lighting costs expected to be in excess of this; and
- reduction in 6<sup>th</sup> form funding.

4.14 The f40 Group have calculated that a typical secondary school would require a further £350k to meet additional cost pressures from 2016/17. This is equivalent to ten teachers, however the additional cost pressures are far more significant to schools such as those in Trafford, which are relatively low funded.

- 4.15 As a consequence of funding pressures on the non-schools areas of the budget, some Educational Support Services are either being reduced or moving into a buy-back or trading service as the Council can no longer subsidise them therefore, schools will need to pay for these services in future.
- 4.16 Some schools have reserves they can call on, and the Council will work closely with any maintained school that is experiencing financial difficulty to draw up a recovery plan. Short term loans are available based upon a balanced recovery plan, and there is a centrally held organisational change provision to assist with reorganisation.

### **Overall Position**

- 4.17 The DSG budget for 2015-16 is £119m and £1.3m was brought forward from 2014-15. In order to set a balanced budget £163k of reserves has been used. Budget monitoring to date this year shows an estimated overspend of £743k which means that the projected reserves being carried forward into 2016-17 will be just £420k.
- 4.18 The current level of spend compared to budget is not sustainable beyond this financial year. Funding provision for schools has been prioritised by the previous coalition government, in comparison to other public services and is expected to be a priority for the current Government. However, for the reasons outlined above, a number of schools in Trafford are likely to face increasingly difficult times. As mentioned the Council has lobbied for additional funding, but the outcome will not be known until late December 2015.

## **5. Risks and Reserves**

- 5.1 The law requires that the Council sets a balanced and robust budget, which is sufficient to meet its legal obligations, and then its aspirations. This requires all plans to be costed, forecasts and estimates to be checked for reasonableness, and risks to be assessed across the many varied services the Council provides. This also includes an assessment for emergencies, severe weather and other service and strategic risks.
- 5.2 Robustness does not guarantee that all possible eventualities are identified, or that all budget estimates are exact. Actual income and expenditure is likely to vary from the established budgets, but in the round these will compensate, and the approved budget need only be sufficient to meet overall expenditure requirements.
- 5.3 In exercising his statutory duty the Council's Director of Finance, in conjunction with the Corporate Management Team, will take all matters and issues into consideration and will make a reasoned assessment of whether the budget is sufficient and robust. The Executive will ensure the minimum reserve level is maintained to ensure the Council can meet its obligations.
- 5.4 At the time of writing the draft revenue budget the following particular issues or risks are identified, however, this does not preclude currently unknown issues coming to light during the consultation period:
- Local Government Finance Settlement: the draft proposals rely heavily on an estimated funding provision from the Government. It is possible that the Government could make changes to control totals, distribution methods, and whether money is distributed through basic funding or specific grant. Relatively small changes at a national level can cause significant changes in funding locally. Actual Government support will not be confirmed until the Local Government Finance Settlement, expected in December 2015, following the Spending Review on 25 November.
  - Demography: the forecasting of client numbers and costs in adults and children's services is under constant review and there is a constant risk that demand can outstrip resources. Steps have been taken to control demand, however it should be noted that this is an on-going risk and work is being undertaken to identify to what extent costs can continue to be mitigated.
  - The Government's Business Rates Retention scheme, introduced in 2013/14 is intended to encourage Councils to increase business activity in their area such that they can share to a limited extent in the economic growth. There are many uncertainties with regard to this scheme for Trafford, albeit in recent years the Council has included a robust provision to cover any costs associated with backdated appeal costs.
  - Projections have been included in the 2016/17 draft budget for growth in business rates as some notable additions are anticipated, including a new

supermarket in Broadheath and power station in Carrington. The projections also assume the continuation of the GM business rates pool.

- The draft savings proposals for 2016/17 again represent a significant programme of cost reductions. This is on the back of recent past savings programmes amounting to £96m. We are now experiencing that savings are more difficult to identify and be implemented from a reduced budget. At the time of compiling the draft budget report a number of the savings proposals have been identified as having a risk to delivery due to scale and capacity and these will be reviewed and investigated further before the final budget report for 2016/17 is agreed.
- Adult Social Care provider market pressures – there are likely to be requests from care providers for an uplift in their fees as a result of the impact of the New Living Wage. It is uncertain at this stage what the financial effect would be of such a request.

## **Reserves**

- 5.5 Reserves are set aside so that future plans can be afforded or to avoid infrequent or emergency expenditure impacting on the 'normal operational budget'. It is a legal requirement to set aside provisions, and a minimum level of generally available reserve and it is best practice to ensure that there are other sufficient reserves available to meet further needs to ensure an achievable and sustainable budget.
- 5.6 The final Executive budget proposals submitted to Council in February 2016 will be accompanied by an assessment of reserves and a statement of the robustness of the budget by the Council's Director of Finance. As part of this exercise the appropriateness of all reserves levels will be assessed at that time.

## **6. Consultation and Next Steps**

- 6.1 The draft 2016/17 Budget proposals have been developed in the context of the Reshaping Trafford Council strategy.
- 6.2 The Council recognises there is a need to make difficult choices due to budget pressures and wants to create an understanding of why we are reshaping. Continuing to provide services in the way we currently do is not an option; we must change the way we do things if we are to continue to meet our obligations and support local people in the current financial climate.
- 6.3 Our focus is about improving and using original ways of ensuring the Council delivers value for money services as well as working in partnership with other key organisations to promote the economic, social and environmental well-being of the borough. Through direct service delivery the Council has maintained performance and quality standards.
- 6.4 The Council recognises that everyone has something to contribute to the wider community, and that our local residents and communities are reservoirs of untapped resources. Whilst the Council continues to deliver specialist expertise and excellent services there are many solutions we can deliver better by working together with residents and community organisations through co-production. We started this dialogue with communities during last year's budget consultation and as a result have seen some excellent examples of the community coming forward to work with us.
- 6.5 We want to make it easier, not harder, for local residents and communities to take control of their own lives, their own health and wellbeing and their local areas, making improvements and developing new opportunities. By developing campaigns such as "Be Responsible" and "Be Bold" we are encouraging social responsibility amongst communities and to continue to make Trafford a great place to live, work and visit. The public consultation process will ensure there is an awareness of the opportunities available for local residents to 'get involved' and 'have their say'.
- 6.6 The proposals contain £(14.760)m of service savings in 2016/17 (detailed in Table 4) and are thematically grouped as follows:
- Buying Better.
  - Working Smarter.
  - Eligibility and Access.
  - Joining up and working together.
  - Promoting Independence.
  - Maximising Income.
- 6.7 The consultation for the proposals is being run in two phases. During Phase 1, which took place throughout September 2015, Trafford Council opened a dialogue with residents to 'have their say' about the high level proposals the Council has to save the money required this year including questions about Council Tax and use of reserves and to ask residents to share their ideas.

Seven public events were held in September across the borough and facilitated externally.

- 6.8 Feedback was obtained from Phase 1 of the public events, an online survey and feedback cards and responses centred around maximising income, buying better and continuing with on-going service improvements as well as promoting new delivery models.
- 6.9 During Phase 2 the Council will engage in conversation with residents and other stakeholders to gather their feedback on the specific proposals developed following feedback received during Phase 1. Again a further seven public events will be held in November/December and will include web chat and on-line survey.
- 6.10 Staff consultation on some of the specific proposals begins on 5 November 2015, and public and stakeholder consultation will start on 17 November 2015. Public consultation will conclude on 16 December 2015 but some staff consultation will conclude beyond this date.

Details of the public and stakeholder consultation are available on the Council's web site on the 2016/17 Budget pages. There will also be a review of this report and its proposals by the Council's Scrutiny Committee.

Detailed planning work on some proposals is still taking place, as well as negotiations with contractors and partners. The draft Local Government Finance Settlement is expected in December 2015, which will clarify the resource base of the Council for 2016/17.

- 6.11 All of the above will be brought together by the end of January 2016 when the Executive will make final changes to their draft proposals. These will then be recommended for approval at the Public Executive, and the final determination of the budget made at Budget Council, on 17 February 2016.

# Annexes to the Budget Report

## MEDIUM TERM FINANCIAL OUTLOOK - BASE BUDGET ASSUMPTIONS

Base Budget Assumptions		2016/17
<b>Service Expenditure</b>		
Pay		1.0%
		£0.6m
Pension		0.7%
		£0.4m
Prices – General inflation (certain services have specific inflation, e.g. energy)		2.0%
		£2.2m
Demography :	Children	£1.5m
	Adults	£1.5m
Waste (GMWDA):	Total Levy Increase	£0.34m
Transport (GMCA) Levy increase		2.8%
		£0.47m
<b>Treasury Management &amp; Funding</b>		
Investment Rates		1.1%
Debt Rates		4.50%
Council Tax rate increase		0%
Council Tax base increase		0.50%
Freeze Grant 2016/17 @ 1.0%		£(0.9)m
Reduction in Start-up Funding		10.2%
		£6.5m
Reduction in overall Government support		8.2%
		£7.3m

<b><i>Draft Base Budget 2016/17 Subjective Analysis</i></b>	<b>CFW (£000's)</b>	<b>EGEI (£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>	<b>75,834</b>	<b>33,020</b>	<b>16,213</b>	<b>23,847</b>	<b>148,914</b>
Net Inflation	4,932	1,227	1,170	301	<b>7,630</b>
Levies		343		524	<b>867</b>
Legislative; Grant / Service Transfers	954	0	135	(185)	<b>904</b>
Investment Interest (incl. airport dividend) & Tax				(116)	<b>(116)</b>
Debt Management				(247)	<b>(247)</b>
Demographic (Quantitative)	3,000	0	75	1	<b>3,076</b>
Governance / Compliance	0	0	0	0	<b>0</b>
Other Business Consequences	950	19	(282)	287	<b>974</b>
<b>Total Pressures</b>	<b>9,836</b>	<b>1,589</b>	<b>1,098</b>	<b>565</b>	<b>13,088</b>
Cashable Efficiencies	(2,884)	(1,932)	(628)	0	(5,444)
New Income	(80)	(905)	(314)	(1,000)	(2,299)
Financing Related Savings	0	0	0	(1,427)	(1,427)
Policy Choice	(7,017)	0	0	0	(7,017)
<b>Total Cost Reductions</b>	<b>(9,981)</b>	<b>(2,837)</b>	<b>(942)</b>	<b>(2,427)</b>	<b>(16,187)</b>
<b>Net Budgetary Effect of Proposals</b>	<b>(145)</b>	<b>(1,248)</b>	<b>156</b>	<b>(1,862)</b>	<b>(3,099)</b>
<b>Proposed Total budget for Year</b> (Previous Years Budget + Net Effect of Proposals)	<b>75,689</b> (0.2%)	<b>31,772</b> (3.8%)	<b>16,369</b> 1.0%	<b>21,985</b> (7.8%)	<b>145,815</b> (2.1%)

### Children's Families and Wellbeing

The Directorate was established in April 2013 from the amalgamation of Children's, Adults and Public Health services and has the responsibility for a wide range of services across Education, Health and Social Care.

The Directorate has developed a strong universal identity which aims to deliver high quality services and offer excellent value for money to its customers, based on an integrated partnership approach. The budget proposals described for 2016/17 continue the major reshaping of the Directorate over the next two years underpinned by the following key principles:

- Integration and Partnership Working
- Safeguarding
- Market Management and Quality Assurance
- Management of Demand
- Individual Support for Vulnerable Groups
- Promotion of Independence

We are exceptionally proud of the quality of our children's and adults' services. Below are some notable achievements and performance indicators which demonstrate this:

#### Children's Services

- Trafford Council Children Services supported 3,305 clients in 2014/15.
- Pupil attainment is almost unrivalled:
  - 94% of pupils attending good or outstanding schools with 57% in outstanding schools
  - Early Years Foundation Stage – 68% of pupils achieving a good level of development the 7<sup>th</sup> best performance nationally and the highest in the North West.
  - Key Stage 2 – 87% of pupils achieving a Level 4+ in Reading, Writing and Mathematics the joint best performance nationally
  - Key Stage 4 – 72% of pupils achieving 5 A\*-C GCSE including English and Mathematics the 4<sup>th</sup> best performance nationally.
- Joint highest OFSTED rating in the Country for Children's safeguarding service citing 'many examples of innovation, hard work and determination demonstrated by elected members, officers and workers at all levels to ensure that vulnerable children and families get the best possible service'.
- The only 'Outstanding' rating issued by OFSTED for children leaving care.
- Trafford's 0-17 estimate population is 53,687, a 1.4% increase from last year's issued figure.
- Overall Trafford has the lowest NEET rate in the region and we continue to maintain a downward trend.
- Care leavers in education, employment and training currently stands at 70.6% being recorded in EET. This is the second highest percentage position this reporting year. This compares favourably with the national figure of 48% in the recent release.
- The number of schools that are now causing concern for Trafford has decreased since 2014 (total number was 11 in 2014 and is now 8).
- The headline figure within the published CiN census, Child Protection plans as at 31st March 2015, shows Trafford with a rate 46.9 per 10,000 children being the subject of a plan. This is significantly lower than last year when the figure was 53.7.
- The rate of referrals in Trafford has reduced for the second successive year and by a significant amount from last year (382.8 compared with 466). Whilst reductions were seen in all comparator groups, none of the reductions were on a scale seen in Trafford (18%).

## Adult Social Care

- Trafford Council's Adult Services undertake a substantial level of activity and in 2014-15 we;
  - supported 5,939 residents with care packages
  - received 165 adult safeguarding referrals up from 156 in the previous year
  - provided services to 9,620 users and carers up from 8,500 in the previous year
  - helped 5,157 carers with services or advice and information a significant increase on 3,020 in 2013/14
  - provided 668,084 hours of external home care support
- The transformation of Adult Services over the last 12 months has been substantial with new services developed to meet the needs of vulnerable adults more efficiently. This includes;
  - Establishment of a new approach to Reablement that provides a range of options depending on individual need to complement the restructured internal service.
  - A review of Learning Disability services with investment in assessment and review functions to ensure care packages meet individual needs leading to improved support at a lower cost.
  - Development of an integrated commissioning service on an all-age basis to support better use of resources and improving relationships with providers.
  - Testing out new ways of using assistive technology to support individuals within their own homes
- 13.7% of people with Learning Disabilities known to the Council have been assisted into paid employment. This is one of the highest rates in the country and an improvement on 12.4% in 2013/14. The corresponding average for 2014/15 for the North West is 4.2% and for England is 6%.

## Public Health

This area of the CFW's core business represents approximately £10.8m of the Council's total net revenue expenditure. The public health grant funds a wide range of services which focus on the promotion of wellbeing, the management of health inequalities and the facilitation of resilient communities across the Borough of Trafford. The service area commissions and delivers a range of public health services to people in Trafford. The 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.

The mandated public health services for the local authority are:

- National Child Measurement Programme.
- NHS health checks.
- Public health advice to the Clinical Commissioning Group,
- Sexual health commissioning.
- Protecting the health of the local population.

The public health services currently focus on the following areas:-

- Sexual health including STI testing, treatment and contraception.
- NHS health check programme.
- Local authority role in health protection.
- Public health advice, information and early intervention.
- National Child Measurement Programme.
- Healthy weight and specialist weight management services for adults and children.

Healthy heart care.

- Wellbeing physical activity sessions for adults.
- Substance misuse and alcohol services for young people and adults.
- Stop smoking services and interventions.
- Children's 5-19 public health programmes.

Public Health has continued its successful transition into Trafford Council and has developed closer links with other directorates in the Council to enhance the improvement of public health outcomes in Trafford. A comprehensive Public Health Delivery Plan for 15/16 is in place. Progress on this is overseen by the Public Health Delivery group. We will continue to work closely with the Trafford Clinical Commissioning Group through our core offer of public health support to the healthcare agenda 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. 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.

A robust framework to ensure optimal use of the Public health transitional grant has been adopted to ensure public health schemes are agreed in line with best practice, evidence and potential to improve outcomes, e.g.

- Trafford has the highest rate of cytology (smear test) screening across Greater Manchester with a rate of approx. 84% of the eligible population being screened.
- Trafford has a higher than average rate of completion for people going through a treatment programme for substance misuse issues.
- Trafford has the highest breastfeeding rate in the region at 54% which evidence suggests has a substantial impact on the future health outcomes of a child.
- The transfer of responsibility from NHS England to the Council for 0-5 community health provision including, health visiting, was managed smoothly and took effect on the 1<sup>st</sup> October 2015.

### **Approach to Budget**

The Council has established a dedicated programme to support CFW in the delivery of its savings over 2015-18 and it has set out the following delivery objectives:

- To embrace the opportunities of GM Health and Social Care devolution and collaboration across the sub-region
- To establish an all age integration of health, social care and education service.
- To achieve greater levels of independence for our residents and service users.
- To divert unnecessary demand away from the health and social care system at the earliest opportunity.
- To wrap support around the family where it is required and work intensively to facilitate independence and confidence.
- To manage and incentivise our suppliers to reduce demand.
- To create financial and delivery efficiencies.
- To establish rigorous performance management and quality assurance arrangements
- To comply with statutory and regulatory frameworks.
- To support the development of the workforce equipping them for the challenges of today and into the future.
- To embrace technology and use it more effectively to increase capacity across the workforce.
- To enable commissioning decisions to be made wherever the budgetary responsibility sits.
- To provide effective governance for care planning arrangements.
- To maximise income where appropriate and in line with policy and legislation

- To manage the external market identifying capacity risks and opportunities

A structured approach ensures that the savings proposals are fully aligned to the programme objectives which in turn are aligned to the principles of 'Reshaping Trafford Council' and the themes of the new organisational model.

### **Optimise Processes and Structures (£0.450m)**

The principle is to ensure efficient use of resources and remove duplication providing a more co-ordinated approach for Trafford residents.

#### Social Care Travel

In the future we want our social care travel arrangements to continue to be efficient, good quality and promote independence. We aim to redesign our service so it is based on an all age model, in line with our wider proposals. Activity will therefore include:

- Alignment of transport budgets and policies across children's and adults' services which will require a consultation on a revised travel assistance policy.
- Development of a unified procurement processes for adults and children's social care transport provision.
- A review of processes to achieve clarity over eligibility, application and authorisation of social care travel provision. In essence a unified process for administering an all age travel support function.
- Moving to pick up points rather than home pick up where appropriate for those that are able to.
- A review of our responsibilities for the provision of equipment on vehicles.

### **Integration & Collaboration (£0.750m)**

We want to establish an integrated all age service that provides a clear offer for Trafford residents giving them access to co-ordinated services when they need them. There is a substantial benefit for residents in these proposals as the health and social care system can seem very fragmented so we know it is not easy to navigate through our structures to get to the right service.

#### All Age Health And Social Care Frontline Workforce Reforms

Trafford Council has an excellent reputation of working in partnership and seeks to collaborate in the pursuit of better quality and more cost effective services.

We have already established an integrated health and social care service for children's social care and community health provision, and are in progress with the equivalent for adult services. We also have a long established integrated commissioning arrangement for children's health services with Trafford Clinical Commissioning Group (CCG) governed by a section 75 agreement.

We are in the process of implementing the extension of these arrangements on an all age basis, as described and agreed in last year's budget consultation proposals, and are working with health partners to prepare for the devolution of health budgets to Greater Manchester. Integration is a key element of the devolution agreement, so we are already in a good starting place.

A restructure and culture shift is required across the CFW workforce to account for the following transformational developments:

- The implementation of the all age health and social care delivery model from April 2016.
- The current Reshaping Social Care and revised eligibility criteria in adult social care and plans to roll this out across the directorate in 2016.

The workstream will incorporate health staff in CFW and also the following all age service redesign projects:

- All age CAN/LD Service redesign.
- Keeping Families Together.
- All Age Front Door.

### Front Door

It has been determined through a period of research that CFW needs to improve the way people access our services for all age groups and in partnership with other agencies. It is evident that there are several access points to services which create confusion, delays and wasted opportunities to provide solutions to problems swiftly. These problems then escalate, costing more in terms of staff time and support packages overall. The way in which service users access services is now being redesigned on an all age basis, to manage these issues, through three approaches:

1. Promoting self-help and building a resilient community through e.g. better signposting to non-Council support services, advice and information and greater promotion of our comprehensive service directory.
2. Having a single point of access for agencies and professionals to contact us if they are concerned for someone's welfare.
3. Development of an All Age Multi-Agency Safeguarding Service to ensure vulnerable children and adults receive an appropriate response.

### **Promoting Independence (£2.470m)**

A key principle of our approach is to enable resilient communities and individuals in Trafford by promoting independence wherever possible. Feedback has been clear that this approach is what people want and it is important that we help people to help themselves building their ability to do so rather than providing services that create dependency.

### Pathways (Building based day support)

Pathways is a Council run centre that provides non-statutory highly individualised day support for people with complex Learning Disabilities and living within the catchment areas of Trafford.

The proposal is to explore an alternative delivery arrangement which would provide day support services through a network model of services delivered by the independent and voluntary and community sector. Capacity would be created to support existing service users and also reintegrate out of borough placements and meet the needs of new service users more creatively.

### Supported Living

There are currently 6 supported living establishments provided by the Council which provide homes in the community for adults and young people with learning disabilities. We are proposing to reduce our internal provision and work with the provider market to ensure sufficient supported living provision in the borough.

### Reablement

The saving of £810k has already been achieved due to the full year effect of the changes made in 2015-16 and is not based on further changes to the service. However embedding the new approach to Reablement should have a substantial impact on demand management in 2016-17 (see eligibility and access). An initial remodelling of our reablement service has concluded and the service now provides an assessment and reablement planning service which is delivered before patients leave hospital or to prevent an admission. There is also a reablement intervention service,

which supports people for up to 6 weeks if required, and it is focused on people with the highest rehabilitation potential.

In addition, a new support service is being tested. 'Stabilise and make safe' provides interventions more rapidly and with more frequent re-assessment to check progress across a 2 week period rather than a 6 week period. Early indications show patients are leaving the care pathway more quickly and with good results. In 2016 the 'stabilise and make safe' model will be reviewed and rolled out, with phase 2 of a review of the Council's reablement service undertaken in this context.

A 'home from hospital' volunteer service will also be introduced which will support low risk patients when they leave hospital to settle back in at home.

#### Intermediate Care/Ascot House Review

Ascot House provides a reablement and assessment function with a small component of respite. However, going forward the proposal for reablement services in Trafford will be more targeted and delivered by others. Therefore the Council needs to determine the best use of this facility. The CCG are in the process of establishing a pilot at Ascot House to deliver intermediate care, which will support the increased demand on hospital services during the winter.

We aim to review the current pilot funded by the CCG and pending this review, develop more detailed proposals to better meet the demands placed upon the health and social care sector.

#### Rapid response

Rapid Response was originally set up as an emergency service dealing with care issues in people's homes with the aim of reducing the number of hospital admissions and admissions to residential settings. Over time other provision has broadened and there is now duplication in this type of service provision in Trafford. It is therefore proposed to review the future viability and delivery options for this service.

#### Aids & Adaptations

This service has evolved over time to be quite complex in terms of its funding arrangements and offer to service users. Analysis shows there are several quality, financial and process issues with the service model. As a result a whole service review will be undertaken to ensure the operation of a more efficient and high quality service for customers and staff and clearer working arrangements with partners.

#### Assistive Technology

The use of assistive technology to maintain independence longer and reduce the overall cost of a care package is an important element of re-shaping social care packages for adults.

The Council has been piloting new ways of delivering assistive technology and this concludes in March 2016. In 2016/17 we aim to have secured a strategic partner who will support us to deliver assistive technology in 2 ways:

*Universal offer:* available to all on a charged for basis.

*Targeted offer:* available to those eligible for support from social care and funded by the Council.

Savings will accrue as a result of the procurement process and a re-specified service model. There will however be greater savings in care package costs as a result of applying assistive technology solutions.

## **Commissioning (£2m)**

This is effectively about how we use our resources to fund externally provided services. It represents a substantial level of expenditure equating to approximately £35m per annum within the scope of this theme. The largest areas of spend are on homecare, residential and nursing care for older people and we will engage with both providers and recipients of these services throughout the review process. Due to individual contractual arrangements these negotiations operate on an ongoing basis so we are not in a position to specify at this stage which contracts will be affected. Engagement with providers and service users will be undertaken where appropriate at an individual service level.

### Extra Care Re-procurement

The term 'extra care' housing is used to describe developments that comprise self-contained homes with design features and support services available to enable self-care and independent living. Extra care housing is popular with people whose disabilities, frailty or health needs make ordinary housing unsuitable but who do not need or want to move to long term care (residential or nursing homes).

There are currently three extra care schemes operating in Trafford at Fiona Gardens, Newhaven, and Elkin Court with the development of fourth at Shrewsbury Street due to open in 2017.

Savings will be achieved through re-tendering support contracts that are due to end and alignment of the wellbeing charge for extra care services across all sites so residents pay the same rate.

### Commissioning/market management

There are a range of contracts which are under review currently to consider the optimum service model and financial investment. Through the reviews efficiencies will be identified across a number of services which have not been previously subject to market testing.

As Greater Manchester devolution progresses at pace we are talking to neighbouring local authorities about wider collaboration to commission core services, like homecare, across a much greater footprint to deliver improved market stability and a price that reflects the impact of the living wage. This may result in cost increases in the short term which will be managed through reducing demand through making people more independent.

### Education & Early Years

The Education and Early Years' Service provides consultancy, support and advice to the education sector and private, voluntary and independent (PVI) early years sector. The service also operates the Council's service directory.

Savings will be achieved through the following activities:

- A restructure of the Early Years Commissioning Service.
- Review of the financial support available to early education and childcare providers for
  - Eligible qualifications studied.
  - Sufficiency grants.
- Reducing a range of resource and premises budgets.

## **Income Generation – estimated income: £80k**

The Council already recovers its costs for a number of its services and for the future, several options are being proposed for consideration for implementation from 1<sup>st</sup> April:

1. Charging for appointee-ships.
2. Introduction of Credit Checks before Third Party Top Up placements are agreed.
3. Increased Deferred Admin fee to reflect actual costs.
4. Recovery of reasonable costs for Kennel fee.
5. Online application form.
6. Introduce a charge to other local authorities for assessment.

### **Eligibility & Access (£4m)**

This theme is focused on the way in which we assess and then meet the needs of vulnerable children, adults and older people at an individual level. This is by far the biggest area of spend within the Directorate with around £56m currently spent on care packages across all age groups. The programme is very much an extension of the work started in Adults services in April 2015 with residents and their families involved in both the assessment and care planning to minimise the impact of changes as far as possible. In addition there is a focus on demand management and we want to meet need at the most appropriate level to try and ease pressure on high cost specialist services. We know that as well as having a financial benefit, preventing escalation of need in this way is far better for our residents.

### Reshaping Adult Social Care

Individual packages of care for social care and health account for a very significant proportion of budgeted expenditure for the Council and our partners. Those costs are rising. As demand increases linked to an ageing population and an increase of children coming into care, costs are rising.

We will undertake the following activity to achieve additional savings in this area:

- Continuing to implement our revised Reshaping Social Care Policy which was publically consulted on in 2014 and agreed for implementation from April 2015. Applying the principle that public funding should only be used after the use of local community services, adaptations, equipment and technology have been explored to the fullest potential in line with the Care Act.
- Using assistive technology more widely across all service user groups, to promote independence and relieve the pressure on carers. In doing this we will reduce care costs. We are undertaking a pilot to test our approach before formally commissioning a new service from 2016 to support the reshaped social care offer and to provide step down solutions to meet need.
- Consistently assessing need across all ages through a consistent and objective modelling tool for the funding of care packages.

### Reshaping Social Care through the delivery of new ways of working

- Keeping Families Together

Services which offer a range of support services to families who are in crisis but currently operate separately will be reviewed to unify and reconfigure them into a single delivery model known as 'Keeping Families Together' (KFT). This will offer a more co-ordinated and flexible approach across children's and adults services to achieve greater impact.

The KFT service will be particularly focussed on young people with issues that are leading to family break-up; and it would be Trafford specific. It would operate on a 24/7 basis helping families at the times they find most stressful on the issues that are creating conflict/difficulty in their own environment. This will enable a flexible offer to respond to issues in creative ways using whole family approaches e.g. direct work with children and young people, work with parents to build their parenting capacity, supporting siblings and wider family members and bringing in the specific skills and resources of other agencies as appropriate (building on the Stronger Families approach). It would pull the most effective models already established together to create a menu of options most suited to the family needs.

- Children in Care

A range of options will be reviewed to reduce the costs and demands on our children in care services. This will involve a review of in house provision, placement costs, service delivery models and funding arrangements. A commissioning strategy will present the totality of the changes which are planned and incorporate some workstreams within the 'commissioning' theme.

During 2016-17 we will be putting in place the foundations for a more sustainable approach and it is likely the main benefits will be in future years. Keeping Families Together will be critical in this.

### Learning Disability, CAN & Personal Budgets

CFW have committed to developing an all age offer for children, young people, adults and older people with learning disabilities and/or autism. The ambition is that this will allow an all age approach to supporting children and adults with learning disabilities and/or autism, improving outcomes, enabling people of all ages to have access to appropriate support in a planned way. Successful implementation of this approach will minimise crises, avoid emergency high-cost placements, enable higher levels of independence and deliver a best value care offer in line with the Reshaping Care offer.

In addition the work on the LD600 undertaken in 2015-16, following the same principles as reshaping care, has had a substantial impact on those cases reviewed to date. An acceleration of this work in 2016-17 will see improved outcomes and a reduction in costs from individual packages by finding much better ways of meeting individual's needs. The 'offer' for adults with learning disabilities needs to be far more co-ordinated to ensure the most appropriate environment for each individual.

### Public Health

The government announced an in year reduction to Public Health grant budgets for 2015-16 and our assumption is that this will be retained in 2016-17. In Trafford this equates to £772k out of a total grant of £10.8million. An analysis of all expenditure from the ringfenced grant is being undertaken to assess the risk of changes to services in 2016-17 and provide options for approval. This will be done in conjunction with Trafford CCG to mitigate impact across the broader health and social care system.

## Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

<b>Children, Families and Wellbeing</b>	<b>2016/17 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
Budget Brought Forward	75,834	
Additional Resources to meet Pressures:		
- Pay Related Inflation	1,193	
- Contract Related Inflation	3,475	
- Specific Grant Reductions	982	
- New or Increased Specific Grants	(28)	
- New Statutory Responsibilities	(100)	
- Demographic	3,000	
- Governance/Compliance	-	
- Business Consequences	1,050	
- Terms and Conditions	264	
<b>Total new resources allocated</b>	<b>9,836</b>	
Resource Reallocations through		
- Efficiencies	(2,884)	CS1, CS2, CS2a, ASS7, ASS8, ASS9, ASS10, ASS11 (a) ASS12
- New or Increased Income	(80)	CS3, CS4, CS5, ASS13, ASS14, ASS15, ASS16, ASS17, ASS18, ASS19
- Policy Choices	(7,017)	
<b>Total Savings</b>	<b>(9,981)</b>	
Net Year-On-Year Change	(145) (0.2)%	
<b>Net Budget Proposal</b>	<b>75,689</b>	

## Children, Families and Wellbeing – Schedule of Savings

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	CS	1	All Services	Market Management - Inflation and contract management with providers	Efficiency	Buying Better	(100)	<p>Saving has two component parts;</p> <ul style="list-style-type: none"> <li>Inflation management - Impact will vary across markets and we have particular concerns about homecare, residential and nursing providers ability to absorb changes so mitigation may be required with a clear understanding of the 'fair price for care' and impact of National Living Wage</li> <li>Review of contracts – Impact will be assessed through the commissioning process for individual service users and an EIA undertaken where appropriate.</li> </ul> <p>Overall elements of the saving can be achieved through efficiencies but in vulnerable areas of the market mitigation will be required to manage impact.</p>
CFW	CS	2	All Services	Service structure and role remodelling across the CFW workforce	Efficiency	Joined up and working together	(375)	Major projects such as All Age Integration and the redesign of the integrated front door will drive these efficiencies. The aim is to achieve them by reducing duplication in the system and moving to a more streamlined approach to allocating workforce resources
CFW	CS	2a	All Services	Terms and Conditions	Efficiency		(145)	Reinstate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(620)</b>	

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	CS	3	Social care transport services	Move to an all age approach to the provision of social care travel	Policy Choice	Working Smarter	(100)	This is building on the work that has been done already to efficiently manage the provision of school transport. The revised policy will operate on an all age basis and will mitigate impact by ensuring all eligible residents receive appropriate transport provision in line with their assessed need. The policy will be based on statutory guidance and relevant legislation. This will mean some residents do not receive transport support where they are not eligible. An EIA is being undertaken as part of the policy implementation.
CFW	CS	4	Education and Early Years	Review of the level of staffing and the provision of grants	Policy Choice	Buying Better	(200)	There will be some impact on the level of support provided to Early Years providers and accessibility of grants for workforce development that have previously been provided.
CFW	CS	5	Early Help	Full year effect of disestablished posts and savings derived from vacated premises	Policy Choice	Buying Better	(337)	This saving represents the full year effect of the restructure of Early Help that took place in 2015/16 so no further impact identified for 2016-17.
<b>Policy Choice sub-total</b>							<b>(637)</b>	.
<b>Total All Proposals Children's Services</b>							<b>(1,257)</b>	

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### Portfolio Key

**CS:** Children's Services Portfolio

**ASS&CW:** Adult Social Services & Community Wellbeing Portfolio

**E&O:** Environment & Operations Portfolio

**EGP:** *Economic Growth & Planning Portfolio*  
**C&P:** *Communities & Partnerships*  
**T&R:** *Transformation & Resources Portfolio*  
**F:** *Finance Portfolio*

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	7	All Services	Market Management - Inflation and contract management with providers	Efficiency	Buying Better	(450)	Impact is set out in CS1 above as this will form part of the same programme of activity.
CFW	ASS&CW	8	All Services	Service structure and role remodelling across the CFW workforce	Efficiency	Joined up and working together	(375)	Impact is set out in CS2 above as this will form part of the same programme of activity.
CFW	ASS&CW	9	Care Management	Reablement - This represents the full year effect of decisions implemented in 2015-16	Efficiency	Promoting Independence	(810)	This is the full year effect of activity undertaken in 2015-16 to redesign the Reablement offer. No further impact is identified for 2016-17
CFW	ASS&CW	10	Equipment	Aids and Adaptations - Ensure effective processes and the optimum combination of funding for the provision of aids and adaptations to client properties	Efficiency	Promoting Independence	(260)	There is scope to capitalise some spend currently categorised as revenue and to improve the efficiency and effectiveness of the current means of service provision. Any service impact will be positive through a redesign of the current system that has significant issues with delay.
CFW	ASS&CW	11	Supported Living	Review the provision of supported living accommodation to clients with learning disabilities	Efficiency	Promoting Independence	(250)	Work has been ongoing during 14-15 to manage voids in the supported living network. It is expected to release one of the six remaining properties in 2016-17.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	11a	All	Terms and Conditions	Efficiency		(119)	Reinstate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(2,264)</b>	
CFW	ASS&CW	12	All services Exchequer/ASS&CW	Recovery of costs for discretionary activities	Income	Maximising Income	(80)	This will have some impact on residents as the options include covering costs of functions like appointeeships fully from charges. It will also recover costs where we are able to do so i.e. Kennel costs
<b>Income sub-total</b>							<b>(80)</b>	
CFW	ASS&CW	13	Social care transport services	Move to an all age approach to the provision of social care travel	Policy Choice	Working Smarter	(350)	The saving will be achieved through review and alignment (where appropriate) of the social care travel policies of all client groups; maximising efficiency through detailed route planning; further development of independent travel options; and ensuring VFM through a review of contracts with providers.
CFW	ASS&CW	14	Extra Care	Extra care Procurement - Re-tendering for the contract(s) to provide support services to clients in extra care housing	Policy Choice	Buying Better	(80)	Conduct a re-tendering exercise to secure the provision of support services at a reduced price for the three extra care schemes operating in Trafford; Review the level of Council and client contribution at the schemes to ensure consistency.
CFW	ASS&CW	15	Public Health	Reducing spend in accordance with expected Government grant reductions	Policy Choice	Buying Better	(800)	Trafford is projecting a reduction in the Public Health grant of approximately £800k in 2016-17. The reduction is in the ringfenced grant and all services provided from the grant are being assessed to identify opportunities to reduce costs. Impact will vary across services and the risk assessment being prepared will outline options for decision in the new year.

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	16	Care Management	Ascot House - Consider alternative uses of the site	Policy Choice	Promoting Independence	(800)	Ascot currently provides on-site social care assessment beds and is also used for some respite care and by the CCG for intermediate care beds. It is proposed to remove the social care assessment function and explore alternative means of providing this in the community. This will be done in conjunction with CCG and Pennine care to find the best delivery model to meet need across the Health and Social Care environment. Any impact will be closely monitored and managed depending on the option chosen.
CFW	ASS&CW	17	Care Management	Pathways - Review the provision of day care services to clients with learning disabilities	Policy Choice	Promoting Independence	(175)	This project will ensure value for money in the provision of day care services to clients with learning disabilities through review of existing provision and alternative means of meeting need. The impact on service users and their families is being mitigated by individual discussion with them about future options and the best way to meet their needs.
CFW	ASS&CW	18	Care Management	Rapid Response - Review the Rapid Response service	Policy Choice	Promoting Independence	(175)	A detailed analysis of the workload of the Rapid Response team is to be undertaken to review impact.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	19	All Services	Reshaping Care - Managing the Council funded cost of care through increasing client independence. Reviewing demand and support for CiC	Policy Choice	Eligibility & Access	(4,000)	The Council embarked on a reshaping care programme across Adult's Services in April 2015 with implementation of a new policy. This work is to be extended across all client groups and involves a review of how we meet assessed need across all care packages (approx. 3,500). Total spend in this area is approx. £56m accounting for a very significant proportion of CFW budget. CFW has a statutory duty to meet assessed need so the changes are about finding more innovative approaches to do so. Individuals are involved in the assessment and care planning process to ensure any impact is mitigated.
<b>Policy Choice sub-total</b>							<b>(6,380)</b>	
<b>Total All Proposals Adults Services</b>							<b>(8,724)</b>	
<b>Total All Proposals CFW Services</b>							<b>(9,981)</b>	

## Annex D

### Economic Growth, Environment and Infrastructure

This directorate delivers the following services: development control and strategic planning, economic growth and housing, regulatory services including environmental health, public protection, parking and building control. It also manages the delivery of the following services through the One Trafford Partnership: environmental services, including waste collection, grounds maintenance and Greenspace and street cleaning; highways, street lighting and flood risk management and property services, including managing council buildings and commercial properties.

Collectively, the directorate is responsible for managing critical infrastructure and green spaces in the Borough, land use planning, ensuring and promoting community and public safety and attracting investment into the Borough to support economic growth, development, employment and opportunities.

#### **Service Performance**

The Economic Growth, Environment and Infrastructure directorate has a track record of delivering high quality and low cost services. We have striven to improve or maintain performance in the current year. Some notable service performances and improvements are shown below:

- Clean 2,000 linear miles of highway channels and footways at least once every 8 weeks.
- Remove approximately 6,000 tonnes of street sweepings per month and 500 tonnes of litter from approximately 1,200 waste and litter bins (streets and parks).
- Remove approximately 1,200 tonnes of fly-tipping per year.
- Respond to more than 450 incidences of graffiti per year.
- Maintain 40 public parks covering 243 hectares, with 4 parks currently achieving Green Flag status.
- Support 30 active Friends of Parks Groups.
- Maintain 86 children's play areas.
- Maintained over 500 miles of roads and footpaths.
- Maintained over 27,500 lampposts and 4,500 items of illuminated street furniture.
- Spread over 2,100 tonnes of salt and grit to keep our roads safe in winter.
- Provided 69 active school-crossing patrol points in Trafford.
- Manage over 200 hectares of countryside throughout the Mersey valley in conjunction with Trafford Countryside Management Partnership, including more than 20 distinct countryside sites such as Sale Water Park, plus the northern section of the Trans Pennine Trail.
- Manage over 35km of permissive footpath, PROW network and the southern section of the Trans Pennine Trail in conjunction with the Bollin Valley Partnership.
- Mow over 1 million square metres of grass each year across parks, sports pitches, highway verges and other open space.
- Recycle 62% of domestic waste (14/15), making Trafford the best performing district in Greater Manchester and the highest performing metropolitan authority in the country
- Empty approximately 30,000 bins of household rubbish every day.
- Sent around 30,000 tonnes of household garden and food waste for anaerobic digestion (composting) in 2014/15 – the highest amount the Council has collected in one year.
- Supported 100 Trafford residents into employment through the Trafford Pledge, working in partnership with the private sector and other key stakeholders.
- Established the Trafford Park Business Network to encourage inter-trading and networking between businesses on the Park.

- Awarded c£110,000 in loans to assist businesses to take up vacant retail units in town centres, which levered in c£750,000 of business investment.
- Supported 74 new businesses to start trading with the creation of over 80 jobs through our Business Start Up programme, delivered in partnership with Blue Orchid (from 2012 to 2015).
- 87 new affordable homes delivered by our housing association partners in 2014/15.
- In 2014/15 the Planning Service received 2,567 planning applications.
- The planning service determined 81.8% of all decisions on major planning applications within timescales, 60.7% of all minor planning applications within 8 weeks and 76.8% of 'Other' planning applications within 8 weeks.
- 20 surplus sites were disposed of by the Council with a value of £3.62m in the financial year 2014/15, with a further £3.6m of receipts anticipated from disposals in 2015/16. Further sites with an estimated value of £5.5m have been identified for disposal from 2016/17 onward.
- Support and regulate over 5,000 premises for food, health and safety, trading standards, pollution and licensing and maintain other health and safety initiatives.
- Manage parking restrictions on street and off street across the borough with 1,700 car park spaces in 22 off street car parks. Pay and display is in place on six car parks and in three town centres on street. Safe parking awards (ParkMark) have been achieved in 11 Council car parks.
- Licence and regulate approximately 2,400 premises, people and taxis within the Borough.
- Carry out over 4,500 pest control treatments in homes, schools and businesses across the borough.

### **Approach to Budget**

The directorate is looking to deliver further efficiency savings through its innovative One Trafford Partnership with Amey, whilst protecting service standards. In addition the directorate is looking to increase income by maximising how it uses Council assets, working with private, public and third sector partners. This includes looking for new income opportunities where this is appropriate and proportionate.

### **One Trafford Partnership**

Our new partnership with Amey is responsible for the delivery of a wide range of environmental and infrastructure services.

The introduction of innovative approaches and investment in systems and technology will allow some of these service areas to be delivered more efficiently with minimal impact on service standards in 2016/17. Examples of areas which will contribute to savings are grounds maintenance, more efficient collection of green waste during winter and the provision of "Bring Sites" for domestic waste.

### **Street Lighting**

In 2016/17 the One Trafford Partnership will begin to roll out the replacement of the old street lighting units with new energy efficient LED lamps across the borough. The whole programme is expected to take 18 months to complete and will eventually produce a saving of around 60% on the current street lighting energy costs.

Alongside the rollout of LED street lighting and the provision of a Central Management System, a variable lighting regime will be introduced, with the dimming of street lights at night time hours. The periods of dimming will be variable and be dependent on location, with lighting maintained at appropriate levels to ensure community and highway safety.

### **Parking Fees**

Currently the parking fees in Trafford are 1hr - 20p, 2hrs - 60p, 3hrs - £1, 4hrs - £2, day - £3 (£2 on-street). We are proposing to increase charges to 30 mins – 20p, 2hrs - 50p, 3hrs - £1, 4hrs - £2, day - £4 (£3 on street). We are also proposing to introduce charges at the following car parks which are currently free all day:

Balmoral Road, Altrincham.

Golden Hill, Urmston.

Warrener Street, Sale Moor.

The proposal is for 2 Hrs free; All day parking £1.

### **Income generation**

Additional income will be generated from Council property, including Altair, Altrincham, Stretford Mall, and the Airport. Contracts are being negotiated for advertising on Council land, and additional planning income will be received as the development market improves following the economic downturn. Opportunities for partnership arrangements will be pursued to generate additional income through the economic growth and environmental protection teams.

### **Efficiency savings**

Efficiency savings will be delivered through managing inflation in the parking contract and a review of the senior management structure.

## Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

<b>Economic Growth, Environment &amp; Infrastructure</b>	<b>2016/17 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
Budget Brought Forward	33,020	
Additional Resources to meet Pressures:		
- Pay Related Inflation	180	
- Contract Related Inflation	941	
- GM Waste Disposal Levy	343	
- Other business consequences	19	
- Terms and Conditions	106	
<b>Total new resources allocated</b>	<b>1,589</b>	
Resource Reallocations through:		
- Efficiencies	(1,932)	E1 - 6
- New or Increased Income	(905)	E7 - 12
<b>Total new resources allocated</b>	<b>(2,837)</b>	
Net Year-On-Year Change	(1,248) (3.8)%	
<b>Net Budget Proposal</b>	<b>31,772</b>	

## Economic Growth, Environment and Infrastructure – Schedule of Savings 2016/17

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI	E&O/EGP	E1	One Trafford Partnership	One Trafford Partnership for Environmental, Highways, Street Lighting and Property Services	Efficiency (full year effect)	Buying Better	(750)	Full year effect of One Trafford Partnership contract which commenced 4th July 2015 – total saving in 2016/17 is £3m
EGEI	E&O/EGP	E2	One Trafford Partnership	Additional One Trafford Partnership savings of £400k per below				
Page 61		E2a	One Trafford Partnership - Grounds Maintenance	Amendments to grass cutting	Efficiency	Buying Better	(44)	Minor alteration in the 'maximum grass height' within the outcome specification. This will deliver an opportunity to slightly reduce the planned frequency of mowing. The quality of cut will be maintained, and in some circumstances improved by the utilisation of alternative ground care equipment.
		E2b	One Trafford Partnership – Grounds Maintenance	Operational efficiencies	Efficiency	Buying Better	(19)	Annualised hours for staff will enable surplus working hours to be moved from the winter period into the growing season. This enables a reduced reliance on agency and subcontract personnel.

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
		E2c	One Trafford Partnership – Waste Management	Bring sites – alternative service provision	Efficiency	Buying Better	(27)	Removes 8 remaining council owned 'Bring Sites' for glass, cans, plastic bottles, paper and card as the ability to access recycling is already available to all residents as a kerbside collection.
		E2d	One Trafford Partnership – Waste Collection	Winter green waste collections	Efficiency	Buying Better	(146)	Construct a more efficient Winter Green collection service. Rounds will be consolidated on some days through the winter months, reducing fuel and agency labour costs and minimising vehicle wear and tear. There will be no alteration to the frequency, or days of collection for residents.
		E2e	One Trafford Partnership – Technical & Property Services	Property services – Operational efficiencies	Efficiency	Buying Better	(150)	Operational efficiencies in property services, e.g. facilities management, following the review of services and submission of Technical Services Plan as part of the One Trafford Partnership contract agreement.
		E2f	One Trafford Partnership - Highways	Management of insurance claims	Efficiency	Buying Better	(25)	Improvements to the management of insurance claims (e.g. Section 58)
EGEI	E&O	E3	Street lighting	LED roll out – energy saving	Efficiency	Buying Better	(550)	Year 1 energy saving from the roll out of LED street lighting and the use of a Central Management System to control LED lighting (dimming). The roll out is scheduled between April 2016 and September 2017 and the total full year saving is £1.1m before financing costs (estimated at £500k).

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI	E&O	E4	Parking Services	Cost control to reduce inflation	Efficiency	Working Smarter	(25)	Management of contract and other running costs to reduce inflation pressures.
EGEI	E&O	E5	Senior Management	Senior management restructure	Efficiency	Working Smarter	(90)	Rationalisation of Senior Management structure to reflect new models of service delivery.
EGEI		E6	All	Terms and Conditions	Efficiency		(106)	Re-instate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(1,932)</b>	
EGEI	EGP	E7	Highways	Media advertising	Income	Maximising Income	(300)	Renegotiation of existing advertising contracts plus new opportunities for additional sites and digitisation of existing sites.
EGEI	EGP	E8	Asset Management	Let estate income	Income	Maximising Income	(192)	Increased income for the council's investment property portfolio.
EGEI	E&O	E9	Parking	Parking fees	Income	Maximising Income	(183)	Currently the parking fees in Trafford are 1hr - 20p, 2hrs - 60p, 3hrs - £1, 4hrs - £2, day - £3 (£2 on-street). It is proposed to increase charges to 30 mins – 20p, 2hrs - 50p, 3hrs - £1, 4hrs - £2, day - £4 (£3 on street). It is also proposed to introduce charges at the following car parks which are currently free all day: Balmoral Road (Altrincham), Golden Hill (Urmston), Warrener Street (Sale Moor). The proposal is for 2 hrs free with all day parking £1.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI	E&O	E10	Public Protection	Environmental Protection new income	Income	Maximising Income	(38)	Additional income from Carrington power stations relating to air quality monitoring (£27k is one-off with 11k ongoing from 2017/18).
EGEI	EGP	E11	Planning	Additional income from planning application fees	Income	Maximising Income	(100)	The volume of planning applications is currently higher than expectations and is expected to be sustained in 2016/17.
EGEI	EGP	E12	Economic Growth	Income from partnership agreements and other opportunities	Income	Maximising Income	(92)	This includes a one-off £67k from the partnership agreement relating to Himor Carrington. Similar opportunities to generate a sustainable £25k additional income are also being developed.
<b>Income sub-total</b>							<b>(905)</b>	
<b>Total All Proposals</b>							<b>(2,837)</b>	

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**Portfolio Key**

*E&O: Environment & Operations Portfolio*

*EGP: Economic Growth & Planning Portfolio*

## Transformation & Resources (T&R)

### Service Description

The Transformation & Resources Directorate delivers a diverse range of services, has an extensive customer base and acts as the catalyst for transformation and innovation across the Council. It has a large number of customer facing services such as Access Trafford (our customer service centre), housing benefits, collection of Council Tax and Business Rates, library services and safer communities. We also organise elections and manage the electoral register, conduct marriages, civil partnerships and register over 10,000 births, deaths and marriages every year. We will continue to lead on driving corporate improvement by providing good governance, financial, legal and HR probity and strengthening our strategic and local partnerships to develop resilient and safe communities.

'Back office' support functions are provided which deliver services to other directorates. This includes financial management, audit, procurement, legal, human resources, ICT, transformation, performance and communications and marketing. These have been centralised to reduce costs, reduce risks and provide consistently high professional standards.

Our procurement service is provided by STaR which is a collaboration between Stockport, Trafford and Rochdale. There is also a trading arm within the Directorate which trades services to schools, such as catering and cleaning, and to Trafford Residents such as the Bereavement service.

### Approach to Budget

The Directorate approach to the budget pressures is to continue to look for opportunities to exploit technology, implement cost efficiencies and identify innovative delivery models; with the savings proposals aligned to the aims of our Reshaping Trafford Council Programme.

- **Working Smarter – (£466k)**

We continue to review how our services are being used and how they will be used in the future so that we can focus on key customer requirements. The Directorate will review the cost of providing each of the services and identify the best way to deliver them so that we can continue to offer value for money, including rationalisation of structures. In addition we have brought services together where there are opportunities for synergies and further efficiencies for example financial assessments, debt recovery, payments and services for vulnerable clients have been brought together. This has resulted in efficiencies and a more joined up, improved approach to the customer service received by residents and an improved financial position for the authority.

- **Trading/income generation – (£314k)**

As part of a Reshaping Trafford, we have developed a two year approach to reviewing all services in order to generate additional income and identifying collaborative opportunities that realise efficiency savings. Year 1 savings include:

Trafford Services for Education (£200k) – We will build on existing services to schools to improve cost recovery and develop new business opportunities.

Waterside Arts Centre (£50k) – Income generating opportunities have been developed which will make the Centre more self-sufficient; reducing funding required from the Council. Different ways of using the Centre are being explored such as conferences and weddings packages, increased seasonal programming as well as a review of hire charges and ticket prices.

Bereavement Services (30K) – We are proposing the introduction of a range of new products and will review our fees and charges to improve cost recovery.

Human Resource (£19k) – we have developed additional income generating opportunities with our partners.

Communications (£15k) – we will develop a commercial pricing structure for external companies using the Borough's Assets for photographs and films.

- **Collaboration/working in partnership**

We will continue to consider collaborative opportunities in order to improve services and reduce costs.

We are establishing an innovative collaboration with Greater Manchester Police to establish a single HR/payroll Shared Service Centre. This will be the first such collaboration in the UK.

A Community Interest Company (CIC) for leisure services has been set up. This will, in the short term, manage the 8 leisure centres and 2 golf courses whilst we determine whether this is the best long term vehicle to deliver sustainable, high quality leisure provision for the residents and visitors to the borough and that it complements the rich variety of sport and leisure currently provided by the commercial sector.

We are progressing a partnership opportunity for our CCTV service to ensure the future resilience of the service and are investing in new technology to ensure that the Council's commitment to a safer borough is maintained.

### **Service Performance**

The Transformation and Resources Directorate has a track record of delivering high quality and low cost services. We have striven to improve or maintain performance in the current year. Some notable service performances and improvements are shown below:

### **Low Council Tax and Value for Money**

- The Council continues to collect over 97% of Council Tax remaining the highest in GM which supports the Council's financial resources.
- We have developed innovative solutions to avoid the closure of libraries through the creation of multi-use hubs with other agencies such as GP practices and creative recycling of land and buildings. Improved technology has enabled the public to access libraries outside of normal opening times.
- The Council's customer contact service deal with over 330,000 telephone enquiries per year. In 2015/16, the Contact Centre target is to answer 80% of telephone calls within 20 seconds. Cost savings have been made in staffing as the online services increase and this has reduced the cost per call from £3.04 to £2.50. With the implementation of the joint venture between the Council and Amey the phone calls associated with waste, recycling, highways and street lighting will transfer to Amey from October 2015.
- The time to process new benefit claims performance increased in 2015/16 to 16.5 working days, however, through the use of improved technology and the introduction of a risk based approach; Trafford is the best in GM for processing new claims.
- Action to reduce fraud has resulted in £ 1,100,775 of fraudulent benefit overpayments in 2014/15 being identified and 120 sanctions applied including 59 prosecutions; with £806k identified so far in 2015/16.

- Health and well-being events have been provided to residents, offering free health checks, such as blood pressure and diabetes, together with advice on smoking cessation and alcohol awareness.
- Services to register births, deaths and marriages have improved with joint services with Manchester Register Office so that we register births for Trafford residents who have given birth in Manchester hospitals. We also offer the enhanced “Tell Us Once” service for both births and deaths and offer appointments through lunchtime to assist residents who are working.
- The Catering Service serves on average 15,000 meals per day, over 2.85 million meals per year, making us the largest and first choice supplier in the Borough. Both Catering and Cleaning operate in very competitive markets therefore high quality standards combined with cost effective service delivery are essential to ensure successful purchase of the services. We also manage over 71 designated school crossing points.
- The authority has one crematorium and five cemeteries. Currently the service undertakes approximately 1700 cremations and 600 burials per year. Records are held in the central office based at Altrincham Crematorium where all administration is undertaken. Whilst Bereavement Services are a service used out of necessity, aftercare is an important part of what is provided. This can affect quite markedly the lives of those in the Borough as they traverse the grieving process. Provision is made for all religions and for those without religious convictions to the same high standard.
- The Council continues to promote openness and transparency and our Council meetings have received over 9000 online views.
- Around 118,000 people voted in the Parliamentary and Local Elections in May 2015. Facilities for people to register on-line have been put in place which saves time and money.

### **Safe place to live - fighting crime**

- Trafford continues to be the safest area in Greater Manchester, with the lowest crime rate per 1000 head of population and the highest public satisfaction and confidence rates.
- During the summer of 2015 we proactively used new Anti-Social Behaviour legislation, taking out ex-parte injunctions, to change the behaviour of a small number of young people involved in a few isolated incidents of public place ASB and violence. This led to collaborative opportunities to work with services such as Stronger Families and community youth outreach services. Two local third sector organisations have also been commissioned to do outreach work in the community. Over 3000 families have been contacted through schools to provide reassurance that collectively all partners, alongside families themselves, take the safety of their children very seriously.

### **Economic Growth**

- The Council has more than doubled the amount of retail rate relief awarded to eligible businesses. We have already achieved awards totalling £732k which is an additional £500k since the uptake started.
- We pay 96.5% of invoices within 30 days which supports business.
- The Council has created over 80 apprenticeships through its internal programme and 39 of these have gone on to secure employment, either with or outside of the Council. A number of the Council’s apprentices have been successful in winning awards from Trafford College and Skills for Business.
- Through its business engagement activity, the Council has contacted over 1000 Trafford businesses to provide advice, support and encouragement to recruit apprentices. 120 opportunities have been created to-date.

- During 2014-15 Waterside Arts Centre welcomed 118,307 visitors, sold over 51,000 tickets and hosted 1,304 events. 3,393 school pupils attended events at the venue and our customer survey informed us that customer satisfaction was 96%.

### **Services focussed on the most vulnerable people**

- Trafford Assist has continued to provide crisis support to those residents in most need as well as offering free personal budgeting advice to residents.
- Trafford Partnership supported young people to enter an activity agreement, where one-to-one support was provided with training and skills, alongside work with the family and carers to reduce the risk of homelessness. The project has been very successful with homelessness reduced in the borough and 85% of participants have moved into education, employment and training.
- South Trafford Partnership has successfully bid for funding from Our Place to develop a project, which brings together a range of partners to work innovatively to tackle the issue of older people isolation.

### **Building Resilient Communities**

- Between April 2013 and March 2015, 373 employment opportunities were created through the Trafford Pledge. This demonstrates Trafford businesses' commitment to employment support for local people by offering a job, an apprenticeship, work experience or mentoring and practical help.
- Trafford Council is providing work experience placements, life skills training, employment and mentoring opportunities to vulnerable young people, including our Looked After Children and young people with learning difficulties.
- Trafford Partnership team formally launched its Locality Working programme at 4 locality stakeholder events in June 2015. Locality working means bringing together everyone, from individual residents, businesses, community and faith groups, Councillors, community leaders and public sector bodies to work in partnership, share resources and enable new ideas to develop and making use of all the physical and human assets and community spirit that thrives within our localities.
- The 'Be Bold.Be the Difference' campaign, a part of Locality Working model, seeks to inspire local people to form a social movement and be active in their neighbourhoods which will strengthen and enhance Trafford's communities for many years to come. Small seed-funding grant schemes, such as Make Sale Smile and the Old Trafford & Stretford Environmental Grant scheme, are being rolled out to incentives residents to come up with innovative ideas for projects that can be delivered locally and then up-scaled or replicate in other parts of the borough as appropriate.
- Our contract with Thrive has enabled us to support 390 voluntary and community sector groups and organisations in Trafford in the year to October 2015 and to develop the Pro-Bono Bank which means that over 75 new businesses are engaged in Corporate Social responsibility programmes with over 80 voluntary and community sector organisations benefitting.
- The 2015-16 Voluntary Sector Grant scheme funded 45 projects allocating £80,000 in grant funding. Building on the success of previous years the 4 Locality Partnerships and Thrive hosted 4 public voting events, attended by over 1500 residents, to decide which projects should get funding. Of this year's recipients 28 secured funding for the first time.
- The Partnerships team continue to support community and neighbourhood partnerships to deliver projects on the ground. For example Sale West and Ashton Partnership provide a volunteer-led job club which since its creation has supported 186 residents into employment. In

addition the 'Food for Us' project in Broomwood which supports sustainable food growing received support to obtain funding for raised beds at the Community and Wellbeing Centre.

### **Other Service Achievements**

- We have supported a range of sporting and leisure activities in the borough including the Greater Manchester Marathon and, as a result, have increased the benefit the community gains from these events. For example Xtra Mile Events have committed £1 from each entry fee into the marathon which saw the launch of 'Trafford Talented Athlete' fund with investment at £10k.
- Trafford's unique Data and Innovation Lab continues to lead the way nationally in the use and promotion of open data to inform service development and support community initiatives. Trafford was one of 16 Local Authorities invited to attend a Cabinet Office Local Open Data Champions Event in March 2015 and only one of 5 asked to speak, in recognition of its leadership in the Open Data arena.
- The Council successfully secured funding of £171k to set up a new Counter Fraud and Enforcement team to tackle non-benefit fraud. The team has already in its first 6 months of operation secured its first conviction.
- Trafford is leading the way in GM in supporting current and ex Armed Forces personnel and this year we were given a Silver Award for our efforts by the national Defence Employer recognition Scheme.
- The Partnerships team in conjunction with Sports, Health and Environmental partners and Transport for Greater Manchester have set up an Active Trafford Greenspace project to deliver a range of guided walks and themed events designed to help more people explore and enjoy Trafford's great outdoors.
- A Change Management Strategy - 'Supporting Change to Happen' was implemented, involving the delivery of training and development and support for managers and staff based on their feedback through the 'Are you ready for change' staff survey, in addition to a wide range of engagement activity in respect to the Reshaping Trafford agenda.
- The Council was shortlisted as a finalist in the CIPD People Management Awards for 'Best Employee Relations Initiative'.
- Electoral Services successfully organised the local and European Elections in May 2014 and local and Parliamentary elections in May 2015.

## Transformation and Resources

### Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

Transformation and Resources	2016/17 (£000's)	Savings Schedule Reference(s)
Budget Brought Forward	16,213	
Additional Resources to meet Pressures:		
- Pay Related Inflation	785	
- Contract Related Inflation	223	
- Specific Grant Reductions	135	
- Demographic	75	
- Other business consequences	(282)	
- Terms and Conditions	162	
<b>Total new resources allocated</b>	<b>1,098</b>	
Resource Reallocations through:		
- Efficiencies	(628)	T1 - 4
- New or Increased Income	(314)	T5 - 9
<b>Total new resources allocated</b>	<b>(942)</b>	
Net Year-On-Year Change	156 1.0%	
<b>Net Budget Proposal</b>	<b>16,369</b>	

## Transformation and Resources – Schedule of Savings 2016/17

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	T1	Support Services	Service and Process Optimisation (detailed below)	Efficiency			Streamlining back office through improved processes, better targeted service delivery and review of operating models. This is year 1 of a two year programme
	T&R	T1a	Legal and Democratic Services	Cost reduction and recovery	Efficiency	Working Smarter	(40)	Review of costs and recovery of costs
	T&R	T1b	Access Trafford	Cost reduction measures	Efficiency	Working Smarter	(38)	Call volume reduction, system updates and lower system maintenance costs.
	F	T1c	Finance	Staffing restructures	Efficiency	Working Smarter	(68)	Full year effects of staffing restructures implemented in 2015/16 plus further realignment of staff budgets
	F	T1d	Finance	Review charges	Efficiency	Working Smarter	(80)	Increased financial assessment charges in adult social care due to data matching.
	C&P	T1e	Partnerships and Communities	CCTV monitoring cost efficiencies and business development	Efficiency	Working Smarter	(25)	Reduce maintenance costs through one-off capital investment in infrastructure. Develop business and collaboration opportunities to better recover costs.
	T&R	T1f	Human Resources	Cost efficiencies and recovery	Efficiency	Working Smarter	(25)	Review of costs and recovery of costs
T&R	T&R	T2	Human Resources	Collaboration with Greater Manchester Police Authority	Efficiency	Working Smarter	(75)	GMP Collaboration

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	T3	Senior Management	Senior management restructure	Efficiency	Working Smarter	(115)	Rationalisation of Senior Management structure to reflect new models of service delivery.
T&R	T&R	T4	All	Terms and Conditions	Efficiency		(162)	Reinstate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(628)</b>	
T&R	T&R	T5	Communications	Business Development	Income	Maximising Income	(15)	Development of a commercial pricing structure relating to photographic/film opportunities in Borough's assets.
T&R	C&P	T6	Sale Waterside Arts Centre	Business development	Income	Maximising Income	(50)	Develop existing and new areas of business (e.g. weddings and conferences) and reduce reliance on Council funding.
T&R	T&R	T7	Human Resources	Review charges	Income	Maximising Income	(19)	Providing HR Support to CCG and Leisure
T&R	T&R	T8	Traded Services for Education	Business development	Income	Maximising Income	(200)	Build on existing traded services with Education to improve cost recovery and develop new business opportunities.
T&R	T&R	T9	Bereavement Services	Business development	Income	Maximising Income	(30)	Review of fees to better reflect cost recovery and introduction of new product range
<b>Income sub-total</b>							<b>(314)</b>	
<b>Total All Proposals</b>							<b>(942)</b>	

**Portfolio Key**

**C&P:** Communities & Partnerships Portfolio

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

**F:** Finance Portfolio

## Council-Wide Budgets

### Service Description

There are a number of budgets that relate to the Council as a whole and/or affect all services.

The current 2015/16 net budget is £23.847m, the majority of which relates to the transport levy payable to the Greater Manchester Combined Authority (GMCA), debt charges for loans taken out to support past investment in infrastructure through the capital programme, and 'non-ring-fenced' Government grants including Education Services Support, Council Tax Freeze Compensation and New Homes Bonus.

A summary of the Council-Wide budget for 2015/16 by gross expenditure and gross income and 2016/17 draft budget is shown below;

Council-wide Budgets	Gross Exp (£000's)	2015/16		2016/17 Draft Net (£000's)	Change (£000's)
		Gross Income (£000's)	Net (£000's)		
Housing Benefit Subsidy	68,069	(68,007)	62	62	0
GM Combined Authority					
Transport Levy	16,543	0	16,543	17,014	471
Other Levies & contributions	1,204	(29)	1,175	1,230	55
Treasury Management	11,164	(3,245)	7,919	5,129	(2,790)
Non-ring-fenced Grants	0	(8,308)	(8,308)	(8,793)	(485)
Insurances	1,826	(951)	875	875	0
Additional Pension Allowances	1,037	0	1,037	1,037	0
Contingencies and Provisions	1,501	0	1,501	2,078	577
Members Expenses	904	0	904	914	10
Business Rates	2,592	(579)	2,013	2,313	300
External Audit	130	(4)	126	126	0
<b>Total Budget</b>	<b>104,970</b>	<b>(81,123)</b>	<b>23,847</b>	<b>21,985</b>	<b>(1,862)</b>

The 2016/17 draft budget is proposed to reduce by £(1.862)m. The salient features of each budget line are set out below.

### Housing Benefit Subsidy and Discretionary Housing Payments

The budget for Housing Benefit payments and subsidy, plus Discretionary Housing Payments, both of which are administered on behalf of the Government, are held within Council-wide. There is no expected change to this (net) budget for 2016/17.

### Precept & Levies

The Council's contribution to the GMCA for the transport levy for 2015/16 is £16.543m; a provisional increase of £0.471m has been included in 2016/17.

The Council also has the legal responsibility to contribute to a number of other agencies that provide services on behalf of all or a number of Greater Manchester Authorities; details are :-

<b>Other Levies &amp; contributions</b>	<b>Net 2015/16 £000</b>	<b>Net 2016/17 £000</b>	<b>Change £000</b>
Coroner's and Mortuary fees (South Manchester Coronal District)	534	584	50
Flood Defence levy (Environment Agency)	144	147	3
Association of Greater Manchester Authorities (AGMA).	355	355	-
Other (LGA Subs, Probation, Parish Council Grants & Magistrates Court debt repayments)	142	144	2
<b>Total Other Levies</b>	<b>1,175</b>	<b>1,230</b>	<b>55</b>

Changes in demand have increased the costs of the Coroner's service shared between the Council, Stockport (lead Authority) and Tameside Councils. Trafford's contribution is estimated to increase by £0.050m in 2016/17.

Provision of 2% increase has been made for the costs of the Flood Defence levy.

Other budgets include the Local Government Association (LGA) and North West Employers (NWE) subscriptions totalling £0.055m, debt charges relating to the former Greater Manchester Magistrates Court £0.027m and Parish Council grants of £0.045m.

### **Treasury Management**

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

For 2016/17 a budget reduction of £(2.8)m has been forecasted with the main areas and assumptions from where these savings are to be generated including :

- Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments relating to core debt - £(0.930)m and Sale PFI Debt £(0.209)m.
- Discontinuing the annual provision regarding the debt administered on behalf of Manchester Airport Group - £(0.288)m.
- Additional share dividend from the Manchester Airport Group - £(1.000)m.
- Additional Investment interest of £(0.2)m based on latest interest rate forecasts and including funds invested in the Church Commissioners Local Authority Property fund.
- Savings in loan interest payable due to maturing debt not being replaced - £(0.2)m.

### Non-ring-fenced Grants

The 2015/16 Council-wide budget holds £(8.308)m of non-ring-fenced grants this is estimated to increase to £(8.793)m as set out below.

Grant	2015/16 (£000's)	2016/17 (£000's)	Change (£000's)
New Homes Bonus	(2,453)	(3,036)	(583)
Children's Service Adoption Grant	0	0	0
Council Tax Freeze Grant 15/16 ( note a)	(903)	0	903
Council Tax Freeze Grant 16/17	0	(900)	(900)
Local Service Support Grant	(17)	(17)	0
Business Rates Compensation Grants (note b)	(2,143)	(2,143)	0
Council Tax Annex Grant	(10)	(10)	0
Education Services Support Grant	(2,782)	(2,687)	95
<b>Total</b>	<b>(8,308)</b>	<b>(8,793)</b>	<b>(485)</b>

#### Notes:

- a) The Freeze grant for 2015/16 will be transferred to Revenue Support Grant.
- b) Business Rate Compensation Grants are to reimburse the Council for Small Business Rate Relief, Retail Rate Relief and Business Rates inflation cap; these have been features of the previous two Autumn statements announced by the Chancellor of the Exchequer. These grants are assumed to continue in 2016/17. If the Government removes these reliefs then businesses will be billed for the full amount of rates, which will feature in the collection fund.

For the 2016/17 draft budget all other grants are assumed to continue at the same levels as in 2015/16.

#### Business Rates

The forecast in the draft 2016/17 budget includes for additional income of £3m from business rates growth.

The expenditure budget in Council-wide represents the forecast levy payable on business rates growth of £3.5m. It should be noted that most of the additional income from business rates growth is treated as 'funding' i.e. it is similar to how council tax is used to pay for the budget.

In 2015/16 the Council operated in a business rates pool with the other nine Greater Manchester Councils and Cheshire East Council. The advantage of the pooling arrangement is that any levy paid by the Council on business rate growth is retained in the pool. An agreement has been negotiated with the other AGMA authorities that Trafford can retain for its own use one third of the levy that it would otherwise have paid to the Government. It is assumed that the business rate pool will continue to operate in the same way in 2016/17 and £(1.16)m is included in the budget in respect of the one third retained levy.

### **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. There is no anticipated change in the 2016/17 draft budget.

### **Contingencies and Provisions**

This budget includes provision, on behalf of the Council overall, for a number of expense items that are uncertain in value and for which individual services would have difficulty in meeting. The largest component is an allowance for redundancy costs at £0.413m established in 2015/16; there is no change to this budget in 2016/17.

An allowance of £0.7m was made as a prudent general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. This contingency has been increased by a further £0.2m and will be reviewed in the final budget assessment.

A central allowance for bad and doubtful debts has always been included in Council-wide. This amounts to £0.230m and compares to the £17m of invoiced income that the Council raises each year. The budget provision has been steadily reduced over the recent years, however has been maintained at current levels in the draft budget.

The draft budget also includes a council wide provision of £0.290m relating to the estimated additional costs of auto-enrolment of staff into the pension fund.

A sum of £0.087m has been set aside to increase the pay of Apprentices to the level of the New Living Wage.

### **Additional Pension Allowances**

This budget is to pay for past decisions to augment pensions for members of staff who left the employment of the Council. These decisions were taken a considerable period of time ago as no augmentation to pensions have been awarded to Council staff for over 10 years. Payments continue to be made for the lifetime of the pensioner or their spouse. The budget is adjusted each year for pensions falling out of payment and for inflation on the remaining pensions.

### **Members Expenses**

The costs of Councillors' allowances and associated running costs, including communications and ICT equipment costs. The proposed budget for 2016/17 includes £0.010m for pay and running costs inflation.

### **External Audit Fees**

External Audit Fees covers the standard fee and grant work totalling £0.126m.



## Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

Council-wide Budgets	2016/17 (£000's)	Savings Reference(s)
<b>Budget Brought Forward</b>	<b>23,847</b>	
Additional Resources to meet Pressures :		
- Inflation	11	
- Pensions Auto-Enrolment	290	
- Levies	524	
- Specific Grant Reductions	(485)	
- Business Rates	300	
- Investment Income and Debt Management	(363)	
- Contingency Items	200	
- Other Budgets	88	
<b>Total new resources allocated</b>	<b>565</b>	
Resource Reallocations through:		
- Efficiencies	-	
- New or Increased Income	(1,000)	CW-1
- Policy Choices	(1,427)	CW2, CW3, CW4
<b>Total Savings</b>	<b>(2,427)</b>	
Net Year-On-Year Change	<b>(1,862)</b> (7.8%)	
<b>Net Budget Proposal</b>	<b>21,985</b>	

## Council-wide Budgets – Schedule of Savings

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CW	F	C-W1	Treasury Management	Airport Dividend	Income	Maximising Income	(1,000)	Additional share dividend from the Manchester Airport Group recognised in base budget
<b>New Income sub-total</b>							<b>(1,000)</b>	
C-W	F	C-W2	Loan Debt	Provision for Loan Default – Manchester Airport Group	Policy Choice		(288)	Removal of the annual provision to cover potential default on loan debt administered on behalf of Manchester Airport Group
C-W	F	C-W3	Loan Debt	Provision for Debt Repayment reduced –Sale PFI	Policy Choice		(209)	Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments relating to PFI principal repayment
C-W	F	C-W4	Loan Debt	Provision for Debt Repayment reduced –Core Debt	Policy Choice		(930)	Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments for core debt.
<b>Policy Choice sub-total</b>							<b>(1,427)</b>	.
<b>Total All Proposals</b>							<b>(2,427)</b>	

### Portfolio Key

F: Finance Portfolio

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## TRAFFORD COUNCIL

**Report to:** The Executive  
**Date:** 16 November 2015  
**Report for:** Decision  
**Report of:** Leader/Chief Executive

### Report Title

**Working Well Expansion Programme**

### Summary

This report provides:

- an overview of:-
  - the pilot Working Well Programme and a comprehensive summary of the pilot performance results; and
  - the Working Well Expansion Programme;
- information on:-
  - the proposed Inter Authority Agreement;
  - the procurement process;
  - the proposal that authority to approve the successful bid and to proceed with an award of contract(s) in relation to services required under the Working Well Expansion Programme be reserved to the Leader in consultation with the Chief Executive; and
  - the proposal that Trafford Council assumes the lead contracting role on behalf of GMCA with regard to the contract for services required under the Working Well Expansion Programme.

### Recommendation(s)

- 1) That the contents of this report be noted.
- 2) That the proposal that authority to approve the successful bid and to proceed with an award of contract(s) in relation to services required under the Working Well Expansion Programme be reserved to the Leader in consultation with the Chief Executive be approved
- 3) That the proposal that Trafford Council assume the contracting role on behalf of GMCA with regard to the contract for services required under the Working Well Expansion Programme be approved.
- 4) That authority be delegated to the Director of Legal and Democratic Services in

consultation with the Chief Executive to agree terms for and to complete all legal documentation required to complete the Inter Authority Agreement and the contract(s) with the successful bidder(s).

Contact person for access to background papers and further information:

Name: Dominique Adcock

Extension: 4293

Background Papers:

None.

Relationship to Policy Framework/Corporate Priorities	The Working Well Expansion Programme will support the Council's corporate priority of providing Employment and Skills services to the most vulnerable people
Financial	Funding for the expansion programme will come from European Social Fund (ESF).
Legal Implications:	As Lead Contracting Authority Trafford Council will seek indemnities from the other authorities via an Inter Authority Agreement
Equality/Diversity Implications	None.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None
Risk Management Implications	None.
Health and Wellbeing Implications	None.
Health and Safety Implications	None.

## 1.0 Background

1.1 The Work Programme is a government welfare-to-work programme introduced in Great Britain in June 2011. Under the Work Programme the task of getting the long-term unemployed into work is outsourced to a range of public sector, private sector and third sector organisations.

1.2 The Department for Work and Pensions (“DWP”) has developed with the Greater Manchester Combined Authority (“GMCA”) the pilot Working Well Programme to get

people back into work and since March 2014, GMCA has been piloting a Working Well Programme. The pilot Working Well Programme is a service delivered by key workers working with 5,000 unemployed individuals across GM to get them back into sustained work. The unemployed individuals are employment and support allowance (ESA)/ Work related activity group (WRAG) Work Programme leavers. All are directly referred by Jobcentre Plus.

- 1.3 The Working Well Programme offers several key differences to the Work Programme. It integrates all other mainstream public services into bespoke packages of support; it has lower caseloads for key workers and can intervene on a whole family basis where appropriate.
- 1.4 All participants in the Working Well Programme are long-term unemployed with a health condition and therefore require intensive support provided through keyworkers. All participants are eligible for up to two years of support (though some may require less), and up to a year of in-work support. Support is given to address health, housing, family and skills needs in addition to debt management advice and training and work experience being given.
- 1.5 Previously the pilot Working Well Programme went out to tender and it was agreed by the GMCA in a decision of 25 October 2013 that the lead authority role for the procurement process would be provided by Salford City Council who would procure a provider or providers to carry out the services required under the pilot Working Well Programme and after shortlisting contracts were awarded to Big Life (Manchester, Trafford, Salford) and Ingeus (the other 7 authorities).
- 1.6 The DWP is providing funding to the Salford City Council acting on behalf of the GMCA, under the terms set out in the determination of a grant agreement, to deliver the pilot Working Well Programme.
- 1.7 Salford City Council procured and entered into a number of contracts with the providers to deliver the pilot Working Well Programme services on behalf of the GMCA in consideration for the GMCA authorities agreeing to work with each other pursuant to the terms and conditions of an Inter Authority Agreement.

## **2.0 Devolution**

- 2.1 In November 2014 the devolution deal was agreed with Central Government for Greater Manchester. Part of the devolution of power was around the skills and employment landscape. The vision is: *'Our ambition is to create an integrated employment and skills eco-system, which has the individual and employer at its heart, and that better responds to the needs of residents, business and the economy'.*
- 2.3 There are 5 key components of the employment and skills devolution agreement, one component is the expansion of the existing Working Well Programme, ultimately supporting 50,000 people to progress towards employment. Building on the existing

pilot Working Well Programme, the Working Well Expansion Programme will provide participants with integrated, intensive support going forward.

### **3.0 Current Performance**

- 3.1 Across GM, around 227,000 people are claiming out-of-work benefit. The cost of worklessness and the impact of low-pay have now reached over £2 billion. Rather than a nationally led scheme, the Working Well Programme is managed and led locally which offers us the opportunity to work with local providers who understand the local landscape and can deliver bespoke solutions and products to get the long term unemployed back into work.
- 3.2 The pilot Working Well Programme to date has achieved 54 out of 50 forecast job starts by April 2015, so is exceeding expectations at this early point
- 3.3 Of the eight issues that were cited by the highest proportions of clients as severe presenting issues at the outset of their involvement in the pilot Working Well Programme, all but one have seen larger numbers of clients noting an improved situation (these included mental and physical health). To date there has been an increase in the confidence of pilot Working Well Programme clients in terms of their belief that they will be able to find and obtain work. In addition to this there has been an increase/improvement to the work readiness of clients.

### **4.0 Expansion Proposal**

- 4.1 In addition to supporting residents into employment, the Working Well Expansion Programme will support those in low paid or insecure employment to progress to higher skilled and higher paid jobs. Greater Manchester has low levels of productivity compared with London, and a key outcome of the Working Well Expansion Programme going forward, is to increase productivity levels and reduce dependency of those in work who continue to rely on benefits such as Working Tax Credits.
- 4.2 The Working Well Expansion Programme will consist of three separate elements: the Keyworker Service (which this tender pertains to); the Mental Health Therapeutic Interventions tender; and the Skills for Employment tender. It is envisaged that these elements will begin delivery at the same time and they will work together and integrate with other local services, to provide a holistic approach to moving people into sustainable employment. The Keyworker Service is the linchpin of the future Working Well Expansion Programme and all clients will be supported through this service.
- 4.3 Phase 1 of the expansion is expected to run from 2015-17 based on expanding the existing cohorts of clients. Post 2017 Phase 2 of the expansion will align with Work Programme co-commissioning between GMCA and DWP and the reconfiguration of the GMCA skills landscape (both agreed in the devolution).
- 4.4 The Working Well Expansion Programme will be delivered across all ten Local Authority areas of the GMCA:
- 4.5 It is anticipated that 15,000 clients will receive support over the 51 months, with an aspiration of supporting a minimum of 15% into sustained employment. Clients will be referred to the Working Well Expansion Programme by Jobcentre Plus. The Working Well Expansion Programme will deliver services to these clients for a period of 51 months starting in February 2016. Clients will receive a minimum of 24 months

support and a further twelve months of in-work support should they secure employment. The payment profile will include: a payment once a client is successfully attached to the Working Well Expansion Programme; two further interval attachment payments to demonstrate clients' progression through the Working Well Expansion Programme; a payment when the client enters work; and a further payment when a client has been in employment for 50 out of 52 weeks.

- 4.6 The existing pilot Working Well Programme contract will expire in March 2019. The future Working Well Expansion Programme will require a new contract that will commence from February 2016.

## **5. Management of the Expansion**

- 5.1 The Working Well Expansion Programme is a significant piece of work which is requiring a robust and detailed project plan and substantial resources from across GMCA.
- 5.2 Governance around the project includes reporting to various boards and partnerships including: The Skills and Employment Partnership (Chair, LEP, JCP, GMCA Chamber, LAs, Providers, GMCA colleges); Skills and Employment Executive (LAs, New Economy, 14-19 rep, TMEDL rep, JCP, SFA, EFA, Housing, Public Health); GMCA Skills and Employment advisory group; Learning provider Network (GMCA learning providers); and the Employment Support Network (ERSA managed forum for GMCA and national employment related service providers).

## **6. Funding of the Working Well Expansion Programme**

- 6.1 Funding for the Working Well Expansion Programme will come from the European Social Fund (ESF). Tenderers have been made aware that award of contract is dependent on the ESF element of the funding being secured by Greater Manchester Combined Authority.

## **5.0 Procurement of Services for the Working Well Expansion Programme**

- 5.1 Following an Executive Decision taken by the Leader on 15<sup>th</sup> July 2015 Trafford Council was appointed lead authority for the procurement process. Authority was given to Trafford Council to procure a provider or providers on behalf of GMCA to carry out the services required under the Expansion Programme to ensure that the Working Well Expansion Programme can commence in January/February 2016.
- 5.2 Bidders were evaluated at the PQQ stage of the Procurement process and a total of six bidders qualified to progress to the final stages of tendering. The remaining bidders were required to submit their final bids by 30<sup>th</sup> October 2015. Trafford will undertake the evaluation of those bids which were successfully submitted on the 30<sup>th</sup> October 2015.
- 5.3 The procurement process is subject to the following critical timelines:
- Successful/unsuccessful bidder notification to be issued: 26<sup>th</sup> November 2015;

- Alcatel Period to run from 27<sup>th</sup> November until 7<sup>th</sup> December 2015;
- Subject to a clear Alcatel Period, Contract Award Notice to be published on 7<sup>th</sup> December 2015;
- Contract finalisations and signature to take place prior to 31<sup>st</sup> January 2016.

5.5 It is proposed that authority to approve the successful bid, following evaluation of all bids and to proceed with an award of contract(s) in relation to services required under the Working Well Expansion Programme be reserved to the Leader in consultation with the Chief Executive.

## **6. Contracting Arrangements**

6.1 It is proposed that Trafford Council assume the lead contracting role on behalf of GMCA with regards to the contract for services required under the Working Well Expansion Programme.

6.2 It is proposed that Trafford Council will enter into a contract or number of contracts with the selected provider(s) to deliver the services on behalf of the GMCA in consideration for the Authorities agreeing to work with each other pursuant to the terms and conditions of the proposed Inter Authority Agreement.

6.3 The Authorities have also agreed to enter into an Inter Authority Agreement for the purpose of providing an indemnity to Trafford Council in respect of any contractual liabilities it incurs on behalf of the other authorities under the Working Well Expansion Programme.

6.4 It is proposed that authority to agree the terms of and to complete all legal documentation required to complete the Inter Authority Agreement and the contract(s) with the successful bidder(s) is delegated to the Director of Legal and Democratic Services in consultation with the Chief Executive.

### **Other Options**

The other option would be for Trafford Council not to act as lead contracting authority for the Working Well Expansion Programme and GMCA having to appoint an alternative contracting authority, causing a delay to the contract commencement and resulting in the loss of funding from ESF.

### **Consultation**

None of the proposals require formal consultation.

**Key Decision** (as defined in the Constitution): YES.  
**If Key Decision, has 28-day notice been given?** YES.

**Finance Officer Clearance**  
**Legal Officer Clearance**

**ID**  
**JLF**

**[CORPORATE] DIRECTOR'S SIGNATURE** *(electronic)*.....

*Juanne Hyde*

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

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## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 16 November 2015  
**Report for:** Decision  
**Report of:** Executive Member for Economic Growth and Planning

### Report Title

**Tamworth Site, Old Trafford**

### Summary

The Old Trafford Masterplan (OTMP) was adopted by Trafford Council (the Council) in October 2009. The aim of the OTMP is to use physical regeneration as a catalyst for wider social and economic regeneration in the Old Trafford area. Delivery of the OTMP includes the improvement of current housing stock, demolition of existing buildings, creation of a new community/social hub and the development of new mixed tenure housing.

The Tamworth Site is identified within the OTMP as Project Area One. The site is the largest redevelopment opportunity in the area with the potential for a significant residential development of c200 dwellings comprising a mix of houses and apartments.

### Recommendation(s)

The Executive are recommended to:

- Approve that Council commence the procurement of a Developer Partner for the Tamworth site in order to facilitate the delivery of the OTMP.
- Authorise the OTMP Board to oversee the procurement in accordance with the provisions of the Old Trafford Land Pooling Agreement.
- Authorise the Deputy Chief Executive, in consultation with the Director of Legal and Democratic Services, to finalise the procurement in accordance with the process set out in this report and complete the necessary documentation.

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

**Name:** Mike Reed (Growth and Masterplan Manager)  
**Extension:** x 4924

Appendix One: Tamworth Site Plan

Background Papers:  
None

*Implications:*

Relationship to Policy Framework/Corporate Priorities	The Old Trafford Masterplan (OTMP) supports the corporate priority for economic growth and development. The development of the Tamworth Site will facilitate the successful implementation of the OTMP and support the delivery of the adopted Trafford Local Plan: Core Strategy which identifies Old Trafford as a Priority Regeneration Area.
Financial	The cost of development related fees will be shared between the Council and THT, with the Council element met from available housing growth funding. Any future share of capital receipt will be used to support the capital programme.
Legal Implications:	Procurement will be carried out in accordance with all necessary statutory and regulatory provisions.
Equality/Diversity Implications	The OTMP has been subject to an Equalities Impact Assessment to ensure that equality issues have been considered as part of its preparation.
Sustainability Implications	The OTMP is supported by sustainability analysis of its economic, environmental and social impact which has been undertaken as part of its preparation. The delivery of development on the Tamworth Site will need to meet current planning policy in relation to energy and sustainable design.
Resource Implications e.g. Staffing / ICT / Assets	Existing staff resources are in place for the delivery of the Tamworth Site as part of the OTMP. Information on the OTMP and the delivery of opportunity sites is available on line. The proposed approach to the development of the Tamworth Site will provide a mechanism for the Council to maximise the potential of its assets within the OTMP area.
Risk Management Implications	There is an existing risk register for the delivery of the OTMP that will continue to be monitored and updated as required. Further work on a specific risk register for the Tamworth Site will be undertaken as the project progresses.
Health & Wellbeing Implications	None.
Health and Safety Implications	None

## **1.0 Background**

- 1.1 The Old Trafford Masterplan (OTMP) was prepared by Urbed and Ekosgen on behalf of Trafford Council (the Council), Trafford Housing Trust (THT) and the Homes and Communities Agency (HCA) in 2008/09. It provides a comprehensive regeneration strategy for the area, including the redevelopment of underused land to deliver new homes, improvement of current housing stock, improved community facilities, environmental enhancements and strengthened connections to jobs and amenities in both Manchester City Centre and Trafford Park. The delivery of the OTMP also targets the high levels of worklessness and income deprivation within the area. The final masterplan was approved by both the Council Executive and the THT Board in December 2009.
- 1.2 The Council and THT are the majority landowners within the OTMP area. The successful delivery of the OTMP is reliant upon maximising the beneficial use of both partners land to facilitate the delivery of both affordable and private market housing supporting the wider social and economic regeneration of the Old Trafford area.
- 1.3 Since 2009 significant progress has been made in the delivery of the OTMP including:
- The completed development of 98 new affordable homes to meet local housing needs.
  - The commencement of development of a further 62 new affordable homes to be delivered in 2016.
  - The start on site of the Shrewsbury Street project which combines an 81 apartments extra care scheme on the same site as a new community centre, library, nursery, enterprise space, health hub and pharmacy which will make a significant difference to the health and wellbeing of people living in Old Trafford.
  - Physical development in the OTMP area has also delivered extensive social value through responsible procurement using the local supply chain, the use work placements and dedicated apprenticeships.
- 1.4 The Council and THT are currently undertaking a comprehensive review of the OTMP to assess the successes and limitations of what has been delivered to date and where the focus should be for future interventions. A future report on this piece of work will be brought to the Executive in early 2016.

## **2.0 The Tamworth Site**

- 2.1 The Tamworth Site is identified within the OTMP as Project Area One, the largest redevelopment opportunity in the area. The 3.5 hectare site has been cleared with the four residential 'bird blocks', the Sea Hawk public house, retail units and CCTV hub having been demolished. Alongside these demolition works the three 15 storey 'Balcony Blocks' immediately adjacent to the site have been subject to an extensive modernisation and refurbishment programme.
- 2.2 The site has been identified as providing the opportunity for a significant residential development of c200 dwellings comprising a mix of houses and apartments. A first phase of development comprising 26 affordable units located at the parcel bounded by Moss Lane West, Tamworth Street and Maher Gardens is currently being delivered by THT and scheduled to complete in July 2016.

## *Vision and Objectives*

- 2.3 The vision for the Tamworth Site is: “To deliver a high quality and comprehensive residential development that has a distinctive identity and makes a positive contribution to the regeneration of the Old Trafford area.”
- 2.4 The development of the site must make a positive contribution to the wider regeneration of Old Trafford and the following core objectives have been identified:
- To secure the comprehensive redevelopment of the Tamworth Site in accordance with the OTMP.
  - To increase the quality and mix of housing types within the Old Trafford area.
  - To achieve a well-integrated high quality environment.
  - To utilise housing growth as a catalyst for sustainable economic growth and delivery of socio-economic benefits within the Old Trafford area.
  - To improve linkages from the site to the Old Trafford area and major employment destinations, including Trafford Park and Manchester City Centre
  - To deliver environmentally sustainable development making a positive impact in adapting to climate change.
  - To enhance the green environment.
  - To provide a well-designed development with a distinctive identity.
  - To support the wider regeneration of the Old Trafford area.

### **3.0 The Old Trafford Land Pooling Agreement**

- 3.1 The Tamworth Site is wholly in the ownership of the Council and THT and forms part of the Old Trafford Land Pooling Agreement (LPA) established between the two organisations to jointly bring sites forward for redevelopment within the OTMP area.
- 3.2 The OTMP Board, chaired by the Council’s Director of Growth and Regulatory Services with further representatives from the Council, THT, and the HCA, is responsible for overseeing the delivery of the OTMP and the management and operation of the LPA. Under the LPA both parties are responsible for undertaking necessary survey work, securing outline planning and undertaking preliminary works. Both parties will be fully involved in the process of selecting the preferred partner via the OTMP Board.
- 3.3 All of the sites within the LPA have been valued based on a consistent set of assumptions at Market Value (i.e. the price that would be achieved if sold on the open market). An Updated Land Valuation will be required when the Tamworth Site is disposed of for development. This will confirm any uplift or change in value and the appropriate apportionment to the Council and THT in accordance with the mechanisms in the LPA.

### **4.0 Procurement of a Developer Partner**

- 4.1 To progress the development of the Tamworth Site the Council and THT are seeking to appoint a Developer Partner willing to share the risk / profit relating to the development of the site which will be split between the three parties. The Council and THT will require potential partners to work collaboratively to design a detailed development scheme that provides an innovative design solution to make a positive contribution to the wider regeneration of Old Trafford.

- 4.2 In July 2015 the Council and THT held a soft market testing exercise via the HCA DPP2 Framework to clarify the level of developer interest in the potential scheme. The feedback received has been positive and it is considered that there will be strong interest from the market in the site.
- 4.3 The Council and THT are currently in the process of appointing a Development Consultant to provide project management, cost consultant and employers agent services to support the delivery of site, subject to Executive approval of the procurement of a Developer Partner. Once appointed the Development Consultant will be required to produce a procurement strategy that outlines the options and the preferred route for appointing a preferred Developer Partner. It is considered likely that this will be via an established procurement framework such as the DPP2 Framework.
- 4.4 As part of the procurement process the Developer Partner will need to provide information in relation to market conditions and the implications on scheme development including likely sales values; residual land values, total costs for delivering the scheme and an idea of the quantum of development that could be accommodated on the site. The tender documentation will specify that progressing any scheme will be dependent on the Council and THT being confident that a model can be developed which allows all organisations to make a financial return, which could be capital or revenue, or a combination of both.

#### *Social Value*

- 4.5 The development of the site will need to help support the diverse community and create opportunities for local people. The Developer Partner will therefore be required to demonstrate how the delivery of the scheme will contribute to social value, for example by offering apprenticeship schemes, maximising the use of local labour and suppliers and actively engaging with the local community.

#### *Timescales*

- 4.6 It is proposed to issue tender documents in January 2016 with the following subsequent timescales:
- May 2016 – end of tender period
  - June 2016 – selection of preferred Developer Partner
  - July 2016 – commence development of scheme proposals
  - February 2017 – obtain planning approval
  - Summer 2017 – start on site (subject to planning consent)

### **5.0 Other Options**

- 5.1 The Council could dispose of its land at the Tamworth Site in isolation via its Land Sales Programme. However it is considered that this would not maximise the potential of the Council's asset or provide a sufficient catalyst for the wider regeneration of Old Trafford and continued delivery of the OTMP. In addition, the principle of joint disposal of land in the OTMP area has been captured in the Land Pooling Agreement.

**6.0 Consultation**

6.1 There is an on-going programme of consultation and communication with local residents, businesses and key stakeholders in place for the delivery of the OTMP. As part of the development of proposals for the Tamworth Site specific consultation and engagement will be undertaken building on the considerable work already carried out with the community in relation to development activity within the area.

**Reasons for Recommendation**

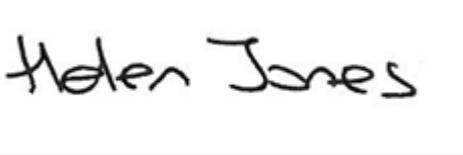
The Executive is asked to approve that Council commence the procurement of a Developer Partner for the Tamworth Site and make the necessary authorisations in order to facilitate the continued delivery of the OTMP.

**Key Decision** Yes

**If Key Decision, has 28-day notice been given?** Yes

Finance Officer Clearance .....GB.....  
Legal Officer Clearance .....JLF.....

**CORPORATE DIRECTOR'S SIGNATURE**



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

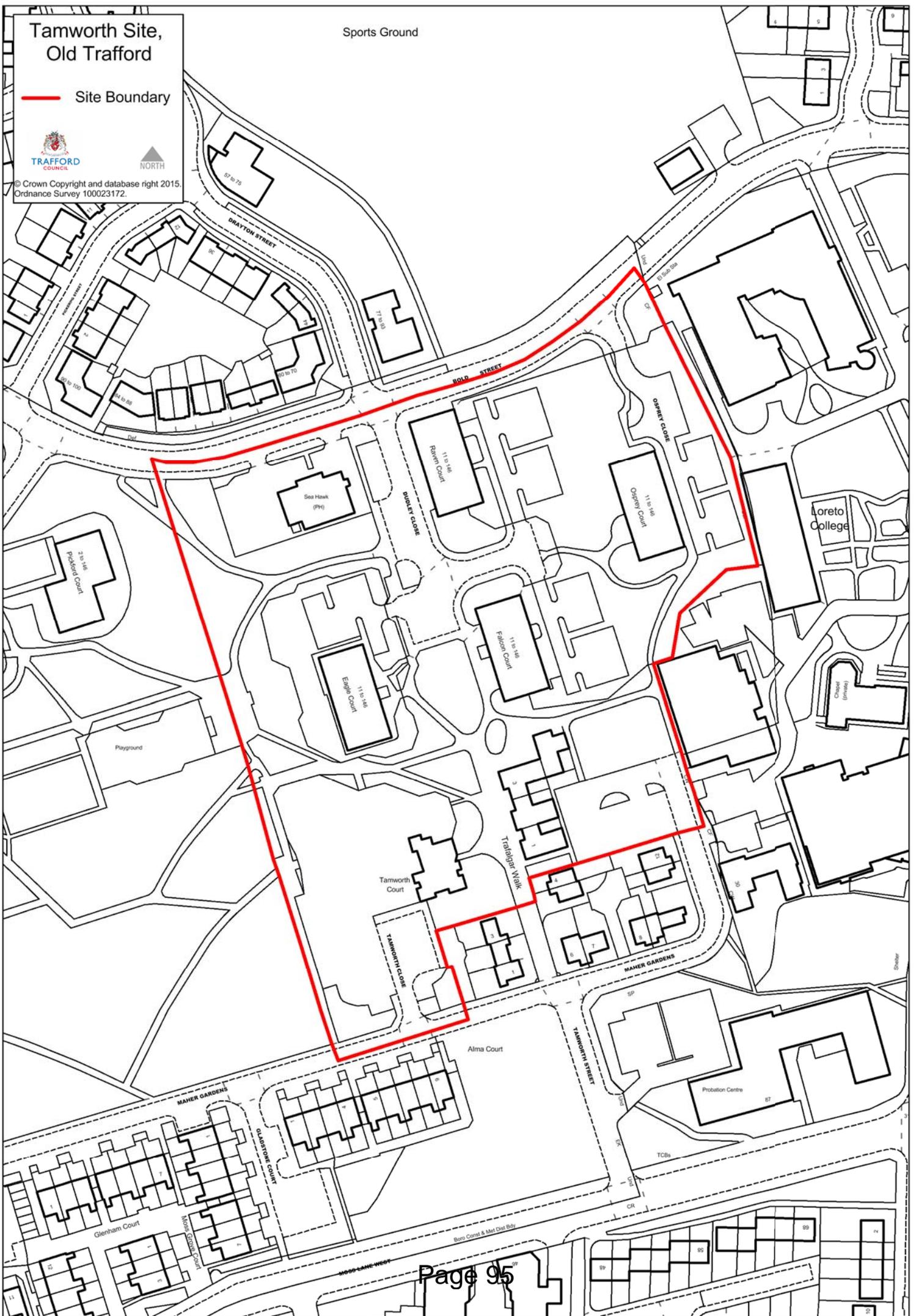
# Tamworth Site, Old Trafford

Sports Ground

— Site Boundary



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## TRAFFORD BOROUGH COUNCIL

**Report to:** Executive 16 November 2015  
Accounts & Audit Committee 25 November 2015  
Council Meeting 20 January 2016

**Report for:** Decision

**Report of:** The Executive Member for Finance and the Director of Finance

### Treasury Management Strategy - Review of the Minimum Revenue Provision

#### Summary

This report outlines the recent review undertaken of the Council's annual Minimum Revenue Provision (MRP) charge to the revenue budget in respect of capital expenditure financed by borrowing. The MRP is an annual charge to reduce the indebtedness of the Council.

The outcome of this review has identified both short to medium term revenue savings as well as introducing a fairer and simpler approach to be adopted for current and future council tax payers. Currently MRP for capital expenditure incurred prior to 2008 (known as Supported Borrowing) is charged at a rate of 4% of the Capital Financing Requirement (CFR) and therefore is never completely extinguished. It is proposed that this policy be amended so that the charge is linked to the average life of an asset.

The amendments proposed to the current policy approved by Council on 18 February 2015 will remain fully compliant with Department for Communities & Local Government (DCLG) regulations on this issue and generate some immediate capacity in the revenue budget.

#### Recommendations

That the Executive and Accounts & Audit Committee recommend to Council that with effect from 1 April 2015:

- a) the Council's MRP policy, paragraph (a) only, be amended to, "For capital expenditure incurred before 1 April 2008: MRP will be calculated on an straight line basis over the expected average useful life of the assets"
- b) the annual PFI lease charge be financed from the provision currently set-up to cover the final bullet payment and that capital receipts be used to replenish this provision to ensure this can still be made in 2028/29.

Contact person for background papers:  
Graham Perkins – Technical Accountant - Extension: 4017  
Background papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	The amendment to the Council's current MRP policy will generate revenue savings as well as providing a fairer and simpler approach to the calculation of MRP.
Legal Implications:	Approval is required for the amendment to the existing MRP policy contained within the current treasury management strategy.
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Resources Implications e.g. Staffing/ICT/Assets	Not applicable
Risk Management Implications	This approach to re-profile the MRP on debt incurred prior to 1 <sup>st</sup> April 2008 held within the Council's CFR complies with current DCLG regulations and provides for the debt to be repaid over a period equivalent to the average life of the Council's assets.
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

## 1. BACKGROUND

- 1.1 Each financial year the Council is required, in accordance with Regulation 27 to 29 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146, as amended], to set aside an amount known as the Minimum Revenue Provision (MRP) for the repayment of its debt (borrowing taken out to finance capital expenditure as assessed by the Capital Financing Requirement (CFR)).
- 1.2 The Capital Financing Requirement is that amount of capital expenditure incurred which is not financed from capital grants and contributions, revenue or capital receipts. This is usually the amount to be borrowed but can also include other financing arrangements such Public Finance Initiative (PFI).
- 1.3 Prior to the commencement of each financial year, the Council approves an MRP Policy it intends to adopt and this was included as part of the 2015/16 Treasury Management Strategy report which was approved by Council at its meeting on 18 February 2015.
- 1.4 The components of the current MRP policy are:
  - a) Capital expenditure incurred before 1 April 2008 financed by **Supported Borrowing** (further information on this is detailed at paragraphs 2.2 & 2.3 below): MRP will follow the existing practice outlined in former DCLG regulations, i.e. 4% of the CFR each year (Regulatory Method);
  - b) Capital expenditure incurred after 1 April 2008 financed by **Prudential Borrowing**: MRP will be based on the estimated life of the assets once operational charged on a straight line basis or annuity basis in accordance with the Guidance, (as highlighted at paragraph 2.1);
  - c) PFI schemes and leases shown on the balance sheet: MRP will be based on the amount of the principal element within the annual unitary service payment;
  - d) For expenditure that does not create an asset, or following the use of a Capitalisation Direction: provision will be made over a period not exceeding 20 years, in accordance with Guidance.
  - e) In instances where the Council incurs borrowing and a third party is obliged to repay the principal (serviced debt arrangements): the Council will not charge MRP to the revenue account.

## 2. CURRENT POSITION

- 2.1 In 2008 the Secretary of State issued statutory guidance to Councils on what a 'prudent' level of MRP should be and this was subsequently revised in 2010 & 2012 primarily responding to the way Government revised its method for calculating Revenue Support Grant (RSG). These revisions introduced a wide, but not exhaustive, variety of methods which Councils can adopt when calculating MRP.

- 2.2 Prior to 2008 the RSG paid by the Government included an element for debt service costs on in respect of capital expenditure financed by loan and Councils would in turn set aside MRP at the same rate i.e. 4%.
- 2.3 Over recent years changes in the way Government calculates RSG and the impact of the national deficit reduction programme has resulted in the erosion of its contribution to MRP in respect of Supported Borrowing.
- 2.4 Under this reducing balance approach debt is never completely paid off and whilst the level of debt falls, the level needed to be set aside also falls. Additionally, in the early years higher repayments are encountered which has a disproportionate impact for current council tax payers
- 2.5 It is expected that RSG will continue to be cut substantially in the coming years and to maintain the level of debt repayment at 4% on this element of the Council's CFR, would place a burden on the revenue budget not matched by government support, increasing the pressure for further budget reductions in operational services.
- 2.6 The indicative budget provision for MRP is shown in the table below split between Prudential & Supported debt:

	2015/16 £000	2016/17 £000
Prudential borrowing	1,925	1,935
PFI Lease	193	203
Supported borrowing	2,513	2,292
<b>Total</b>	<b>4,631</b>	<b>4,430</b>

### 3. PROPOSAL

- 3.1 For the reasons set out in section 2 it is appropriate that the Council should review its MRP policy to be more appropriately linked to the average useful life of the assets related to this debt.
- 3.2 To enable this change of policy to occur, ensuring a fairer policy be implemented for the council tax payers of the Council, the following 3 options, as outlined below, have been considered;
- **Option 1** – Calculate annual MRP on a Straight line basis.

The Supported Borrowing element held within the CFR be written down over a period of 50yrs (this being the average life of the Council's assets over which they are depreciated);

This approach is the favoured option as it permits costs to be calculated evenly over the useful life of an asset and maintains a stable and consistent charge to the revenue budget. If adopted this process would have the following consequences on the amount of MRP for Supported Borrowing to be provided for:

	2015/16 £000	2016/17 £000
Current budget provision	2,513	2,292
Proposed budget provision	1,362	1,362
<b>Saving</b>	<b>(1,151)</b>	<b>(930)</b>

- **Option 2** – Calculate annual MRP on an Annuity basis

Costs using this approach are generated by applying an annuity factor and this method is particularly applicable to assets which have a long fixed life e.g. land, building and roads. In considering an appropriate interest rate to apply in order to establish the amount of MRP required to be provided each year, the current Public Works Loan Board interest rate for a 50 year annuity loan could be used and this is currently around 3.5%. Adopting this approach would initially offer the greatest level of immediate revenue savings due the structure of calculating annuity payments i.e. levels of principal repaid start low and gradually increase during the term of the loan. If adopted this process would have the following consequences on the amount of MRP for Supported Borrowing to be provided for:

	2015/16 £000	2016/17 £000
Current budget provision	2,513	2,292
Proposed budget provision	502	521
<b>Saving</b>	<b>(2,011)</b>	<b>(1,771)</b>

This option is not recommended because it is considered to be less prudent than the Straight line basis as it passes an increasing financial burden onto future council taxpayers.

- **Option 3** – Calculate annual MRP on a 2% reducing balance basis.

A further option to consider would be to reduce the annual provision of 4% down to 2% which would be more in line with the current Government funding received via the Revenue Support Grant. The budgetary impact of this would be:

	2015/16 £000	2016/17 £000
Current budget provision	2,513	2,292
Proposed budget provision	1,362	1,335
<b>Saving</b>	<b>(1,151)</b>	<b>(957)</b>

This option is not recommended as it does not offer a definitive end date for the debt to be extinguished.

- 3.3 Linking MRP to the average useful life of an asset is in keeping with the general principle of achieving a prudent approach, as out in the 2008 DCLG guidance, which stipulates that the profile of MRP charges should reflect the economic benefit the Council gets from using the asset to deliver services over its useful life.
- 3.4 The table below shows the level of Supported Borrowing will still be outstanding after 50 years for each option outlined within this report:

	Current method £000	Option 1 £000	Option 2 £000	Option 3 £000
Outstanding balance - 1 April 2015	68,108	68,108	68,108	68,108
Outstanding balance - 31 March 2065	8,846	0	0	24,803

- 3.5 The views of the Council's Treasury Management Advisers, Capita Asset Services, who are advising a number of other local authorities on this issue, have been sought and they are supportive of the proposals set out in this report.
- 3.6 The annual Prudential debt element of the MRP will remain unchanged as it is already linked to the asset life basis.

#### **4. PRIVATE FINANCE INITIATIVE**

- 4.1 The construction of Sale Waterside was financed by a Private Finance Initiative and this liability is included within the Council's CFR balance. The annual repayment required to be made for this is currently included within the MRP provision.
- 4.2 In order to reduce the impact this places on the revenue budget, the Council is requested to approve that this charge is to be financed from a provision which exists to cover the final bullet payment in respect of the principal element of the Unitary Service Payment which is to occur in 2028/29.
- 4.3 Capital receipts will then be used to replenish the provision by this date and by adopting this procedure, revenue savings of £0.193m and £0.203m will be generated in 2015/16 & 2016/17 respectively.

#### **5. RECOMMENDATIONS**

- 5.1 That the Executive and Accounts & Audit Committee recommend to Council that with effect from 1 April 2015:
- a) the Council's MRP policy paragraph (a) be amended as follows:

“For capital expenditure incurred before 1 April 2008, MRP will be calculated on a straight line basis over the expected average useful life of the assets”

- b) The annual PFI lease charge be financed from the provision currently established to cover the final bullet payment and that capital receipts be used to replenish this provision to ensure this can still be made in 2028/29.

### **Other Options**

These are discussed in the report.

### **Consultation**

The Council’s external auditor has been consulted on this recommended change in practice and has raised no objection but advises that the Council must be satisfied that it is prudent to make any change in policy.

### **Reasons for Recommendation**

The report has been produced in order to ensure that the Council’s tax payers make a fair contribution to the cost of providing its assets as well as generating both short & medium term revenue savings.

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

**Legal Officer Clearance**     ....HK.....

**Director of Finance Signature**     *Signature appended in hard copy*

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## TRAFFORD BOROUGH COUNCIL

**Report to:** Executive 16 November 2015  
Accounts & Audit Committee 25 November 2015

**Report for:** Discussion  
**Report of:** The Executive Member for Finance and the Director of Finance

### Report Title

**Treasury Management 2015-16 Mid-Year Performance Report**

### Summary

In accordance with the CIPFA Code of Practice adopted by the Council, this report provides an update on the progress of the treasury management activities undertaken for the first half of 2015/16.

- **Debt Activity:-**

No new borrowings to finance the capital programme were taken and due to unfavourable market conditions no debt restructuring exercises were undertaken. At 30 September the Council's external debt was £94.7m.

- **Investment Activity:-**

The priorities when undertaking any Council investment continues to be security, liquidity and then rate of return and during the first half of 2015/16 the annualised investment rate of return from proactive cash flow management was 0.71%, which was 0.36% or £(184)k above the comparable performance indicator of the average 7-day London Interbank **BID** interest rate. As a result of income being received ahead of actual spend, and £5m being placed in the Church Commissioners Local Authority Property Fund, the forecasted level for investment interest to be generated in the year is currently expected to total £0.7m exceeding the budget by £0.2m. At 30 September the Council's level of investments was £101.2m.

- **Prudential Indicators:-**

During the first half of 2015/16 the Council complied with its legislative and regulatory requirements, including compliance with all treasury management prudential indicators.

### Recommendations

That the Accounts & Audit Committee & Executive be requested to:

1. Note the Treasury Management activities undertaken in the first half of 2015/16.

Contact person for background papers and further information:

Name: Graham Perkins

Extension: 4017

Background papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	The Council did not encounter any cash flow liquidity difficulties and all investment income was received on time. The projected level of investment income from investments for 2015/16 is £0.7m and exceeds budget by £0.2m. Debt interest payable remains in-line with budget at £5.8m.
Legal Implications:	Any legal implications are as set out in the report.
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	The monitoring and control of risk underpins all treasury management activities and these factors have been incorporated into the treasury management systems and procedures which are independently tested on a regular basis. The Council's in-house treasury management team continually monitor to ensure that the main risks associated with this function of adverse or unforeseen fluctuations in interest rates are avoided and security of capital sums are maintained at all times.
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

## **1. BACKGROUND**

- 1.1 The treasury management operation ensures that the Council's day to day cash flow requirements are adequately planned and accounted for with any surplus monies being invested in low risk counterparties. In addition to the day to day cash flow activities, the Council's longer term funding requirements arising from its capital programme are also considered and this may involve arranging long or short term loans.
- 1.2 Treasury management is defined as:
- The management of the local authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 1.3 Each year in order to comply with the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), the Accounts & Audit Committee together with the Executive will receive the following reports:
- annual treasury strategy for the year ahead ( February)
  - mid-year update report (November i.e. this report)
  - annual report describing the activity undertaken compared to the strategy (June).
- 1.4 The Treasury Management Strategy for 2015/16 was approved by Council at its meeting on 18 February 2015 and the policies to be adopted for the year remain unchanged.
- 1.5 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- Economic Update (section 2)
  - Treasury Position (section 3)
  - Debt Activity (section 4)
  - Investment Activity (section 5)
  - Risk Benchmarking (section 6)
  - Prudential and Performance Indicators (section 7)
  - Recommendations (section 8)

## **2. ECONOMIC UPDATE**

- 2.1 The main economic headlines arising from the first half of 2015/16 are outlined below and a forecast of the main indicators for 2016 are provided at Appendix B for reference:

### **UK**

- Gross Domestic Product (GDP) in 2014 grew at an annual rate of 2.9%, the strongest rate since 2006 and of any G7 country and forecasters currently predict the 2015 growth rate to be a leading rate in the G7 again at 2.2%. Growth is expected to slow marginally during the 2<sup>nd</sup> half of 2015 as pressures for exporters mount as a result of:

- the appreciation of Sterling against the Euro,
  - weak growth in the UK's main trading partners and
  - the lingering impact of the Government's austerity measures which are aimed at improving the country's financial position.
- The 3 month unemployment average continues its downward trend falling to 5.4% for the 3 months ending August 2015 compared to 5.6% for the previous quarter;
  - Consumer Price Index (CPI) has for most of the year been close to 0% with the reported rate for September being -0.10%. It is anticipated that several more months of low inflation are expected to be incurred resulting from the continuing fall in the price of oil, Iran re-joining the world oil market after the lifting of sanctions and world commodity prices generally being depressed as a result of the Chinese economic downturn. Despite this the Bank of England forecast CPI to reach the Government's 2% target within 2 to 3 years.
  - Monetary Policy Committee (MPC) maintained both the Bank Rate at 0.5% and the level of quantitative easing at £375bn. The forecast for the first increase in Bank Rate has been pushed back from Quarter1 to Quarter2 2016 with increases after that being at a much slower pace and to much lower levels than previously encountered.

### **U.S.**

- GDP continues to grow in 2015 with the recorded annualised movements for the 3 quarters ending September 2015 being 0.6%, 3.9% & 1.5% respectively.
- Markets were expecting the Federal Reserve to raise interest rates during the summer however this has now been put back to the end of 2015 or early 2016 as a result of the slow-down in the world economy, particularly in China and emerging countries.
- The October 2015 rate of unemployment remained unchanged from that reported in September at 5.1%.
- CPI was 0.0% for period ending September 2015.

### **Eurozone**

- In January 2015, the European Central Bank (ECB) announced details of a massive quantitative easing (QE) programme which was to commence in March 2015 with monthly 60bn euro purchases of high credit quality government and other debt of selected Eurozone countries taking place. This programme, which is expected to run until September 2016 costing 1.1trillion euros, is already having a positive effect in helping recover consumer and business confidence.
- GDP grew by 0.5% in quarter 1 2015 falling slightly to 0.4% for quarter 2 however the slowdown in the Chinese economy has raised questions as

to whether the ECB will need to boost its QE programme if it is to succeed in improving growth.

- The latest CPI figures show inflation currently running at -0.1% for September 2015.
- In July, Greece finally relented to EU demands to implement a major programme of austerity enabling a €86bn third bailout package to be agreed however during this latest round of negotiations, huge damage was done to both the Greek banking system and its economy. A surprise general election was carried out in September resulting in the existing Syriza government retaining power to implement austerity measures though major doubts still remain as to whether the size of cuts and degree of reforms required can be fully implemented in order to prevent a Greek exit from the euro.
- Unemployment remains high at 10.8% as reported in September 2015.

### **China**

- In October 2015, manufacturing contracted for the third month in succession.
- GDP continues to grow however at 6.9% for 2015, this is the weakest it has been since the financial crisis began in 2008.
- Interest rates have been cut five times already since the start of 2015 from 5.6% to 4.35% as the Government tries to move its economy away from being export led to a more consumer and service driven one.

2.2 Interest rate forecasts are provided by the Council's treasury management advisors Capita and the table below outlines the latest situation taking into consideration the above economic conditions:

	<b>2015-16 Original Forecast %</b>	<b>2015-16 Revised Forecast %</b>	<b>2016-17 Revised Forecast %</b>	<b>2017-18 Revised Forecast %</b>
Bank Rate	0.63	0.50	0.90	1.50
Investment Rates				
3 month	0.70	0.55	1.05	1.65
1 Year	1.20	1.05	1.50	2.15
PWLB Loan Rates				
5 Year	2.40	2.35	2.80	3.25
25 Year	3.75	3.55	4.05	4.45

2.3 As a result of the current and forecasted economic position as outlined above, the Council's stance when undertaking or considering any money market transactions will continue to be as that adopted in previous years and to take a cautious approach.

### 3. TREASURY POSITION

- 3.1 The Council's debt and investment position at the beginning and midway through the current financial year was as follows:

	31 March 2015			30 September 2015		
	Principal £m	Total £m	Interest Rate %	Principal £m	Total £m	Interest Rate %
<b>DEBT</b>						
<b>Fixed rate:</b>						
- PWLB	39.0			38.7		
- Market	5.0	44.0	6.67	5.0	43.7	6.65
<b>Variable rate:</b>						
- PWLB	0.0			0.0		
- Market	51.0	51.0	5.50	51.0	51.0	5.46
<b>Total debt</b>		<b>95.0</b>	<b>6.05</b>		<b>94.7</b>	<b>6.01</b>
<b>INVESTMENTS</b>						
- Fixed rate	39.9			68.3		
- Variable rate	37.7			27.9		
- Other - CCLA	0.0			5.0		
<b>Total Investments</b>		<b>77.6</b>	<b>0.71</b>		<b>101.2</b>	<b>0.92</b>
<b>NET ACTUAL DEBT</b>		<b>17.4</b>			<b>(6.5)</b>	

Net actual debt = Total debt less Total Investments

- 3.2 When reviewing the table above, it is important to note that the investment figures do fluctuate daily, reflecting funds which are available on a temporary basis as a result of timing issues arising from such aspects as precept payments, receipt of grants and progress on the capital programme.

### 4. DEBT ACTIVITY

- 4.1 The Council, as at 31 March 2015, was under borrowed by £43.2m, as a result of the total Capital Financing Requirement (CFR) of £138.2m, the underlying need to borrow for capital purposes, being higher than its actual level of external debt of £95.0m. This situation is set to continue for the foreseeable future and is in line with the majority of Local Authorities positions nationwide.
- 4.2 The Council's under borrowed position reflects previous decisions taken to fund its borrowing requirement from its own funds (cash supporting its reserves & balances) rather than taking on any new debt. This approach reflects the high "cost of carry" i.e. the difference between long-term debt interest rates which as at 30 September 2015 were (3.5% 25yr PWLB rate) and the current average short term investment rate (0.5% 3mth rate). Under these conditions for every £10m borrowed the Council would pay £300k in net interest (Interest payable - £10m x 3.5% = £350k less Interest receivable - £10m x 0.5% = £50k)

- 4.3 During 2015/16 the Council's (CFR) position, is forecasted to fall by £(2.3)m from its closing position as at 31 March 2015 of £138.2m to £135.9m by 31 March 2016 reflecting the difference between the level of new capital expenditure financed by borrowing compared to the statutory Minimum Revenue Provision (the amount set aside from revenue for the repayment of debt).
- 4.4 In the current economic climate, debt rescheduling opportunities have been limited due to the high breakage penalty (premium) costs which would need to be incurred. Therefore during the first half of the year no debt restructuring has been undertaken.

## 5. INVESTMENT ACTIVITY

- 5.1 In accordance with the Code of Conduct, the Council's priorities when placing any temporary surplus funds with any approved institution remains as that adopted in previous years which are security of capital, liquidity and then to obtain an appropriate level of return consistent with its risk appetite.
- 5.2 All investments placed with any of the approved institutions and which matured during the first half of the financial year, were repaid on time without any difficulties and the list of institutions in which the Council invests continues to be kept under review. For reference during the first half of the year and as a result of credit rating changes or in the case of the Church Commissioners an addition to the approved policy, the following institutions were added to or deleted from the Council's approved list of institutions:

Institution	Additions	Deletions
UK Banks	Close Brothers, Goldman Sachs Intl. Merrill Lynch Intl. & Morgan Stanley.	The Co-operative
Non UK banks	Abu Dhabi Commercial, ABN Amro, National Australia, Northern Trust Co., UBS Ltd & Danske.	
Building Societies	Coventry & Leeds	
Other	Church Commissioners Local Authority (Property fund)	

- 5.3 The movement in the Council's temporary investments as at 31 March 2015 compared to 30 September 2015 is shown below for reference:

Sector	31 March 2015 £m	30 September 2015 £m
UK Banks	22.9	37.5
UK Building Societies	5.0	8.3
Money Market Funds	34.7	25.9
Local Authority	9.0	5.0
Non UK Banks	6.0	19.5
Other - CCLA	0.0	5.0
<b>Total</b>	<b>77.6</b>	<b>101.2</b>

The maturity structure of the investment portfolio was as follows:

<b>Period</b>	<b>31 March 2015 £m</b>	<b>30 September 2015 £m</b>
Instant Access	37.7	28.0
Up to 3 Months	4.0	12.1
3 to 6 Months	9.5	44.1
6 to 9 Months	0.0	5.5
9 to 12 months	21.4	1.5
Over 1 year	5.0	10.0
<b>Total</b>	<b>77.6</b>	<b>101.2</b>

- 5.4 During the first half of the year, a total of 172 short term temporary investments were undertaken by the Council's in house treasury management team in an environment of historically low interest rates. The table below details the results of these activities, which clearly illustrates the Council outperforming the 7day LIBID benchmark, a recognised market performance indicator, by 35 basis points whilst ensuring that all risk was kept to a minimum during this period.

<b>Average level of temporary Investments 1 April to 30 Sept £m</b>	<b>Average interest rate earned %</b>	<b>Average 7 day LIBID rate %</b>	<b>Additional interest earned against 7 day LIBID £k</b>
105.6	0.71	0.36	184

- 5.5 As a consequence of this favourable level of return achieved during the first half of the year, it is currently forecasted that the level of investment interest which will be generated from short term investments during the year will be £0.6m which is £0.1m higher than budget. This level of return is to be achieved despite a slow investment market due to interest rates, as highlighted in Section 2, continuing to be in line with the 0.5% Bank Rate.
- 5.6 During the first half of the year the Council had no liquidity difficulties as a result of proactive cash flow management thereby avoiding the need for any temporary borrowing to be undertaken.
- 5.7 Members will recall that during July 2015, approval for a new investment instrument, the Church Commissioners Local Authorities Property Investment Fund, was obtained and that this has now been added to the list of approved instruments which can be used for investment purposes.
- 5.8 The objective of this fund is to generate long-term growth in the original amount invested together with annual returns and since September 2014, the fund which now manages £467m has grown by 120% and includes 123 Local Authorities.
- 5.9 On 29 September 2015, the Council placed £5m into this fund as a long term investment for a minimum period of 5 years and during this period the performance of the fund will be closely monitored. Annual returns are

forecasted to be approximately 4% which for 2015/16 will generate an additional £0.1m in investment interest to that budgeted for.

5.10 A breakdown of the Council's investments, as at 30 September 2015 is provided at Appendix A for reference.

## 6. RISK BENCHMARKING

6.1 In accordance with the Code of Practice and Department for Communities and Local Government Investment Guidance, appropriate security and liquidity benchmarks are used by Officers to monitor the current and future potential risk conditions and undertake any corrective action to the operational strategy if required.

6.2 These benchmarks are simple guides to maximum risk (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria.

6.3 During the first half of 2015/16 the Director of Finance can confirm that no benchmarks, which were set in the Strategy report in February 2015, were breached as shown from the information below;

- **Security** – This table shows the benchmark for the Council's investment portfolio for each individual year and reflects the level of potential default when compared to the historic default rates.

	1 year	2 years	3 years
<b>Original maximum default rate</b>	<b>0.09%</b>	<b>0.04%</b>	<b>0.14%</b>
<b>Position at 30.09.15</b>	<b>0.01%</b>	<b>0.00%</b>	<b>0.00%</b>

- **Liquidity** – In respect of this the Council set liquidity facilities/benchmarks of:

Bank overdraft - £0.5m,  
Liquid short term deposits of at least £15m available within 1 week notice and  
Weighted Average Life (WAL) benchmark expected to be 6 months, with a maximum of 3 years.

*For the first half of 2015/16 the above liquidity arrangements were complied with and at 30 September 2015 the WAL of its investments was 3.25 months.*

- **Yield** - The local measure of the yield benchmark is to achieve a return above the 7 day LIBID rate.

*For the first half year of 2015/16 the investment interest return averaged 0.71%, against a 7 day LIBID rate of 0.36%.*

- **Origin** – This stipulated that no more than 40% of the Council's total investments to be directly placed with non-UK counterparties at any time.

*For the first half of 2015/16 the maximum level was 31%.*

## **7. PRUDENTIAL AND PERFORMANCE INDICATORS**

- 7.1 In accordance with CLG Guidance, the CIPFA prudential Code and the CIPFA Code of Practice on Treasury Management, the Council has in place a number of prudential indicators ensuring that the Council's capital expenditure plans and borrowing remain robust, prudent and sustainable.
- 7.2 These indicators were originally set in February 2015 for the forthcoming year and are monitored on a monthly basis. During the first half of 2015/16 it can be reported that no breaches occurred.

## **8 RECOMMENDATIONS**

- 8.1 That the Accounts & Audit Committee & Executive be requested to;
- Note the Treasury Management activities undertaken in the first half of 2015/16.

### **Other Options**

This report has been produced in order to comply with Financial Regulations and relevant legislation and provides an overview of transactions undertaken during the first half of 2015/16.

### **Consultation**

Information for the period 1 April 2015 to 30 September 2015 was obtained from Capita, the Council's external consultants.

### **Reasons for Recommendation**

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

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

**Legal Officer Clearance**      ...HK.....

**Director's Signature**      *Appended in hard copy*

## Breakdown of Investments as at 30 September 2015

Counterparty	Amount £k	Total £k
<b>UK Institution</b>		
<b>Local Authority</b>		
Greater Manchester Waste Disposal Authority	5,000	5,000
<b>Banks</b>		
Barclays	5,000	37,500
Close Bros	5,000	
Goldman Sachs International	2,500	
Lloyds	20,000	
Santander	5,000	
<b>Building Societies</b>		
Coventry	3,000	8,300
Leeds	2,500	
Nationwide	2,800	
<b>Money Market Funds</b>		
Federated	4,070	25,870
Ignis	14,300	
Legal & General	7,500	
<b>Other</b>		
Church Commissioners Local Authority	5,000	5,000
<b>Total UK Institutions</b>		<b>81,670</b>
<b>Non UK Institutions</b>		
National Bank of Abu Dhabi	9,500	19,550
Development Bank of Singapore	6,000	
Svenska Handelsbanken	2,050	
United Overseas	2,000	
<b>Total Non UK Institutions</b>		<b>19,550</b>
<b>Grand Total</b>		<b>101,220</b>

### Major Economic Forecasts for Calendar Year 2016

<b>Location</b>	<b>Gross Domestic Product</b>	<b>Unemployment Rate</b>	<b>Consumer Price Index</b>	<b>Bank Rate</b>
<b>UK</b>	2.50%	5.31%	0.35%	0.75%
<b>Euro Area</b>	1.31%	10.33%	-0.54%	0.05%
<b>USA</b>	2.65%	5.58%	1.43%	0.25%
<b>China</b>	10.48%	4.00%	0.43%	3.26%

**Report to: Executive**

**Date: 16 November 2015**

**Report for: Information**

**Report of: The Executive Member for Finance and the Director of Finance**

**Report Title:**

Revenue Budget Monitoring 2015/16 – Period 6 (April to September 2015).

**Summary:**

The approved revenue budget for the year is £148.914m. The forecast for the end of the year, as projected following six months of activity, is £147.760m being a net underspend of £(1.154)m, (0.8)% of the budget, a favourable movement of £(0.567)m since the last report.

The main areas of budget variance are summarised as follows:

<b>Activity</b>	<b>Forecast £m</b>	<b>Movement £m</b>
Children’s client care packages	1.2	-
Adults client care packages	(0.0)	(0.2)
Rephased base budget savings	0.3	(0.1)
Vacancy management	(1.3)	(0.2)
Running costs	(0.6)	-
Treasury Management	(0.8)	(0.1)
Housing & Council Tax Benefits	(0.0)	0.1
Business Rates (Council-wide budget)	(0.1)	(0.1)
Income	0.3	0.1
Grants	(0.2)	(0.1)
<b>Forecasted outturn</b>	<b>(1.2)</b>	<b>(0.6)</b>

**Reserves**

The opening balance of the General Reserve was £(7.9)m, and after taking into account approved use and commitments, and the Council-Wide budget projected outturn, the forecasted closing balance is £(7.5)m, which is £(1.5)m above the Council established minimum level of £(6.0)m.

In addition, the net service carry forward reserves at the beginning of the year was £(3.6)m, and after taking into account planned use and commitments together with the service Directorates’ projected outturn, the forecasted closing balance is £(1.5)m in surplus.

**Council Tax**

The surplus brought forward of £(0.8)m, will be increased by an in-year forecast surplus of £(1.4)m. After taking account of the planned use of £0.4m to support the base budget and another £0.1m for backdated valuation and discount appeals, the total surplus forecasted to be carried forward is £(1.7)m. The Council’s share of this surplus is £(1.4)m, and is planned to support future budgets in the MTFP.

## **Business Rates**

The latest projection as at 30 September 2015 shows an overall increase in retained business rates for 2015/16 of £(0.149)m, representing an adverse movement since period 5 of £0.157m. This includes an in-year business rate growth surplus of £(0.028)m, which cannot be brought into the accounts until 2016/17, as well as an increase in income in-year within the Council-wide budget of £(0.121)m (see paragraphs 13 to 14 below).

## **Recommendation(s)**

### **It is recommended that:**

- a) the latest forecast and planned actions be noted and agreed.

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

David Muggeridge, Finance Manager, Financial Accounting

Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be been contained within available resources in 2015/16.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable

**Director of Finance:.....ID.....**

**Director of Legal & Democratic Services .....JLF.....**

**DIRECTOR'S SIGNATURE** *Appended in hard copy*

## Budget Monitoring - Financial Results

- The approved budget agreed at the 18 February 2015 Council meeting is £148.914m. Based on the budget monitoring for the first 6 months of the year, the overall forecast for the year is £147.760m, being an underspend of £(1.154), (0.8)%, a favourable movement of £(0.567)m since the last report.
- The details of service variances can be found in Annexes 1 to 3, and for Council-Wide, Annex 4:

<b>Table 1: Budget Monitoring results by Directorate</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>	<b>Period Movement (£000's)</b>	<b>Annex</b>
CFW – Children's Services	1,192	4.2%	100	1
CFW – Adult Social Services	(929)	(1.9)%	(456)	1
CFW – Public Health	0	0.0%	0	1
Economic Growth, Environment & Infrastructure	(292)	(0.9)%	(2)	2
Transformation & Resources	(249)	(1.5)%	(138)	3
<b>Total Service Variances</b>	<b>(278)</b>	<b>(0.2)%</b>	<b>(496)</b>	
Council-wide budgets	(876)	(3.7)%	(71)	4
<b>Estimated outturn variance (period 6)</b>	<b>(1,154)</b>	<b>(0.8)%</b>	<b>(567)</b>	

*CFW – Children, Families & Wellbeing*

<b>Table 2: Budget Monitoring results by Executive Portfolio Holder</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>	<b>Period Movement (£000's)</b>
Children's Services	1,192	4.2%	100
Adult Social Services	(929)	(1.9)%	(456)
Community Health & Wellbeing	0	0.0%	0
Environment & Operations	(169)	(0.6)%	(4)
Economic Growth & Planning	(123)	(2.6)%	2
Communities & Partnerships	80	3.0%	(15)
Transformation & Resources	(154)	(1.6)%	(70)
Finance	(1,051)	(3.7)%	(124)
<b>Estimated outturn variance (period 6)</b>	<b>(1,154)</b>	<b>(0.8)%</b>	<b>(567)</b>

### Key month on month variations

- The key variances contributing to the period movement of a favourable £(0.567)m are:
  - Children's Services – an increase in the shortfall in adoption income of £0.216m, partly offset by lower client costs of £(0.033)m, further staff savings of £(0.086)m and a minor increase in running costs of £0.003m across the Directorate;
  - Adult Services – a reduction in Long Term Support client costs of £(0.490)m as a result of client cost and activity changes and improved savings forecast;

- Adult Services – an increase in Short Term Support client costs of £0.265m as a result of the additional resources committed to external reablement;
- Adult Services – additional staff savings within the Social Care Activities – Care Management teams of £(0.102)m and Commissioning and Service Delivery of £(0.200)m. There have also been minor adverse movements in savings and running costs of £0.071m across the Adult Services Directorate;
- Transformation & Resources Directorate - favourable movement in grants and income of £(0.159)m, partly offset by a net movement in staff costs, savings and running costs of £0.021m;
- A favourable movement of £(0.103)m relating to the element of Business Rates income retained within the Council-wide budget (see paragraphs 13 and 14 below);
- Treasury Management – an increase in projected income of £(0.083)m as a result of a recent investment in the Local Authority Property Investment Fund;
- Housing and Council Tax Benefits overpayment recovery net movement of £0.115m;
- Other net movements of £(0.002)m.

#### MTFP Savings and increased income

4. The 2015/16 budget was based on the achievement of permanent base budget savings and increased income of £(21.584)m.
5. This saving target includes £(15.612)m within the CFW Directorate which is being programme managed by a dedicated CFW Transformation Team. From the Month 4 report the savings targets for individual initiatives within CFW were updated to reflect the revised targets which were agreed at the CFW Programme Board. This has meant some slight amendments to individual targets, though the overall total savings target for the CFW directorate remains the same. The revised savings targets are included in Appendix 2 of Annex 1 of this report. Performance is assessed against the revised targets:
6. The following table summarises the actuals to date, forecast for the remainder of the year and how the shortfall will be managed in-year.

<b>Table 3: Savings &amp; increased income 2015/16</b>		<b>Total (£000's)</b>	<b>Total (£000's)</b>
<b>Actual to date</b>			
	CFW	(13,792)	
	EGEI	(2,774)	
	T&R	(2,441)	
	C-W	(375)	
<b>Sub-Total</b>			<b>(19,382)</b>
<b>Forecasted</b>			
	CFW * Note 2	(2,218)	
	EGEI	(40)	
	T&R	(54)	
	CW	(15)	
<b>Sub-Total</b>			<b>(2,327)</b>

<b>Total Savings delivered or in progress</b>		<b>(21,709)</b>
<b>Budget Savings Required</b>		<b>(21,584)</b>
<b>Total Net Shortfall/ (Over recovery)</b>		<b>(125)</b>
<b>Shortfall Detailed by Directorate</b>		
Shortfall against savings target within T&R		
• Libraries (as measured against revised target see Note 1)	154	
• ICT Procurement/ Other	149	
<b>Total shortfall/ (Over recovery) within T&amp;R</b>		<b>303</b>
Shortfall/(Over recovery) against savings target within CFW		
• Children with Complex Needs – Use of Personalisation	(8)	
• Children with Complex Needs – expand in-house homes	50	
• Education Early Years – Early Help	137	
• Older People Reablement	(205)	
• LD – Void Management	(19)	
• LD – Ordinary Residence	35	
• LD – Care Package Review/ Reshaping Trafford	(388)	
<b>Total shortfall/ (Over recovery) within CFW</b>		<b>(398)</b>
Shortfall/(Over recovery) against savings target within CW		
• Old Car Lease Scheme	(30)	
<b>Total shortfall/ (Over recovery) within CW</b>		<b>(30)</b>
<b>Total Net Shortfall/(Over recovery)</b>		<b>(125)</b>

<b>Gross shortfalls to be met by :-</b>		
T&R reserve or mitigated by in year savings in 15/16		(303)
<b>Total</b>		<b>(303)</b>

**Note 1** - The savings target for T&R originally included £(0.550)m in respect of the libraries rationalisation but this figure was revised down by £0.050m when the outcome of the second phase of consultation was approved by the Executive in March 2015. The saving has been transferred to Council Wide, where it has been met in year from the Treasury Management budget.

Whilst the delay in implementing some library changes has impacted on savings overall there are significant benefits to the Council in terms of the final proposals agreed. With redevelopment of a number of sites to include residential dwellings which will attract new homes bonus, council tax and a capital receipt.

**Note 2** - Savings to a value of £(1.098)m which have still to be realised are reflected in the forecast and comprise savings against the LD Care Package Review / Reshaping Trafford £(1.068)m and savings from other schemes of £(0.030)m. Three ordinary residence cases are still awaiting judgement. At this stage the cost of these clients of £0.223m is included in client cost. If the outcome of these cases is favourable this will further increase the savings to be realised.

7. The original budget for 2015/16 included a one off allowance of £0.700m as a general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. As at a previous period (Period 4) £0.085m had been released to cover a projected savings slippage related to Market Management. As a result of the realignment of the CFW savings targets, the budget variance on Market Management has now been removed.
8. Approximately 100.6% of base budget savings have been or are forecasted to be delivered:
  - Of the £(0.125)m net over achievement, there is a gross shortfall of £0.303m relating to T&R, a net over achievement of £(0.398)m in CFW and £(0.030)m in Council Wide.
  - The gross shortfall of £0.303m within T&R will be met from either service carry forward reserves or alternative in year savings.

## Council Tax

9. The brought forward surplus on the Council Tax element of the Collection Fund of £(0.773)m has shared ownership between GM Fire & Rescue Authority and Police & Crime Commissioner, as well as the Council.
10. After six months of activity, the total Council Tax in-year surplus is forecasted at £(1.383)m, with the Council's share of this being £(1.162)m. After taking account of the planned application to support the 2015/16 budget, £0.357m, and reductions as a consequence of back-dated valuations and awards of discounts or exemptions of £0.100m, the end of year total balance is forecasted at £(1.699)m, of which the Council's share is £(1.427)m

Table 4: Council Tax surplus	Overall		Trafford	
	£(000's)	£(000's)	£(000's)	£(000's)
<b>Surplus brought forward</b>		<b>(773)</b>		<b>(649)</b>
Changes in Band D equivalents	(606)		(509)	
Empty Homes Premium	(126)		(106)	
Council Tax Support Scheme	(651)		(547)	
<b>In Year Surplus</b>		<b>(1,383)</b>		<b>(1,162)</b>
Banding valuations & discounts	100		84	
Increase in Bad Debt Provision	0	<b>100</b>	0	<b>84</b>
In-year application of surplus		<b>357</b>		<b>300</b>
<b>Forecasted surplus carry forward</b>		<b>(1,699)</b>		<b>(1,427)</b>

11. The numbers of those in receipt of Council Tax Support continues to fall. In addition, in an effort to attract incentive funding from DWP, several targeted pro-active interventions on unreported changes of circumstances are continuing, reducing Council Tax Support.
12. There has also been a growth in the Taxbase. Back dated valuations and discounts continue to be an issue but levels have reduced considerably relative to the same period in 2014/15.

### Business Rates

13. The Business Rate Retention Scheme established in April 2013, whereby local authorities can retain a share of growth (and losses), is a technically complex subject. The table below gives an indication of the complexity as well as an updated assessment compared to assumptions made in the budget:

<b>Table 5: Calculation of Business Rates Income 2015/16</b>	<b>Original Estimate £000's</b>	<b>Projection September 2015 £000's</b>	<b>Variance £000's</b>	<b>Movement since previous period £000's</b>
<b>Net Yield</b>	<b>(161,238)</b>	<b>(161,297)</b>	<b>(59)</b>	<b>529</b>
Local Share (49%)	(79,007)	(79,035)	(28)	260
Less Tariff (Set by Government)	44,142	44,142	-	-
<b>Retained Rates</b>	<b>(34,865)</b>	<b>(34,893)</b>	<b>(28)</b>	<b>260</b>
Government Baseline	(33,054)	(33,054)	-	-
<b>In Year Growth</b>	<b>(1,811)</b>	<b>(1,839)</b>	<b>(28)</b>	<b>260</b>
Add: Section 31 Grants	(1,663)	(1,859)	(196)	(23)
Estimated surplus 2014/15	(1,710)	(1,710)	-	-
<b>Total Income subject to Levy</b>	<b>(5,184)</b>	<b>(5,408)</b>	<b>(224)</b>	<b>237</b>
Deduct Levy @ 50%	2,592	2,704	112	(119)
<b>Net Income</b>	<b>(2,592)</b>	<b>(2,704)</b>	<b>(112)</b>	<b>118</b>
Add: Levy Rebate from GM Pool	(579)	(616)	(37)	39
Increased grant for 2% cap	(136)	(136)	-	-
Renewable Energy (retained in full)	(77)	(77)	-	-
<b>Net Retained Income</b>	<b>(3,384)</b>	<b>(3,533)</b>	<b>(149)</b>	<b>157</b>

14. The latest projections as at 30 September 2015 are shown in the table above and show an overall increase in retained business rates for 2015/16 of £(0.149)m compared to budget and this is summarised as:
  - a) The retained element of in-year business rate growth is forecasted to be up by £(0.028)m at £(1.839)m. However, this is an adverse movement of £0.260m since last month due to an increase in the provision of Relief required for Empty Properties. Empty property exemptions can be volatile as premises can be vacated overnight and we are also dealing with some tax avoidance / evasion issues. The accounting arrangements for any variation in the forecast of business rates must be carried forward to later years' budgets i.e. no impact in 2015/16; however the levy must be accounted for in the year that it relates to;

- b) Increase in Section 31 grant income of £(0.196)m to £(1.859)m, a movement of £(0.023)m since last month due to additional grant being receivable against the costs of the small business rate and retail reliefs. This has a benefit to the 2015/16 budget because S31 grants are accrued during the financial year to which they relate;
- c) Overall increase in the cost of the levy due to the updated growth forecast, £0.112m. This is a movement of £(0.119)m from last month as a result of a fall in forecast business rate income;
- d) AGMA pool rebate £(0.037)m above budget;
- e) Impact on 2015/16 is the sum of items (b) – (d), £(0.121)m, and is included in the Council-wide budget monitoring projection in Annex 4.

## **Public Health**

- 15. The Government announced on 4 June 2015 that it was seeking in-year public expenditure reductions of £3.1 billion. This included an amount of £200 million in respect of Public Health. In July the Department of Health issued a consultation paper on how to achieve these savings. The illustration provided in that paper was for a reduction of 6.2% shared equally across local authorities, which if implemented would result in an in-year reduction of £0.773m for Trafford. We are still awaiting the outcome of the consultation process.
- 16. If the in-year reduction of £0.773m is confirmed, scope has been identified within the Public Health budget to manage £0.660m of this on a one off basis for the 2015/16 financial year. This leaves a residual amount of £0.113m still to be found. If the in-year reduction becomes recurrent, a plan to reduce expenditure by £0.773m will need to be incorporated into the 2016/17 budget planning cycle.
- 17. This is based on the current Public Health grant plus additional 0-5 funding of £1.642m which was transferred to the Council on 1<sup>st</sup> October 2015 for the national transfer of responsibilities relating to Health Visiting and Family Nurse Partnership services. This will increase the gross funding for Public Health to £12.471m in 2015/16.

## **Leisure Services**

- 18. On 30 July 2015 The Executive Member for Communities and Partnerships approved that a Community Interest Company (CIC) be established to run the leisure services, currently provided by Trafford Community Leisure Trust.
- 19. Trafford Leisure CIC took over the running of the leisure facilities on 1<sup>st</sup> October 2015. To date, approximately £0.028m has been committed to get the company formed and operational. The division of these costs between the Council and the company will be discussed and agreed. Further financial implications will be included in future budget monitoring reports.

## Reserves

20. The audited General Reserve balance brought forward is £(7.9)m, against which there are planned commitments up to the end of 2015/16 of £1.2m. The addition of the Council-Wide underspend of £(0.6)m provides for a projected 31 March 2016 balance of £(7.5)m, being £(1.5)m above the approved minimum level of £(6.0)m:

<b>Table 6 : General Reserve Movements</b>	<b>(£000's)</b>
<b>Balance 31 March 2015</b>	<b>(7,871)</b>
<b>Commitments in 2015/16:</b>	
- Planned use for 2015/16 Budget	1,000
- Planned use for one-off projects 2015/16	200
- Council-wide budgets underspend	(876)
<b>Balance 31 March 2016</b>	<b>(7,547)</b>

21. Service balances brought forward from 2014/15 were a net £(3.642)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(1.535)m to be carried forward to 2016/17 (Table 7).

	<b>b/f April 2015 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
<b>Table 7: Service balances</b>			
Communities, Families & Wellbeing	(403)	460	57
Economic Growth, Environment & Infrastructure	(1,738)	1,419	(319)
Transformation & Resources	(1,501)	228	(1,273)
<b>Total (Surplus)/Deficit</b>	<b>(3,642)</b>	<b>2,107</b>	<b>(1,535)</b>

## Recommendations

22. It is recommended that the latest forecast and planned actions be noted and agreed.

## TRAFFORD COUNCIL

Report to: CFW Senior Leadership Team  
 Date: 15<sup>th</sup> October 2015  
 Report for: Discussion  
 Report author: CFW Finance Managers

Report Title:

**Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015).**

**1. Forecast Outturn for the Year**

- 1.1 The approved revenue budget for the year is £75.889m (See Para 2.5 for budget adjustments since the last report) and the projected outturn is currently forecast to be £76.152m, which exceeds the budget by £0.263m (0.3%). The current projected overspend includes £1.192m on Children Services and an underspend of £(0.929)m on Adults.
- 1.2 The forecast variance for Period 5 was £0.619m and this represents a favourable movement of £(0.356)m since last reported.
- 1.3 The savings target for CFW in 2015/16 is £(15.612)m. The forecast savings on the basis of the latest projection are overall savings of £(16.010)m. At this stage of the year it is a major achievement to be on track to overachieve against the target of £(15.612)m and provides a high level of assurance about the robustness of financial planning and effective delivery of transformation projects within the Directorate.

**2. Summary of Variances**

- 2.1 The main forecast outturn variances are summarised below, with more detail at Appendix 1.

**2.2 CHILDRENS SERVICE**

**The overall variance for Children's Services is an adverse £1.192m and is analysed below.**

**(a) Children's Social Services (including Children with Complex Needs) - £1.336m adverse variation from budget**

- There is a forecast overspend of £1.192m on client care packages as analysed in the table below. The main variances are in respect of welfare secure places, external children's homes, agency foster care and adoption places. The increases in cost are due to a combination of demographic growth and the complexity of need of children in care with more children requiring high cost specialist placements. £1.035m of the projected variance relates to external children's homes even though this is as a result of only 6.1 additional placements over the year, indicating the volatility of this particular budget. This has been exacerbated by a

reduction in availability of places in our internal residential homes due to regulatory activity.

- There is an adverse variance of £0.147m for welfare secure places which relates to 0.5 additional places. There is also an adverse variance of £0.147m on agency foster placements which equates to 4.2 placements; this reflects a national trend following high profile reports into major failings such as at Rotherham.
- There is a favourable variance of £(0.205)m in relation to the low numbers of Trafford children in need of adoptive placements. However, this is counterbalanced by a projected shortfall in adoption income of £0.398m. It has now become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. This resulted from a legal judgement that placed a greater emphasis on a child returning home or to family members prior to consideration of adoption. Advice from the DfE indicates that this trend will not continue and we expect to see an increase in the number of children in need of adoptive placements in the next financial year.
- Robust management action is in place to scrutinise each individual placement to ensure it is appropriate to meet needs. We are also exploring collaborative ways of managing the external market as costs have increased substantially due to the increased demand for places. We have implemented an 'Edge of Care Strategy' that supports children and young people to remain at home and developing that into a broader project as part of the CFW transformation programme.
- Actions in place to manage Children in Care placements are outlined in more detail in Appendix 3.

Service	Budget Service Users	Budget Average weekly cost	Gross Budget	Actual Service Users	Average weekly cost	Actual Gross Forecast	Variance Service Users	Variance Gross Forecast
	No.	£	(£000's)	No.	£	(£000's)	No.	(£000's)
Welfare secure	0.3	5,081	90	0.8	5,558	237	0.5	147
External Children's Homes	5.9	3,048	929	11.9	3,169	1,964	6.1	1,035
Agency foster care	32.9	884	1,513	37.1	860	1,660	4.2	147
In-house foster care	94.7	319	1,570	89.8	322	1,504	-4.9	-66
Family and friend foster care	112.0	218	1,271	107.2	238	1,329	-4.8	58
Asylum seekers	0.0	0	0	0.0	0	0	0.0	0
Special Guardianship	29.0	152	229	30.8	156	249	1.8	20
Assisted Residence Allowances	24.0	107	133	20.9	110	120	-3.1	-13
Aftercare	n/a		381	n/a		408	n/a	27
Supported Lodges	n/a		325	n/a		321	n/a	-4
Youth Homeless	n/a		193	n/a		267	n/a	74
Adoption	13.0		923	10.0		718	-3.0	-205
CAN respite	2.5	1,931	251	2.2	2,028	232	-0.3	-19
CAN long term care	4.4	2,436	553	4.4	2,409	550	0.0	-3
CAN Home from Home	n/a		161	n/a		161	n/a	0
CAN Direct payments/personalisation	n/a		367	n/a		361	n/a	-6

Total			8,889			10,081		1,192
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- Staffing Costs within children's social care are underspending by £(0.085)m.
- Additional grant income. There is a new grant - inter agency fees grant (adoption) which is forecast to result in a favourable variance of £(0.054)m.
- Income - There has been additional income within CAN from Health for Continuing Health Care of £(0.076)m.
- Running costs - General running cost expenses variance of £(0.039)m.

**(b) Education Early Years favourable variance £(0.199)m**

Favourable variance due mainly to staffing underspends and additional income.

**(c) Commissioning running costs favourable variance £(0.052)m**

Forecast underspend due to personalisation and supporting people contracts.

**(d) MARAS favourable variance £(0.030)m**

Favourable variance due to staffing £(0.030)m.

**(e) Youth Offending Service adverse variance £Nil**

The expected mid-year reduction in the Youth Justice Board Grant of £0.051m, has been offset by a forecast underspend in remand placements.

**(f) Slippage on Savings re Early Help Delivery Model – Adverse Variance £0.137m.**

Staffing and premises cost adverse variances of £0.137m leading to shortfall in delivery of savings.

**Movement from previous period**

The main reasons for the adverse movement in the forecast for CFW Children of £0.100m are as follows:

- Education Early Years – increase in projected underspend of £(0.067)m.
- Children Social Services – reduction in projected overspend on client care packages (excluding complex needs) of £(0.034)m, reduction in adoption income £0.216m, other favourable variances £(0.041)m.
- Children with complex and additional needs – increase in forecast spend of £0.029m.
- Staffing costs within MARAS £(0.003)m.

## 2.3 ADULTS SERVICE

In the Period 4 monitoring report the Executive were advised that there was a new basis of reporting with forecasts for client costs generated from Liquid Logic/ContrOCC system. Further work has been undertaken to ensure that the estimated cost of care packages accurately reflected savings still to be achieved and this is a complex process for client costs.

A process is also being developed to validate the financial projections of care costs derived from the new system by using the SAP ledger system as a further safeguard.

**The overall variance for Adults' Services is £(0.929)m favourable and is analysed below:**

- Long Term client costs - £0.092m adverse. This projection is based on the current portfolio of long term clients recorded on the Liquid Logic system plus clients, who have received services in the earlier part of the year, though are no longer receiving services. The projection allows for expected Transition costs in year of £1.435m and that costs will be offset by further savings of £(1.098)m to be made against client costs over the remainder of the year based on Transformation projections. Further detail on the variance is included in Appendix 5.
- Short term client costs - £(0.104)m favourable. This is mainly due to savings from the in-house reablement service.
- Social Support (Carers and Adult Placement) – favourable projection of £(0.040)m following renegotiation of a contract.
- Assistive Technology and Equipment – adverse variation of £0.051m, due to increased costs in minor equipment and adaptations. The possibility of capitalising further assistive technology related costs is currently under consideration.
- Social Care Activities – Care Management - £(0.376)m favourable. The favourable variance is due to vacant posts across Care Management and other teams across the service.
- Information and Early Intervention - £(0.267)m favourable. Forecast underspend in Extra Care due to a delay in implementation of Old Trafford scheme to 2017.
- Commissioning and Service Delivery – net £(0.288)m favourable variance arising from vacancies in the service following the Commissioning restructure.
- Non-Adult Care – minor adverse variance £0.003m.

Further details on the above variances are included in Appendix 1.

## **Movement from previous period**

The period 6 variance compared to that last reported is £(0.456)m favourable. The main reasons for the change are:-

- Long- term client costs – reduction in forecast for long term client costs of £(0.490)m favourable as a result of client cost and activity changes and improved savings forecast.
- Short term client costs – adverse movement of £0.265m, as a result of the additional resources committed to external reablement. This is an investment in the Stabilise and Make Safe (SAMS) service following the successful pilot. Whilst the cost of the new service currently shows as a budget pressure we expect it to be self-funding by reduction demand on overall client costs. This will be monitored and taken into account in forecasts in future months.
- Social support – minor adverse movement of £0.003m.
- Assistive Technology – adverse movement of £0.042m due to increase in forecast spend on minor equipment and adaptations following assessment of information received from Pennine Care.
- Social Care Activities (Care Management teams) – favourable movement of £(0.102)m following a review of vacancies across all teams and updated returns from managers.
- Information & Early Intervention – adverse movement of £0.023m arising from additional Independent Mental Capacity Act costs and client record system changes.
- Commissioning and Service Delivery – favourable movement of £(0.200)m arising from reassessment of staffing vacancies by Director and expected recruitment profile.
- Non-Adult Social Care - £0.003k adverse.
- DH Funding and un-allocated savings – no change.

## **2.4 Public Health**

The Public Health budget is financed by a ring-fenced grant. Under the terms and conditions of the grant this must be used for defined Public Health purposes and the current projection is spend will be in line with budget. Any underspend on the grant, should it arise, would be carried forward to 2016/17 for use on Public Health related services.

An announcement of a proposed in-year budget reduction for Public Health was made by the Government in June 2015. The reduction of £200m nationally is being proposed and currently subject to consultation. A range of options are being proposed, though an across the board reduction of 6.2% would result in a potential reduction for Public Health in year of £0.773m.

If the in-year reduction of £0.773m is confirmed, scope has been identified within the Public Health budget to manage £0.660m of this on a one-off basis for the 2015/16 financial year. This leaves a residual amount of £0.113m still to be found. If the in-year reduction becomes recurrent, a plan to reduce expenditure by £0.773m will need to be incorporated into the 2016/17 budget planning cycle.

Funding of £1.642m has been transferred to the Council on 1<sup>st</sup> October 2015 relating to the national transfer of responsibilities relating to 0-5 year old Health Visiting and Family Nurse Partnership services. This will increase the gross funding for Public Health to £12.471m in 2015/16.

## **2.5 Budget Virements in 2015/16**

The CFW Budget has changed from £75.805m in Period 5 to £75.889m at Period 6. This represents an increase of £0.084m which relates to the following virement.

### **Adults:**

- Transfer of staff from Exchequer Services to CFW Direct Payments team £0.084m.

## **3. Forecasting, Assumptions and Risk**

### **3.1 2015/16 Base Budget Savings**

The Council's overall budget for 2015/16 includes £(21.584)m of savings of which £(15.612)m relates to CFW. The table in Appendix 2 shows the current assumptions made regarding the delivery of in-year savings targets within the forecasts set out in this report.

The savings targets for 2015/16 were re-aligned in Period 4 to reflect the specific targets which project managers are working to. The overall target is in line with the total agreed in the Medium Term Financial Plan and 2015/16 budget.

The current projection is that against the target of £(15.612)m, savings of £(16.010)m will be made, which is an increase of £(0.363)m on the previous forecast at Month 5. The reason for the improvement in the forecast position is due to increased forecasts in the Reshaping Trafford, LD Care Package Review and Reablement savings. The full breakdown of the projections for individual initiatives is included in Appendix 2.

Savings to a value of £(1.098)m which have still to be realised are reflected in the forecast and comprise savings against the LD Care Package Review / Reshaping Trafford £(1.068)m and savings from other schemes of £(0.030)m. Three ordinary residence cases are still awaiting judgement. At this stage the cost of these clients of £0.223m is included in client cost. If the outcome of these cases is favourable this will further increase the savings to be realised.

At this stage of the year it is a major achievement to be on track to overachieve against the target of £(15.612)m and provides a high level of assurance about the robustness of financial planning and effective delivery of transformation projects within the Directorate.

## 3.2 Good Practice Examples

In relation to the savings programme, there are a number of examples of management interventions that are having a substantial impact on the financial position of the Directorate. These include;

**3.2.1 Reshaping Social Care;** The Directorate is driving down commitments against care packages in line with the reshaping social care policy change agreed by the Council. The implementation of reshaping principles is being applied as each new case is presented and as all cases go through their reassessment during the year. This has led to an increase in complaints and appeals, but each case is being considered according to individual needs and options available to meet that need. The reshaping programme is supporting the directorate to review the commissioning requirements going forward, as we drive the promotion of independence and self-care. The work is underpinning the development of 2016/17 savings options and we are already seeing a significant impact since the new policy was implemented in April 2015.

**3.2.2 Panel Reviews:** Cases are being reviewed through the Panel process and annual reviews in the context of the objectives of Reshaping Trafford. This is generating savings which are contributing to the savings initiatives relating to client costs. This area looks likely to over achieve in year. This also forms part of savings in 2016/17 and over achievements in 2015/16 will support the larger saving requirements against care budget lines next year.

**3.2.3 Ordinary Residence:** Savings of £(1.047)m are expected from this initiative which were reported in detail at Month 3. There are three cases which are still outstanding which equate to a value of £0.223m. Learning from the project will be embedded in the Panel Review and Reshaping work undertaken by the service.

**3.2.4 Home to School Transport;** A complete reorganisation of the co-ordination of transport provision for children with special educational needs was undertaken from September 2014. A single team was created that were able to clearly map and tender new routes to ensure efficiency of provision and a substantial reduction in contract values. In addition to the substantial financial saving achieved through this process the development of a new procurement approach and service standards has led to improvements in the quality and safeguarding elements of the service. There was a substantial overachievement of savings in the last financial year £(0.225)m and against the revised target of a further £(0.400)m for 2015/16 we are currently projecting savings in line with this target.

**3.2.5 Debt Recovery:** The approval of the new Debt Management and Recovery policy at the end of March 2015 has enabled the Council to take a robust approach to debt recovery whilst ensuring the Council manages its risks effectively through the addition of a debt panel chaired by the Joint Director for Adults before cases proceed to Legal litigation. This new approach has already resulted in improved collection of historical debt to the authority and has had a positive impact on engagement of debtors, with a number of payment plans being arranged for in-year collection as well as payment in full in large debt cases. The new robust timely debt recovery process also ensures new debt is identified at the earliest stage and fed back to the Joint Director for Adults for an overall review of the case. Debt is also now a key factor in funding panel decisions.

**3.2.6 Direct Payments:** Some clients receive payments directly to purchase their own care packages to meet their needs. Experience shows that at the year end the annual audit identifies a number of instances where the totality of the funds provided has not been disbursed and can be reclaimed by the Council.

### **3.3 Care Packages**

This is the fourth monitoring report of the financial year and follows two important changes in relation to the reporting of client care package activity. The first change is the full adoption of the national changes in reporting of client costs under the Zero Base Review. This means familiar heading such as Older People, Learning Disability etc. will not appear in this high-level monitoring report. Details of the changes were reported at Period 3 and are summarised in Appendix 4. The original client cost budgets for 2015/16 have been translated into the new Zero Base Review budgets, albeit the overall quantum of client cost budget is as originally set.

The second change is that a new basis of financial reporting has been introduced following the implementation of the Liquid Logic client record system and the associated financial modules under Controcc. This was one of the recommendations made in the budget monitoring investigation report. A considerable amount of effort has been made to bring the system into being and it is a major change for budget holders and other staff involved in the budget monitoring process. There are already benefits arising from the system although in these early days the main focus is on ensuring the information and reporting is robust following the data migration process.

The total budget for Long Term and Short Term client costs is £39.7m which represents 83% of the total CFW Adults budget of £47.6m. The average number of service users over the first six months is 3,253, though this will fluctuate on a monthly basis going forward. Details of these are shown in Appendix 5.

The Liquid Logic/ContrOCC system will give speedier and more flexible reporting and its potential will be developed over the coming months.

### **3.4 Transition Costs**

Transition is the movement of clients from Children's services into Adults and the main costs are in respect of the Learning Disability service. The budgetary provision for transition for 2015/16 is £2.416m. A review of expected transition was undertaken in Period 5 and the assessment is that Transition costs for 2015/16 will be £(0.950)m underspent in year and resources have been released to reflect this. The position on remaining transition remains uncertain and will continue to be monitored monthly and any revision to this assumption will be reported.

### **3.5 Continuing Health Care (CHC)**

Where a client becomes eligible for Continuing Health Care a robust process is in place to ensure the relevant actions are completed. The Clinical Commissioning Group (CCG) have notified the Council that they have over 60 historical claims for CHC logged by families. Each claim will need to be assessed on a case by case basis, therefore it is not possible to estimate the potential impact, though this will be reported as the outcome of assessments are confirmed.

A number of retrospective claims have been made in respect of CHC and the impact of these have been reflected in the monitoring position, which gives a one-off financial benefit for the backdated period.

### **3.6 Homecare packages**

The cost of homecare packages, like other care line items, is calculated by reference to the number of clients in receipt of that service at the time of producing the monitoring report. However, experience shows that in a number of cases, the planned package will not be required for the full year and as a result a reduction in costs of 2% is allowed for.

### **3.7 Care Act**

The first phase of changes under the Care Act was introduced in April 2015. A Care Act implementation grant was made available to all upper tier authorities and the Council's grant was £(1.227)m. A schedule of proposed use of this funding was agreed by SLT and subsequently CMT and the planned usage of funding is attached at Appendix 6. The use of funding is being monitored and the current assumption for Period 6 is that spend will be in line with the Care Act implementation grant allocation.

Following on from the announcement of the delay in phase 2 implementation until 2020, there was a possibility that the Government may seek to recover some of the grant which has been allocated in 2015/16. Recent announcements have indicated that this is now unlikely to occur.

### **3.8 Winter Pressures Funding**

Two amounts of Winter pressures funding were carried over from 2014/15 equating to £(0.393)m and £(0.187)m for DH and CCG funding respectively. Detailed plans are in place for the use of this funding and the assumption is that the funding will be fully utilised in 2015/16.

### **3.9 Better Care Fund**

Under the terms of the Better Care Fund agreement with the CCG, the Council secured £(2.0)m for the protection of social care services. A national condition of the funding allocated for the Better Care Fund is that collectively the CCG and Council should achieve targeted reductions of at least 3.5% in non-elective admissions. Should these reductions not be achieved, then funding allocated in respect of performance would not be released by NHS England and the CCG would be obliged to transfer this to the Acute sector. The amount of BCF funding in the BCF agreement relating to performance is £(1.319)m and the Council carries the risk of 30% of funding based on the agreed risk share of 70/30 between the CCG and the Council; this equates to circa £0.400m in 2015/16.

Information on non-elective admissions for quarters 1 and 2 have confirmed that planned reductions have not been met, which if this continues for the remainder of the year, means that there is a risk to BCF funding of £0.400m. This potential shortfall has been set aside as an earmarked reserve, therefore the full £2.0m transfer of funding to the Council is reflected in the forecast.

#### 4. Learning Disabilities (LD) Pooled Fund

4.1 The LD Pooled fund deficit was cleared at the end of 2014/15. The fund is therefore in balance at the start of the year and spend is expected to be in line with respective contributions from the Council and the CCG.

#### 5. Reserves

5.1 At the beginning of April 2015 the Children, Families and Wellbeing Directorate has accumulated balances of £(1.729)m carried forward from previous financial years.

5.2 The carry-forward balances and expected end of the year position is as follows:

	DSG	CFW
	(£000's)	(£000's)
Balance b/f 1 April 2015	(1,326)	(403)
Reserves used to balance budget	163	
Troubled Families Grant		(468)
Troubled Families Commitments 15/16		468
Specific commitments in 15/16		197
P6 Forecast Outturn 15/16	743	263
	<b>(420)</b>	<b>57</b>

The DCLG provided a grant for Troubled Families in 2014/15, which was not ring-fenced or spent. However, there are commitments made to partners for 2015/16.

There are also specific commitments originally made in 2014/15 that will now be spent in this financial year. These were reported in the 2014/15 period 12 monitoring report.

#### 6. Management Action

##### 6.1 Business Delivery Programme Board

Following the investigation into budget monitoring arrangements, the Business Delivery Programme Board refreshed the way it works. These arrangements will continue in 2015/16, subject to the merging of the Business Delivery Core group into a single All Age Board for Children and Adults.

Due to the scope and complexity of the budgets the separate reporting of Adults and Children's budget position will continue through respective Finance sub-groups of the Business Delivery Programme Boards.

##### 6.2 Financial Awareness Training

In order to strengthen financial management, a comprehensive programme of training has been delivered to service managers. All budgets have undergone a RAG assessment approach to determine the level of risk, complexity and volatility. The results determined the level of support each budget and budget holder would receive from the Finance Team.

New budget monitoring templates were issued to create a more streamlined and consistent approach across each service area. The input from the budget holders means that the information and projections for each service are up-to-date and there will be greater control of the budget throughout the year.

Period 6 is the fourth time that monitoring of some budgets is reliant on forecasts made entirely by budget holders. The ability of budget holders to carry out these forecasts has been mixed, as would be expected when introducing such a fundamental change. Drop in sessions have been held by Finance teams for Period 6 monitoring to offer assistance to budget holders where required, though these will now cease. Support with the completion of templates will be provided by exception, should this be requested. Where budget holders have had difficulty in forecasting, the Finance team has made assumptions for this monitoring report.

### Period 6 Projected Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Revised Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
<b>Children's Services Portfolio – DSG Element</b>						
Dedicated Schools Grant	0	743	743	700	43	CFW1
Transfer to Dedicated Schools Grant Reserve	0	(743)	(743)	(700)	(43)	CFW1
<b>Sub-total – DSG</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Children's Services Portfolio – Non DSG Element</b>						
Education Early Years' Service	4,915	4,716	(199)	(132)	(67)	CFW3
Children's Social Services	17,230	18,709	1,479	1,338	141	CFW2
Children with Complex & Additional Needs	1,329	1,186	(143)	(172)	29	CFW2
Commissioning	1,784	1,732	(52)	(52)	0	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,600	1,570	(30)	(27)	(3)	CFW3
Youth Offending Service	271	271	0	0	0	CFW3
Early Help Delivery Model	1,132	1,269	137	137	0	CFW3
						CFW3
<b>Sub-total – Non DSG</b>	<b>28,261</b>	<b>29,453</b>	<b>1,192</b>	<b>1,092</b>	<b>100</b>	
<b>CFW Children's Total</b>	<b>28,261</b>	<b>29,453</b>	<b>1,192</b>	<b>1,092</b>	<b>100</b>	

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Revised Budget (£000's)</b>	<b>P6 Forecast Outturn (£000's)</b>	<b>P6 Outturn variance (£000's)</b>	<b>P5 Outturn variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Adult Social Services Portfolio</b>						
Long Term Support – client costs	39,112	39,204	92	582	(490)	CFW4
Short Term Support – client costs	557	453	(104)	(369)	265	CFW5
Social Support – Adult Placement / Carers Commissioned services	930	890	(40)	(43)	3	CFW6
Assistive Equipment & Technology	1,473	1,524	51	9	42	CFW7
Social Care Activities – Care Management	11,805	11,429	(376)	(274)	(102)	CFW8
Information and Early Intervention – Preventative Services	934	667	(267)	(290)	23	CFW9
Commissioning and Service Delivery	767	479	(288)	(88)	(200)	CFW10
Non-Adult Social Care – Supporting People	0	3	3	0	3	
PH Funding and un-allocated savings (Note 1)	(7,083)	(7,083)	0	0	0	CFW11
<b>CFW Adults Total</b>	<b>48,495</b>	<b>47,566</b>	<b>(929)</b>	<b>(473)</b>	<b>(456)</b>	
<b>Community Health &amp; Wellbeing Portfolio</b>						
Public Health	(867)	(867)	0	0	0	CFW12
<b>CFW Public Health Total</b>	<b>(867)</b>	<b>(867)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>CFW Total</b>	<b>75,889</b>	<b>76,152</b>	<b>263</b>	<b>619</b>	<b>(356)</b>	

Note 1 – Budget previously included in Social Care Activities.

<b>Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn Variance (£000's)</b>	<b>P5 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Children's</b>				
Management of staff vacancies	(160)	(74)	(86)	CFW2, CFW3
Transport Costs	28	0	28	CFW3
Client Need	1,192	1,225	(33)	CFW2
YOS Remand Placements	(70)	(70)	0	CFW2
Income	319	93	226	CFW2
Other running costs	(117)	(82)	(35)	CFW2, CFW3
<b>Total Children's</b>	<b>1,192</b>	<b>1,092</b>	<b>100</b>	
<b>Adults</b>				
Management of staff vacancies	(664)	(362)	(302)	CFW8
Client Need	(12)	213	(225)	CFW4, CFW5
2015/16 Savings not achieved	25	26	(1)	CFW6
Other running costs	(278)	(350)	72	CFW7,9,10, CFW11
<b>Total Adults</b>	<b>(929)</b>	<b>(473)</b>	<b>(456)</b>	
<b>Public Health</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total CFW</b>	<b>263</b>	<b>619</b>	<b>(356)</b>	

## NOTES ON VARIANCES AND PERIOD MOVEMENTS

### CHILDREN'S SERVICES

#### CFW1 – DSG Reserve b/fwd.

- The brought forward DSG reserve balance is £(1.326)m. There are significant pressures within DSG which mean that there is an anticipated overspend of £0.743m and £0.163m was required from reserves to balance the budget, leaving a forecast reserve at the year-end of only £(0.420)m. The greatest pressure on the DSG is increasing numbers in SEN and the High Needs Block of the DSG being frozen. In previous years there has been an underspend on primary de-delegated budgets. However, Primary School budgets are under significant pressure and a central budget for Schools in financial difficulty (£0.400m) has been spent in 15/16.

#### CFW2 – Children's Social Services (Including CAN) £1.336m adverse variance

- There is a projected overspend of £1.192m, on client care packages as analysed in the table under paragraph 2.2. The main variances are in respect of welfare secure places, external children's homes, agency foster care and adoption places. The increases in cost are due to a combination of demographic growth and the complexity of need of children in care with more children requiring high cost specialist placements. £1.035m of the projected variance relates to external children's homes even though this is as a result of only 6.1 additional placements over the year, indicating the volatility of this particular budget. There is an adverse variance of £0.147m for welfare secure places which relates to 0.5 additional places. There is also an adverse variance of £0.147m on agency foster placements which equates to 4.2 placements; this reflects a national trend following high profile reports into major failings such as at Rotherham. There is a favourable variance of £(0.205)m in relation to the low numbers of Trafford children in need of adoptive placements. This significant reduction has had an impact on numbers of children placed for adoption
- There is a projected shortfall in adoption income of £0.398m, although this partially offset by the reduction in adoption costs referenced above. It has become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. This resulted from a legal judgement that placed a greater emphasis on a child returning home or to family members prior to consideration of adoption. We are currently developing an expression of interest with neighbouring LA's to for a Regional Adoption Agency in line with national policy.
- Staffing costs underspend on Children social care £(0.085)m.
- There is additional income for CAN placements of £(0.076)m as a result of Continuing Health Care assessments that have identified eligible expenditure for children with complex health needs,
- General running costs favourable variance £(0.039)m.
- Other variances - adoption grant £(0.054)m.

### **CFW3 – Various**

#### **Education Early Years**

- Favourable variance due mainly to staffing underspends £(0.199)m.

#### **Commissioning running costs**

- Forecast underspend on personalisation and supporting people contracts £(0.052)m.

#### **MARAS**

- Favourable variance due to staffing £(0.030)m

#### **Early Help Delivery Model**

- Forecast shortfall in delivery of savings due to residual premises and staffing costs £0.137m.

### **ADULT SOCIAL SERVICES**

#### **CFW4 – Long term client costs - £0.092m adverse**

- There is a projected gross pressure of client costs of £0.092m compared to budget. An adjustment has been made of £1.098m for savings which are expected to be made against client costs for the remainder of the year based on Transformation projections. The forecast is based on those clients who have received packages of care in the year to date which may have closed and those currently open within the Liquid Logic system projected for the remainder of the year. Further details on client costs are included in Appendix 5.

#### **CFW5 – Short term client costs - £(0.104)m favourable**

- Variance mainly arising from the additional saving on in-house Reablement costs , though part offset by additional external reablement costs.

#### **CFW6 – Social Support – Adult Placement / Carers £(0.040)m favourable**

- Renegotiation of contracts £(0.067)m.
- Adult Placement saving not achieved £0.027m. Saving reflected in CFW8.

#### **CFW7 – Assistive Equipment & Technology £0.051m adverse**

- Telecare and minor adaptations £(0.036).
- Minor equipment and One Stop Resource Centre £0.086m.

### **CFW8 – Social Care Activities – Care Management teams £(0.376)m favourable**

Vacant posts and other staffing related savings across the following teams:

- Pathways and Network £(0.155)m;
- Ascot House £(0.113)m;
- Community MH Organic team £(0.058)m;
- Community Mental Health team £(0.013)m;
- Community Social Work team South £(0.039)m;
- Principal Social Worker and Head of Independence posts –funded through vacancies; £0.072m
- CLDT team £(0.081)m
  - Other variances £0.009m

### **CFW9 – Information and Early Intervention £(0.267)m favourable**

- Extra Care Housing – underspend as Old Trafford scheme will not be operational until 2017 £(0.279)m;
  - Other variances £0.012m.

### **CFW10 – Commissioning & Service Delivery £(0.288)m**

- Commissioning Restructure – saving arising from restructure and vacancies in the service £(0.286)m;
  - Other variances £(0.002)m.

### **CFW11 – Non-Adult Social Care £0.003m**

- Minor adverse variance.

### **CFW12 – Public Health £Nil**

- Overall spend is projected to be in line with Public Health grant.

### **DH Funding and un-allocated savings £Nil**

- Winter pressures funding in balance.

## Appendix 2

CFW Rebased Savings 2015/16		2015/16 Revised Reduction	Forecast Saving	Variance
		(£000's)	(£000's)	(£000's)
Children with Complex Needs – use of personalisation	CS	(200)	(208)	(8)
Children in Care – expansion of in-house Children's home	CS	(50)	0	50
Home to School Transport	CS	(400)	(400)	-
Market Management	CS	(200)	(200)	-
Music Service	CS	(30)	(30)	-
Educational Psychology	CS	(100)	(100)	-
Governor Services	CS	(5)	(5)	-
Commissioning – reduction in multi-agency contracts	CS	(126)	(126)	-
Education Early Years – Early Help	CS	(3,079)	(2,942)	137
Education Early Years – Re-organisation	CS	(377)	(377)	-
Youth Offending Service	CS	(130)	(130)	-
<b>Sub-total Children Services</b>		<b>(4,697)</b>	<b>(4,518)</b>	<b>179</b>
Older People – Reablement	AS	(700)	(905)	(205)
LD - Re-negotiation of Contracts	AS	(13)	(13)	-
LD – Supported Living	AS	(203)	(203)	-
LD – Acceleration of Re-tendering	AS	(942)	(942)	-
PD – Telecare	AS	(116)	(116)	-
LD – Void Management	AS	(32)	(51)	(19)
Continuing Health Care	AS	(389)	(389)	-
Better Care Fund	AS	(2,000)	(2,000)	-
Voluntary and Community Sector	AS	(59)	(59)	-
LD – Ordinary Residence	AS	(1,082)	(1,047)	35
LD – Care Package Review	AS	(411)	(1,637)	(388)
Reshaping Trafford	AS	(838)		
LD – Development Fund	AS	(45)	(45)	-
LD – Review of Building Based Support	AS	(72)	(72)	-
Mental Health – review of packages	AS	-	-	-
Floating Support Service	AS	(230)	(230)	-
Market Management	AS	(915)	(915)	-
Integrated Health & Social Care	AS	(500)	(500)	-
Commissioning – all age structure	AS	(830)	(830)	-
Commissioning – review of non-mandatory services	AS	(1,538)	(1,538)	-
<b>Sub-total Adult Social Care</b>		<b>(10,915)</b>	<b>(11,492)</b>	<b>(577)</b>
<b>Total</b>		<b>(15,612)</b>	<b>(16,010)</b>	<b>(398)</b>

### Children in Care – Management Actions

**1.0 Context:** There were 327 children who were in the care of Trafford on the 16<sup>th</sup> Oct 2015 of which only 16 children were placed in external residential children's homes and 36 children were placed with foster carers from independent fostering agencies. The weekly unit cost of a placement in an external residential children's home is £3,160 and the weekly unit cost of a placement with a carer from an independent fostering agency is £858.

**1.1 Demographic Pressures:** The number of children in care has continued to steadily increase from 295 in April 2013 to 327 on the 16<sup>th</sup> Oct 2015. The increase in the numbers of children in care in part reflects an increase in the Trafford children population but is also associated with young people being encouraged to remain in the care of their foster carers until they are older and have reached an age when they are better equipped to manage the transition to independent living. In addition the complexity of need of young people in the care system has increased reflected in the growing number of high cost external placements.

**1.2 Children Who Enter Care:** For some time there has been a robust gateway to agree admissions into care which has been overseen by senior social care managers. All children who enter care do so as an outcome of a needs led assessment which is completed by a social worker from area family support team. Wherever possible, children are placed with extended family members who are assessed and approved to become family and friends carers. Trafford have proactively encouraged the development of a strong, integrated and supported network of family and friends carers and currently 32% of the Trafford children in care population are placed with family and friends carers. This approach was much praised by OFSTED.

The high percentage of children in family and friends placements also had a positive impact on reducing Trafford's dependency on placements with high cost independent fostering agency placements.

The major pressure within the budget is created by increased demand on high cost external placements. This is an exceptionally challenging market as the increasing numbers of young people requiring places nationally has significantly outstripped available capacity. We are now developing a new approach to external placements for children in care by involving Commissioning in the process of identifying placements that meet the needs of the children at the most competitive price. This action is designed to ensure we are able to maximise value for money using a clear commissioning approach developed to liaise directly with providers. Collaborative work with other LA's is also in place to try to expand our influence over providers. We are also looking at models of charging for children in care being tested in other authorities to see if this model could be implemented here.

**1.3 Edge of Care Strategy/Keeping Families Together:** Trafford has a robust range of services to support children who are identified as being at risk of being admitted into care. These services are integral components of Trafford's Edge of Care strategy. The

narrative below describes the services that are in place to support children who are at risk of entering the care system:

- 1.3.1 Multi-systemic Therapy (MST) - this is an intensive family and community based treatment programme for young adolescents between the ages of 11 and 17 whose antisocial behaviours are placing them at risk of family breakdown. MST is a time-limited (three to five months), intensive and therapeutic programme that provides services in the family's home or at other locations such as the young person's school. It is an evidence-based specialist intervention for children who are at high risk of entering care.
- 1.3.2 Outreach Service provides dedicated and targeted support to children on the, "edge of care" who are aged 4yrs to 17yrs. The team provide bespoke and tailored packages of support to children who are at risk of entry into care. The service delivers flexible and intensive programmes of support to children inclusive of weekend and out of hours support and the service is open 365 days of the year.
- 1.3.3 Stronger Families which is grant funded by the Department for Communities and Local Government (DCLG). The programme applies a nationally defined, whole family model of service delivery, to families who present with prescribed categories of presenting problems. The Trafford model provides a different approach to working with those families where results have not previously been achieved through business as usual models of support.
- 1.3.4 The Me2 is an evidence based programme for young people aged 11yrs to 17yrs providing a raft of support from a range of professionals. Young people who enter the programme progress through a points and levels process until they achieve graduation. It is a time limited programme which lasts approximately nine months and young people who graduate from the programme either return home or move onto long term placements. It is particularly positive in preventing escalation for complex young people into external placements.
- 1.3.5 We are currently developing a Transformation Project currently called Keeping Families Together that will pull together and re-frame the above named services into a single Service that will be reconfigured to explicitly reduce the number of young people coming into care and supporting young people to leave care and return home at the earliest opportunity. The project will concentrate on supporting families in their own homes to keep their child at home. The new model will have explicit targets to reduce the number of new in-takes into the care system and reduce our overall cohort of young people in care, and especially young people who are placed in OOB External Children's Homes at a significantly high cost.

#### **1.4 Market Management**

- 1.4.1 The costs and quality of external placements is controlled by the use of two frameworks of providers:
  - The Greater Manchester Residential Framework of Providers has been developed by commissions across the region to deliver residential placements which are underpinned by a framework of costs and quality standards. The

average unit cost of an external residential placement is currently £3,160 (this is lower than the average unit that was seen in 2014/15 which was £3,403).

- The Northwest Fostering Contract is a framework of independent fostering providers who deliver foster placements which like the residential framework are underpinned by a framework of costs and quality standards. In 2015/16, there has been an increase in the number of children with very complex needs and this has contributed to an increase in the weekly unit costs of external placement which have risen from £848 in 2014/15 to the current figure of £858.

1.4.2 In response to the increase in the numbers of children in care and Trafford's increased dependency on external high cost providers Trafford have implemented the following strategic initiative:

- Trafford will continue to rollout an on-going and successful fostering marketing and recruitment strategy. This Strategy will be targeted at the recruitment of carers for older children who are at higher risk of being placed with external providers. The strategy has to date been a successful one and in 2014-15, Trafford recruited 8 foster placements for teenage children and in 2015-16 we are on target to recruit 14 foster placements for teenage children. We are also part of a regional approach to recruiting foster carers.

**1.5 Trafford Placement Panel:** All requests to place children in either external residential or fostering placements are initially considered by Trafford's Placements Panel which meets each Monday morning. This panel is chaired by a Head of Service and includes a range of key officers. The panel considers all requests for external placements and:

- Assesses the suitability of the request;
- Considers whether any in-house placements can be identified which might meet the needs of the child.

The panel works proactively and innovatively to try to identify any in-house placement which might offer an alternative placement to a high cost external placement. Where the panel identify that there are no in-house placements available, the panel make a recommendation for the approval of an external agency to the Director for approval. The placement panel is also used to:

- Track previously agreed timescales for the return of children who are placed in external provision to internal provision;
- Track budget projections so as to ensure that financial monitoring reports are accurate;
- Develop innovative alternative packages of care which offer a direct alternative to the use of external placement;
- Ensure that when an external placement is required that it is both time limited, cost effective, high quality and suitably matches the needs of the child;
- Ensures that any joint funding arrangements are explored inclusive of those placements which meet the threshold for funding contributions from health partners.

## **Zero Base Review – Budget Changes**

### **Summary of main changes**

In 2014 the Government introduced changes to the basis of reporting Adult Social Care to more appropriately reflect the move to more personalised and preventative services in social care.

Under the changes a new hierarchy of reporting was introduced based on the following structure:

#### **FR001 – Long Term Support**

- Age 18-64 years
- Age 65-74 years
- Age 75-84 years
- Age 85+

#### **FR002 – Short Term Support**

- Age 18-64 years
- Age 65-74 years
- Age 75-84 years
- Age 85+

#### **FR003 – Social Support**

#### **FR004 – Assistive Equipment and Technology**

#### **FR005 – Social Care Activities**

#### **FR006 – Information and Early Intervention**

#### **FR007 – Commissioning & Service Delivery**

With each range services are further split according to Primary Support Reasons (PSR) which are: Physical, Sensory, Memory & Cognition, Learning Disability, and Mental Health.

These replace the former client categories of Older People, Learning Disability, Physical Disability and Mental Health.

Reporting on the new basis is mandatory for financial and performance reporting from April 2015 and 2015/16 budgets have been reviewed to re-allocate them according to the new ZBR reporting requirements.

This basis of reporting will be used for all future national financial and performance statutory reporting. Further details of budget virements are available if required.

## Long Term Client Costs Forecast : Month 6

Service	Budgeted Annual Cost	Service users P6	Forecast Cost of Care (P6)			Variance
			Average Service Users	Average Weekly Cost	Forecast Annual Cost	
	(£000'S)	No.	No.	£	(£000'S)	(£000'S)
<b>Learning Disability</b>						
Community Services	9,809,135	207	216	860	9,662,177	(146,958)
Direct Payments	3,921,666	258	252	324	4,242,887	321,221
Residential/Nursing	5,818,861	57	57	1,455	4,312,952	(1,505,909)
<b>Sub-total</b>	<b>19,549,662</b>	<b>522</b>	<b>525</b>	<b>667</b>	<b>18,218,016</b>	<b>(1,331,646)</b>
<b>Mental Health Support</b>						
Community Services	1,208,734	643	679	36	1,254,613	45,879
Direct Payments	572,227	57	55	205	584,998	12,771
Residential/Nursing	3,593,646	177	185	375	3,610,864	17,218
<b>Sub-total</b>	<b>5,374,607</b>	<b>877</b>	<b>919</b>	<b>114</b>	<b>5,450,475</b>	<b>75,868</b>
<b>Physical Support</b>						
Community Services	3,518,640	910	910	89	4,209,852	534,212
Direct Payments	2,853,506	271	269	209	2,920,471	66,965
Residential/Nursing	6,482,446	393	398	327	6,774,979	449,533
<b>Sub-total</b>	<b>12,854,592</b>	<b>1,574</b>	<b>1,577</b>	<b>170</b>	<b>13,905,302</b>	<b>1,050,710</b>
<b>Sensory Support</b>						
Community Services	187,943	75	71	70	257,902	69,959
Direct Payments	167,853	25	25	166	216,081	48,228
Residential/Nursing	469,710	27	30	325	507,110	37,400
<b>Sub-total</b>	<b>825,506</b>	<b>127</b>	<b>126</b>	<b>150</b>	<b>981,093</b>	<b>155,587</b>
<b>Social Support</b>						
Community Services	153,596	38	67	31	107,079	(46,517)
Direct Payments	114,445	21	16	221	183,780	69,335
Residential/Nursing	175,521	7	7	376	136,949	(38,572)
<b>Sub-total</b>	<b>443,562</b>	<b>66</b>	<b>90</b>	<b>91</b>	<b>427,808</b>	<b>(15,754)</b>
<b>Support with Memory and Cognition</b>						
Community Services	64,254	6	7	84	30,742	37,671
Direct Payments		0	0	0	0	0
Residential/Nursing		8	9	408	191,092	119,909
<b>Sub-total</b>	<b>64,254</b>	<b>14</b>	<b>16</b>	<b>267</b>	<b>221,834</b>	<b>157,580</b>
<b>Total</b>	<b>39,112,183</b>	<b>3,180</b>	<b>3,253</b>	<b>232</b>	<b>39,204,528</b>	<b>92,345</b>

## Proposed use of funding 2015/16

Area of Spend	Forecast Cost 2015/16	Type of cost
Self-funders additional assessments and reviews in 2015/16 – 4 x social worker and 4 x social work assessors	£290,710	Staffing
Financial Assessments – Exchequer Services support officer	£21,375	Staffing
Carer costs – includes assumed £200k contribution to Carers Centre	£361,183	Commissioned service, carer payments.
Information and advice	£48,448	TBC
Prevention		
Independent financial advice		
Access to advocacy	£50,500	Commissioned services and service user support
Safeguarding Boards	£30,000	
Market oversight regime – quality management – Market Relationship Officer	£44,348	Staffing
National eligibility – continuity of care between areas	£70,000	Package costs contingency
National eligibility – transition		
Eligibility Threshold – Recurring costs		
Legal Reform – Transition costs	£50,000	Contingency
Implementation of legal reform		
Training and development – Training Officer	£31,293	Staffing
Communications	£10,000	Publicity materials
ICT – ICT Project Manager (P/T)	£29,760	Staffing
ICT – system support costs	£57,240	
Project Management	£125,000	Staffing
Contingency	£7,143	Contingency
<b>Total</b>	<b>£1,227,000</b>	

## TRAFFORD MBC

**Report to:** Economic Growth, Environment and Infrastructure  
Directorate Management Team

**Date:** 22 October 2015

**Report for:** Discussion

**Report author:** Finance Manager

Report Title

## Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015)

**1. Forecast Outturn for the Year**

- 1.1 The approved revenue budget for the year is £32.257m. The forecast outturn is £31.965m, which is £(0.292)m under the approved budget. This is a minor favourable movement of £(0.002m) since last reported.
- 1.2 The key movements within this variance relate to updated forecasts of staff vacancies across the Directorate £(0.033)m, additional income projected for parking £(0.052)m and investment properties £(0.010)m, offset by increased running costs £0.045m, reduced income forecasts for planning £0.029m and Bereavement Services £0.024m. Other movements are a net £(0.005)m.
- 1.3 The approved budget for 2015/16 includes savings of £(2.814)m and all are projected to be delivered in full (paragraph 4). Savings include £(2.250)m from the One Trafford partnership with Amey LG for Environmental, Highways, Street Lighting, Technical and Property Services.
- 1.4 The One Trafford partnership contract commenced on 4th July 2015 for 15 years, and will be monitored through the payment and performance mechanism agreed with Amey as part of the procurement process. The budget monitoring reported for services in-scope will reflect actual and forecast economic activity both before and after the contract start date.
- 1.5 For traded services (catering and cleaning) there is a forecast net traded surplus of £(0.177)m at the end of March 2016. This is £(0.045)m higher than last reported based on latest trading figures. The service manages its costs and income over school terms and academic years rather than financial years and any surplus at the end of March is expected to be required to continue investment in the service and in particular improve readiness for the new academic year in September 2016.
- 1.6 The Directorate has brought forward balances of £(1.738)m from previous years (paragraph 3). This will be utilised for one-off budget pressures in 2015/16 and also to support initiatives to protect services and deliver future efficiencies and income generation. The balance after known commitments and the forecast outturn is £(0.319)m.
- 1.7 This is the fourth monitoring report of the financial year and, hence, the information available to produce the forecast outturn will be refined and subject to change as the year progresses. The main assumptions included in the financial forecasts are listed in paragraph 5.

## **2. Summary of Variances**

- 2.1 The overall favourable variance of £(0.292)m reflects a number of individual under and overspends across the diverse areas of the Directorate, as detailed in Appendix 1 and summarised below.
- 2.2 A favourable one-off income variance is projected from Oakfield Road car park £(0.120)m. Income from other fees and charges is higher than budgeted for the GM Road Access Permit Scheme £(0.010)m, airport rent £(0.021)m and planning fees £(0.156)m. There are income shortfalls forecast relating to building control £0.065m, parking enforcement (one-off) and other fees £0.024m, bulky and commercial waste £0.010m, public protection (licencing & pest control) £0.024m. In addition, fee income from capital schemes is £0.132m lower than budgeted for the period before the One Trafford contract strat date. Total income is forecast to be £(0.026)m above budget. This is a favourable movement of £(0.014)m and includes additional income for parking £(0.052)m and investment properties £(0.010)m, and reduced income from planning £0.029m and Bereavement Services £0.024m. Other minor income movements are net favourable £(0.005)m.
- 2.3 There are a number of favourable variances relating to staffing budgets as a result of turnover or vacancy management £(0.133)m. This is a favourable movement of £(0.033)m from last report across a number of service areas.
- 2.4 Other running cost are projected to be £(0.133)m underspent, which is an adverse movement of £0.045m from last reported across a number of services.
- 2.5 Management action will continue over the financial year end period and into 2016/17 to ensure that essential services are delivered within budget and to seek out opportunities for future financial benefits. This includes:
- Only necessary spending on supplies and services to be approved;
  - Systematic monitoring and evaluation of existing and potential new income streams;
  - Analysis of rechargeable work for both revenue and capital schemes;
  - Additional improvements to efficiency through service redesign and better procurement;
  - Potential to accelerate future savings proposals.

## **3. Reserves**

- 3.1 At the end of 2014/15 the Directorate had a surplus on accumulated balances of £(1.738)m, which was carried forward to 2015/16. This was a result of the successful management of budget pressures and additional income generation in the last three years.
- 3.2 The remaining balance on the EGEI Directorate Reserve after the forecast outturn for 2015/16, future known commitments and re-phasing of projects is £(0.319)m (table below). The EGEI Reserve will be utilised on initiatives to generate future savings and income generation to support service provision within the on-going revenue budget constraints. In addition, the opportunity has been taken to accelerate the resolution of some one-off issues (e.g. stock write offs) prior to the commencement of One Trafford partnership. The reserve may also be required for other one-off budget pressures arising during the year.

<b>Utilisation of Carry forward Reserve 2015/16</b>	<b>(£000's)</b>
EGEI Surplus balance brought forward at 1 April 2015	(1,738)
Commitments	1,711
Period 6 forecast outturn (favourable)	(292)
<b>Balance after known commitments</b>	<b>(319)</b>

#### 4. Savings

- 4.1 The approved Directorate budget includes 2015/16 savings of £(2.814)m, and all are projected to be achieved in full over the financial year, as follows :

	<b>Budget (£000's)</b>	<b>Forecast (£000's)</b>	<b>Variance (£000's)</b>
Efficiencies and others	(2,336)	(2,336)	0
Increased and new income	(324)	(324)	0
Policy Choice	(154)	(154)	0
<b>Total EGEI</b>	<b>(2,814)</b>	<b>(2,814)</b>	<b>0</b>

#### 5. Forecasting and Risk

- 5.1 There are key assumptions and/or areas of risk in producing the forecast outturn. These are listed below but will generally reduce as the financial year progresses as data becomes confirmed.
- One Trafford partnership – the budget monitoring for services in-scope reflects economic activity both before and after the contract start date of 4<sup>th</sup> July 2015. A number of activities and works cross cut the contract start date (e.g. works in progress), plus a number of temporary arrangements are in place to ensure business continuity during the cut over period (e.g. continued collection of income on behalf of Amey). All related financial transactions will be allocated and recharged between the Council and Amey over the relevant periods. It is also likely there will be residual pre-contract related transactions throughout the financial year.
  - The One Trafford contract is monitored using the payment and performance mechanism agreed as part of the procurement process. This is designed to incentivise performance to the standards agreed and the Council has the ability to deduct fees in cases of non-performance. This forms part of the monthly billing and review process.
  - The wholesale price of energy which the Council procures influences only around 50% of the Council's energy bill. The remainder is influenced by transmission and distribution costs – for example Distribution Use of System Charges are passed on to the Council by the Distribution Network Operator, and are unavoidable. There is hence a risk of future energy cost increases which are not bound by the Council's contracted prices.
  - Fee income from capital works varies depending on the progress of delivering the approved capital programme during the year. The full year budget assumption from fees is £(2.000)m and this risk has effectively been transferred to Amey from July 2015 for services in-scope of the One Trafford

partnership (e.g. Highways and Property). The contract is structured in a way which incentivises Amey to progress in delivering the programme on time. However, the charging of capital fee income will still need to be monitored against the profile for both the pre and post contract budgets as capital works progress.

- Demand led fees and charges income, such as from Parking, Licencing, Planning and Building Control, will vary based on economic conditions and customer behaviour. All fees and charges are monitored weekly or monthly, with trends and previous profiles used to inform forecasts. For services in-scope of the One Trafford partnership, fee income is guaranteed in the contract price. The Council will also share in any additional income generated by Amey under the contract. Adjustments and recharges will need to be actioned in the Council's accounts for any income collected on behalf of Amey during the transition period.
- Investment property income – this varies depending on economic factors, and includes income from shopping centres (e.g. Stretford Mall) where lettings and rents are the responsibility of the owners of the properties. This can include backdated rent income notified by managing agents later in the year. Property is managed by Amey under the One Trafford partnership although the Council is still billing and recovering these rents under the continuing contract transition arrangements.
- Weather related incidents impact on costs and income, particularly during the winter months. This includes increased winter maintenance costs (gritting etc.), pot hole damage to highways, tree and other infrastructure damage. These services are largely in-scope of the One Trafford partnership and this risk has been transferred to Amey under the contract as the service fee payable is fixed for the year in advance. The Directorate has £0.120m in a Winter Maintenance reserve to smooth any pressures across financial years, if required.
- GM Waste Disposal Authority levy – each month the WDA notifies GM Councils of variances in the actual tonnages of waste delivered compared to that assumed when setting the levy at the start of the year. This results in an additional cost or rebate per Council. Actual tonnages can be affected by weather and also customer behaviour, for example levels of recycling. The latest notification from the WDA indicates disposal costs are estimated at £0.010m above budget which is reported in the Directorate forecast outturn.

## **6. Recommendations**

- 6.1 It is recommended that the forecast outturn be noted.

**Period 6 Forecast Outturn revenue expenditure and income variances.**

The following tables detail the main variances from the revenue budget to the forecast outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Economic Growth, Environment &amp; Infrastructure Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P6 Forecast Outturn (£000's)</b>	<b>P6 Forecast Variance (£000's)</b>	<b>P5 Forecast Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
Highway and Network Management, including Traffic & Transportation	3,391	3,351	(40)	(55)	15	EGE11
Groundforce	4,201	4,267	66	66	0	EGE12
Sustainability & Greenspace	336	283	(53)	(52)	(1)	
Bereavement Services	(1,128)	(1,111)	17	4	13	
Waste Management (incl. WDA levy)	19,561	19,568	7	(3)	10	EGE13
Public Protection & Enforcement	760	820	60	44	16	
Parking Services	(538)	(710)	(172)	(115)	(57)	EGE14
School Crossing Patrols	403	399	(4)	(4)	0	
Strategic Support Services	509	459	(50)	(50)	0	EGE15
<b>Sub-total Environment &amp; Operations Portfolio</b>	<b>27,495</b>	<b>27,326</b>	<b>(169)</b>	<b>(165)</b>	<b>(4)</b>	
Property and Development	2,665	2,668	3	23	(20)	EGE16
Economic Growth	730	660	(70)	(70)	0	EGE17
Housing Strategy	571	518	(53)	(54)	1	EGE18
Strategic Planning & Development	538	517	(21)	(21)	0	
Planning & Building Control	(157)	(139)	18	(3)	21	EGE19
Directorate Strategic Management	416	416	0	0	0	
<b>Sub-total Economic Growth &amp; Planning Portfolio</b>	<b>4,763</b>	<b>4,640</b>	<b>(123)</b>	<b>(125)</b>	<b>2</b>	
<b>Operational Services for Education (Catering &amp; Cleaning Traded Service)</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Forecast Outturn Period 6</b>	<b>32,257</b>	<b>31,965</b>	<b>(292)</b>	<b>(290)</b>	<b>(2)</b>	

<b>Economic Growth, Environment &amp; Infrastructure Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn Variance (£000's)</b>	<b>P5 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Highways and Network Management incl. Traffic &amp; Transportation</b>				
Income shortfall, including moving traffic offences	6	6	0	
GMRAPs income above budget	(10)	(10)	0	
Capital fee income shortfall	75	75	0	
Staff vacancies	(12)	(12)	0	
Running costs	(25)	(40)	15	
Energy – Street Lighting	(60)	(60)	0	
<b>Depot &amp; Business Support</b>				
Supplies & Services	(14)	(14)	0	
<b>Sub-total</b>	<b>(40)</b>	<b>(55)</b>	<b>15</b>	EGEI1
<b>Groundforce</b>				
Staffing and Transport costs	55	55	0	
Other running costs – contractors, plant hire, fuel	11	11	0	
<b>Sub-total</b>	<b>66</b>	<b>66</b>	<b>0</b>	EGEI2
<b>Sustainability &amp; Greenspace</b>				
Vacancy, supplies & services	(42)	(41)	(1)	
Income above budget	(11)	(11)	0	
<b>Sub-total</b>	<b>(53)</b>	<b>(52)</b>	<b>(1)</b>	
<b>Bereavement Services</b>				
Staffing and running costs	(14)	(3)	(11)	
Income shortfall	31	7	24	
<b>Sub-total</b>	<b>17</b>	<b>4</b>	<b>13</b>	
<b>Waste Management and Disposal</b>				
Staffing and running costs	(13)	(13)	0	
Income shortfall – bulky and commercial waste	10	10	0	
GM Waste disposal levy	10	0	10	
<b>Sub-total</b>	<b>7</b>	<b>(3)</b>	<b>10</b>	EGEI3

<b>Economic Growth, Environment &amp; Infrastructure Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn Variance (£000's)</b>	<b>P5 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Public Protection &amp; Enforcement</b>				
Staffing costs	34	26	8	
Running costs	2	(14)	16	
Income shortfalls including licensing	24	32	(8)	
<b>Sub-total</b>	<b>60</b>	<b>44</b>	<b>16</b>	
<b>Parking Services</b>				
Staffing & running costs	(76)	(71)	(5)	
Oakfield Road car park remaining open	(120)	(120)	0	
Income shortfall – other locations and fines	24	76	(52)	
<b>Sub-total</b>	<b>(172)</b>	<b>(115)</b>	<b>(57)</b>	EGEI4
<b>School Crossing Patrols - vacancies</b>	<b>(4)</b>	<b>(4)</b>	<b>0</b>	
<b>Director &amp; Business Support</b>				
Staffing and Running costs	(50)	(50)	0	EGEI5
<b>Sub-total Environment &amp; Operations Portfolio</b>	<b>(169)</b>	<b>(165)</b>	<b>(4)</b>	
<b>Property and Development</b>				
Investment Property Rental Income:				
- Urmston Town Centre – one-off surplus	(11)	(11)	0	
- Airport – surplus	(21)	(21)	0	
- Other properties - surplus	5	15	(10)	
Community buildings – income/running costs	29	29	0	
Admin Buildings running costs	(60)	(60)	0	
Facilities Management/other staffing vacancies	(45)	(35)	(10)	
Other running cost variances	43	43	0	
Major projects capital fee income shortfall	63	63	0	
<b>Sub-total</b>	<b>3</b>	<b>23</b>	<b>(20)</b>	EGEI6
<b>Economic Growth</b>				
Staffing vacancies	(75)	(75)	0	
Other running costs	5	5	0	
<b>Sub-total</b>	<b>(70)</b>	<b>(70)</b>	<b>0</b>	EGEI7

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
<b>Housing Strategy</b>				
Staffing	(37)	(37)	0	
Running costs	(16)	(17)	1	
<b>Sub-total</b>	<b>(53)</b>	<b>(54)</b>	<b>1</b>	EGEI8
<b>Strategic Planning &amp; Development</b>				
Staffing/running costs savings	(21)	(21)	0	
<b>Planning &amp; Building Control</b>				
Planning applications income	(156)	(185)	29	
Building Control income shortfall	65	62	3	
Staffing including interim support	78	97	(19)	
Other running costs	31	23	8	
<b>Sub-total</b>	<b>18</b>	<b>(3)</b>	<b>21</b>	EGEI9
<b>Sub-total Economic Growth &amp; Planning Portfolio</b>	<b>(123)</b>	<b>(125)</b>	<b>2</b>	
<b>Total Forecast Outturn EGEI Period 6</b>	<b>(292)</b>	<b>(290)</b>	<b>(2)</b>	

### Summary Variance Analysis Period 6

All Services	Savings £000	Staff £000	Running Costs £000	Income £000	Total Variance £000
Period 5	0	(100)	(178)	(12)	(290)
Period 6	0	(133)	(133)	(26)	(292)
Period Movement	0	(33)	45	(14)	(2)

### ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

#### EGEI1 – Highways & Network Management - £(0.040)m (favourable)

Income generation of £(0.030)m is included in the budget from moving traffic offences. This is part of an AGMA initiative to improve safety and traffic flows on major routes and the project timeline has been re-phased to later in 2015/16.

Running costs are expected to be £(0.025)m under budget over a number of service areas, which is £0.015m less than last reported. This mainly reflects forecasts of maintenance costs in highways and street lighting up to the 4<sup>th</sup> July 2015 commencement date of the One Trafford contract with Amey.

Staffing is £(0.012)m underspent for the period before the commencement of the One Trafford contract.

There is additional income above budget of £(0.010)m from the Greater Manchester Road Access Permit Scheme, which was implemented during 2013/14.

Fee income from technical and consultancy work charged to capital schemes is projected to be £0.075m below budget due to the timing of capital works up to the commencement of the One Trafford contract.

Street Lighting energy costs are projected to be £(0.060)m less than budgeted based on latest projected usage volumes and the contract prices from April 2015.

**EGEI2 – Groundforce - £0.066m (adverse)**

Staffing, plant, contractor and transport costs are £0.066m overspent relating to the period up to the commencement of the One Trafford contract.

**EGEI3 – Waste Management and Disposal - £0.007m (adverse)**

There is an underspend in staffing and contract costs of £(0.013)m for the period prior to the commencement of the One Trafford contract. Bulky waste and commercial waste income is £0.010m less than expected for this period.

The latest information from GM Waste Disposal Authority is that the levy cost will be £0.010m higher than budgeted. This is based on variations in the tonnages of different waste streams being disposed throughout the year.

**EGEI4 – Parking Services – £(0.172)m (favourable)**

The approved budget from 2013/14 included assumptions regarding the partial, then full closure of Oakfield Road car park during the year as part of the regeneration of Altrincham Town Centre. The re-phasing of the town centre project has resulted in forecast income being £(0.120)m above budget, which has continued from last year.

Other car parking income is projected to be £0.024m under budget, which includes for the period of relaxed enforcement shortly after the recent change in prices. There is a favourable movement in fee income of £(0.052)m from last reported based on latest forecasts for the year.

The parking enforcement contract and other running costs are expected to be £(0.071)m underspent.

**EGEI5 – Director and Business Support – £(0.050)m (favourable)**

There is a forecast underspend on senior management staffing due to vacancies and on-going restructuring.

**EGEI6 – Property and Development - £0.003m (adverse)**

Manchester Airport rent is £(0.021)m above budget following notification from Manchester City Council of new rent levels.

Fee income from capital and external projects is £0.063m less than budgeted for the period up to the commencement of the One Trafford contract which reflects the phasing of capital works.

Administrative building running costs are less than expected across the portfolio by £(0.060)m. This includes a £(0.053)m underspend relating to the catering concession at Altrincham Town Hall.

There is a favourable movement of £(0.020)m relating to higher investment property income £(0.010)m and reduced staff costs due to ongoing vacancies £(0.010)m.

#### **EGEI7 – Economic Growth Team – £(0.070)m (favourable)**

There is an underspend in staffing and running costs of the Altrincham Town Team as service review and potential re-design is implemented in this area.

#### **EGEI8 – Housing Strategy – £(0.053)m (favourable)**

Staffing costs are forecast to be £(0.037)m underspent due to secondments, with running costs including the housing options contract £(0.016)m underspent.

#### **EGEI9 – Planning and Building Control – £0.018m (adverse)**

Projected income from planning fees is £(0.156)m higher than budgeted which is a trend continuing from last financial year. This is an adverse movement of £0.029m based on latest income forecasts. There is a projected shortfall in income from building control fees of £0.065m, which is also a continuation of difficult trading conditions and external competition. The service is reviewing its business plan to improve its financial position. Both fees are monitored regularly.

There is a projected overspend on staffing of £0.078m which reflects the appointment of interim staff to cover vacancies and address the resulting capacity issues. These posts contribute to the achievement of the additional planning income above and is £(0.019)m less than last reported. The permanent filling of vacant posts will be addressed by the on-going restructure of the combined Directorate. Running costs are £0.031m higher than budget, an adverse movement of £0.008m.

#### **EGEI10 – Traded Services (Catering and Cleaning)**

There is a net traded surplus forecast for the end of March 2016 of £(0.177)m. This is £(0.045)m higher than last reported based on latest trading figures. However, the service manages its costs and income over school terms and academic years rather than financial years and any surplus at the end of March is earmarked to continue the investment in the service. This is particularly to improve readiness for the new academic year in September 2016.

## TRAFFORD MBC

**Report to:** Transformation and Resources Directorate Management Team  
**Date:** 21 October 2015  
**Report for:** Discussion  
**Report author:** Finance Manager

Report Title

## Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015)

**1. Forecast Outturn for the Year**

- 1.1 The approved revenue budget for the year is £17.026m with a forecast outturn of £16.777m. This results in a projected underspend of £(0.249)m, which is £(0.138)m higher than last reported. The key variances and movements are shown in section 2 below and Appendix 1.
- 1.2 The forecast outturn for the Directorate reflects underspends of £(0.380)m on staffing, due to higher than expected vacancy levels, and £(0.075)m from cost control on levels of running expenses. Income is also forecast to be £(0.097)m higher than budgeted. These underspends are partially offset by a reduction in the planned level of savings of £0.303m.
- 1.3 The Directorate has brought forward balances of £(1.501)m from previous years (section 3). This will be utilised to support initiatives to reshape Trafford and deliver future efficiencies and income generation. The balance after known commitments and the forecast outturn is £(1.273)m.

**2. Summary of Variances**

- 2.1 The overall underspend of £(0.249)m reflects a number of individual under and overspends across the Directorate, with comments on the main variances from budget and movements from the last report shown below.

**Staffing**

- 2.2 Forecast staffing costs based on actual and projected vacancies are £(0.380)m less than budget across the Directorate. Vacancy levels are projected to be approximately 1.9% higher than assumed in the setting of the 2015/16 budget, and is a consequence of a delay in appointing to a number of vacancies on some service restructures. Vacancies are forecast on a post by post basis each month and the projected underspend has increased by £(0.026)m from the last report.

**Running Costs**

- 2.3 Overall running costs are forecast to be on target with the budget. This is a result of cost control across all services. The previously reported underspend has reduced from £(0.027)m to nil due to minor variations across the Directorate. In addition, a one-off saving is expected to be realised of £(0.075)m as a result of a settlement of a claim in relation to supplier performance in ICT where liability has been acknowledged.

## Savings

- 2.4 The projected £0.303m shortfall in savings relates to Library Service and ICT proposals for 2015/16 of £0.154m and £0.149m respectively. The ICT saving shortfall is £0.020m higher than last reported due to revised phasing of procurement projects. Further details are listed below in paragraph 4.

## Income

- 2.5 The £(0.097)m from additional external income is a net figure. This includes a £0.077m shortfall from CCTV services, which is £0.005m higher than projected last month. Work is on-going to redesign the CCTV service delivery model which will address the budget pressure, which has been continued from 2014/15, and will deliver sustainable benefits going forward.
- 2.6 Income relating to legal costs charged to capital schemes is also £0.022m less than budgeted. This is affected by external factors and levels of staff vacancies, and the aim is to mitigate the shortfall in line with budget for the remainder of the year.
- 2.7 There is a £0.050m shortfall in budgeted Council tax liability order income. This income reduces as council tax collection rates improve but is offset in the Council's separate Collection Fund account. It is proposed to realign this budget from 2016/17 through the Medium Term Financial Plan.
- 2.8 The income shortfalls are offset in the main by £(0.135)m of additional income from grants in the Revenues and Benefits Service. The Revenue and Benefits Service has had a number of grants awarded in-year and rolled forward from 2014/15 to support spending, leading to increased levels than budgeted at the start of the year. This is £(0.082)m higher than last reported based on latest forecasts of commitments against these grants for the current year.
- 2.9 Additional income is also included relating to events and advertising £(0.023)m and Human Resources traded activities £(0.038)m, which is £(0.036)m higher than last reported. Income across a number of other service areas is £(0.050)m above budget, including a one-off £(0.020)m in ICT rolled forward from 2014/15.

## 3. Reserves

- 3.1 At the end of 2014/15 the Directorate had a surplus of £(1.501)m in its reserve, which has been carried forward to 2015/16. This was a result of the successful management of the budget in previous years.
- 3.2 The remaining balance on the T&R Directorate Reserve after the forecast outturn for 2015/16, future known commitments and re-phasing of projects is £(1.273)m (table below). The T&R Reserve will be utilised on initiatives and project based activity in support of Reshaping Trafford and also to generate future savings and income generation. Commitments will be underpinned by business cases and will be reviewed each month as the financial year progresses.

<b>Utilisation of Carry forward Reserve 2015/16</b>	<b>(£000's)</b>
T&R Surplus balance brought forward at 1 April 2015	(1,501)
Commitments 2015/16	477
Period 6 forecast outturn (favourable)	(249)
<b>Balance after known commitments</b>	<b>(1,273)</b>

#### 4. Savings

- 4.1 The T&R budget for 2015/16 includes savings of £(2.848)m. This originally included £0.550m in respect of the libraries rationalisation but this figure was revised down by £0.050m when the outcome of the second phase of consultation was reported to Executive in March 2015. This reduction has been met from savings in the Treasury Management budget as a consequence of rephasing of the capital programme in 2014/15. The updated T&R savings target for 2015/16 is therefore £(2.798)m and actual savings of £(2.556)m are forecast to be achieved with £0.242m of savings re-phased and £0.061m requiring alternative solutions.

<b>Saving Description</b>	<b>Savings Shortfall (£000's)</b>
Libraries re-phased saving (a)	154
ICT re-phased procurement savings (b)	88
ICT savings not able to be realised (b)	61
<b>Total</b>	<b>303</b>

- 4.2 The shortfall in savings delivery is reflected in the forecast outturn and are summarised below:

- (a) Libraries – an overall £(0.500)m saving is included in the approved revenue budget. This includes both staffing and property cost reductions. Due to additional consultations and re-phasing of delivery plans, £(0.346)m is expected to be achieved in 2015/16. This gives a shortfall of £0.154m in-year, with the full year saving to be delivered in full during 2016/17.

The £0.154m shortfall relates to a delay in the closure of libraries (Bowfell, Davyhulme and Lostock, the redevelopment of Hale and Timperley Libraries) and changes to in-year delivery at Coppice as part of the consultation process. The shortfall is £(0.010)m lower than last reported due to revised forecasts of staffing costs.

Whilst the delay in implementing some library changes has impacted on savings overall there are significant benefits to the Council in terms of the final proposals agreed. With redevelopment of a number of sites to include residential dwellings which will attract new homes bonus, council tax and a capital receipt.

- (b) ICT savings of £(0.750)m are included in the approved budget. This includes staffing and contract procurement reductions. Savings of £(0.601)m are forecast to be achieved in 2015/16; a shortfall of £0.149m as follows:
- £0.088m relates to procurement processes which have taken longer than planned. This is £0.020m higher than last reported due to re-phasing of this work.
  - Savings of £0.061m will not be achieved following a further technical assessment of individual proposals. This relates mainly to the installation of new back up arrangements where realisation of the saving is now unlikely and alternative measures are being sought.

The primary mitigation to address these shortfalls is via a review of all ICT Third Party spend (c. £1.8m). Work has commenced with Procurement to review all contracts with the aim of aggregating the spend with fewer or single suppliers. At this stage Procurement are market testing to determine the market appetite to undertake what is essentially infrastructure and software support &

maintenance as a single supplier. SAP and AGMA contracts may be out of scope due to the nature of existing commercial arrangements and the current WAN (network) service is being retendered in October 2015.

- 4.3 The shortfall in savings against budget is forecast to be fully mitigated by in year net underspends from the management and monitoring of the whole Directorate budget (e.g. through vacancies, running costs, income generation).

## **5. Forecasting and Risk**

- 5.1 The key assumptions and areas of risk in the forecast outturn are:

- Court costs and Barrister fees are volatile, with the quantity of cases being determined in-year and the costs of the individual cases being highly variable.
- The approved budget and forecasts include assumptions around staff turnover and vacancies – this is approximately 3.5% of the staffing costs on average. The actual level and timing of vacancies is difficult to predict on a service by service basis but trends from recent years indicate overall underspend projections will increase as the year progresses.
- External income can relate to external factors which are difficult to predict, such as customer behaviour, and can also be affected by unexpected changes in levels of staff vacancies.

## **6. Recommendations**

- 6.1 It is recommended that the forecast outturn be noted.

**Period 6 Forecast Outturn revenue expenditure and income variances.**

The following tables detail the main variances from the revenue budget to the forecast outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Transformation and Resources Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P6 Forecast Outturn (£000's)</b>	<b>P6 Forecast Variance (£000's)</b>	<b>P5 Forecast Variance (£000's)</b>	<b>Period Movement (£000's)</b>
Legal and Democratic Services	2,555	2,466	(89)	(51)	(38)
Access Trafford	2,534	2,642	108	95	13
ICT Services	2,040	2,077	37	31	6
Communications	232	158	(74)	(74)	0
Finance Services	4,433	4,258	(175)	(122)	(53)
Partnerships and Communities	1,536	1,611	75	91	(16)
Culture and Sport	1,162	1,167	5	4	1
Human Resources	1,980	1,844	(136)	(85)	(51)
Executive	361	361	0	0	0
Transformation	193	193	0	0	0
<b>Total Forecast Outturn Period 6</b>	<b>17,026</b>	<b>16,777</b>	<b>(249)</b>	<b>(111)</b>	<b>(138)</b>

<b>Transformation and Resources Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn Variance (£000's)</b>	<b>P5 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>
<b>Legal and Democratic Services</b>			
Staff vacancies net of agency costs	(100)	(86)	(14)
Other running costs	14	14	0
Fee income from capital schemes - shortfall	22	22	0
Income shortfall – land charges	0	9	(9)
Additional income – StaR Procurement	(4)	(4)	0
Other income	(21)	(6)	(15)
<b>Sub-total</b>	<b>(89)</b>	<b>(51)</b>	<b>(38)</b>
<b>Access Trafford</b>			
Re-phased Library savings	154	154	0
Staff vacancies – contact centre	(46)	(59)	13
<b>Sub-total</b>	<b>108</b>	<b>95</b>	<b>13</b>
<b>ICT Services</b>			
Re-phased savings – contact procurement	88	68	20
Other savings shortfall	61	61	0
Staff vacancies	(25)	(19)	(6)
One-off contract refund	(75)	(75)	0
Other running costs	8	(4)	12
Income (one-off)	(20)	0	(20)
<b>Sub-total</b>	<b>37</b>	<b>31</b>	<b>6</b>
<b>Communications</b>			
Staffing and running costs	(51)	(51)	0
Events and advertising income	(23)	(23)	0
<b>Sub-total</b>	<b>(74)</b>	<b>(74)</b>	<b>0</b>
<b>Finance Services</b>			
Staff vacancies	(118)	(133)	15
Other running costs	28	14	14
Government Grants – Revenue and Benefits	(135)	(53)	(82)
Council tax liability order income - shortfall	50	50	0
<b>Sub-total</b>	<b>(175)</b>	<b>(122)</b>	<b>(53)</b>
<b>Partnerships and Communities</b>			
CCTV income shortfall	77	72	5
Staff costs	7	26	(19)
Running costs	1	0	1
Other income	(10)	(7)	(3)
<b>Sub-total</b>	<b>75</b>	<b>91</b>	<b>(16)</b>

<b>Transformation and Resources Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn Variance (£000's)</b>	<b>P5 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>
<b>Culture and Support</b>			
Minor income shortfall	5	4	1
<b>Sub-total</b>	<b>5</b>	<b>4</b>	<b>1</b>
<b>Human Resources</b>			
Staff vacancies	(98)	(83)	(15)
External agency income above target	(38)	(2)	(36)
<b>Sub-total</b>	<b>(136)</b>	<b>(85)</b>	<b>(51)</b>
<b>Total Forecast Outturn T&amp;R Period 6</b>	<b>(249)</b>	<b>(111)</b>	<b>(138)</b>

#### Summary Variance Analysis Period 6

<b>All Services</b>	<b>Savings £000</b>	<b>Staff £000</b>	<b>Running Costs £000</b>	<b>Income £000</b>	<b>Total Variance £000</b>
<b>Period 5</b>	283	(354)	(102)	62	(111)
<b>Period 6</b>	303	(380)	(75)	(97)	(249)
<b>Period Movement</b>	<b>20</b>	<b>(26)</b>	<b>27</b>	<b>(159)</b>	<b>(138)</b>

**TRAFFORD COUNCIL**

**Report to:** Director of Finance  
**Date:** 21 October 2015  
**Report for:** Information  
**Report author:** Interim Head of Financial Management

**Report Title**

**Revenue Budget Monitoring 2015/16 – Period 6 Outturn - Council-wide Budgets  
(April 2015 to September 2015 inclusive)**

**1 Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £23.742m. The outturn forecast is £22.866m, which is £(0.876)m under the budget, a favourable movement of £(0.071)m since the last report.
- 1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;
- Treasury Management: £(0.648)m relating to Manchester Airport Group (MAG) dividend received above budget, £(0.117)m increased investment interest from favourable cash flows, an improvement of £(0.083)m since last month, and a reduction in loan interest payable of £(0.011)m.
  - Business Rates - favourable impact on the Council-wide budget, £(0.121)m, a favourable movement of £(0.103)m since the last report (see paragraphs 13 to 14 of the covering report);
  - Housing and Council Tax Benefits overpayment recovery net variance of £(0.007)m, an adverse movement of £0.115m since last month;
  - Members expenses – full year effect of the savings as a result of changes to the Members Allowances Scheme in September 2014, £(0.036)m and the new Government pension regulations which came into effect on 1 April 2014, £(0.014)m;
  - Coroners and Mortuary fees are higher than previously anticipated due mainly to higher numbers of inquests, £0.079m, partly offset by the full use of the earmarked reserve of £(0.037)m;
  - Costs of the 2016/17 Budget Consultation exercise are estimated at £0.050m;
  - The 2015/16 saving for the Old Car Lease scheme will be overachieved, £(0.030)m
  - Other minor variances of £0.016m.

## 2 Service carry-forward reserve

- 2.1 Council-wide budgets do not have their own carry forward reserve, and the above underspend will be transferred to the General Reserve, as detailed in the summary report.

## 3 Savings

- 3.1 The Council-wide budget for 2015/16 originally included savings of £(0.310)m. This figure was increased by £(0.050)m to counter balance the shortfall in library savings (as approved by the Executive in March 2016). The updated Council-wide savings target for 2015/16 is therefore £(0.360)m and actual savings of £(0.390)m are shown below;

	<b>2015/16 Revised Savings Target £000's</b>	<b>Forecast Saving £000's</b>	<b>Variance £000's</b>
<b>Council-wide Base Budget Savings 2015/16</b>			
Old Car Lease Scheme	(68)	(98)	(30)
Discretionary Rate Relief to Collection Fund	(152)	(152)	-
Member's Allowances budget	(35)	(35)	-
External Audit Savings	(55)	(55)	-
Treasury Management savings *	(50)	(50)	-
<b>Total</b>	<b>(360)</b>	<b>(390)</b>	<b>(30)</b>

\* This additional target has already been met from savings in the Treasury Management budget as a consequence of rephasing of the capital programme in 2014/15.

## 4 Forecasting and Risk

- 4.1 This forecast has been based on six months of actual activity. The activity covered by Council-wide budgets is varied, and the key assumptions in the September forecast are:
- Average investment rates will be 0.7% with a cash flow of £89m.
  - £5m of funds were invested on 29 September 2015 for a minimum period of 5yrs in the Church Commissioners Local Authority Property fund which is forecasted to generate annual returns of between 4% to 5%.
  - There will be no further Airport dividend.
  - The £20m Royal Bank of Scotland variable loan will be 7.0%. There is a smoothing reserve to mitigate large variations from this assumption.
  - Contingency budgets for doubtful debts and the costs of re-organisation following the implementation of budget and other savings will be sufficient.

There is a contingency reserve for re-organisation costs should budgets prove insufficient.

- Council error in the award of housing benefit will be within threshold limits, and recovery of benefit overpayments will continue at previous activity levels.
- The in-year increase for the provision for bad and doubtful debts will be in line with budget.

4.2 The original budget for 2015/16 included a one off allowance of £0.700m as a general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. The budget will be released during the year, with the approval of the Director of Finance, to alleviate any unforeseen slippage. The original budget was held within Council-wide and for the purposes of budget monitoring has been assumed to be fully committed. However to date, £0.085m has been released to cover budget pressures regarding Market Management and £0.055m for Gorse Hill Studios, leaving an unallocated balance of £0.560m.

### Period 6 Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
<b>Finance Portfolio</b>						
Precepts, Levies & Subscriptions	17,720	17,761	41	41		C-W5
Provisions (bad debts & pensions)	2,480	2,500	20	20		C-W6
Treasury Management	7,869	7,093	(776)	(693)	(83)	C-W1
Insurance	875	875	0	0		
Members Expenses	904	854	(50)	(50)		C-W2
Grants	(6,645)	(6,640)	5	5		
Business Rates	350	229	(121)	(18)	(103)	C-W3
Other Centrally held budgets	189	194	5	(110)	115	C-W4
<b>Total</b>	<b>23,742</b>	<b>22,866</b>	<b>(876)</b>	<b>(805)</b>	<b>(71)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P6 Outturn variance (£000's)</b>	<b>P5 Outturn variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
Treasury Management:				
- MAG Dividend	(648)	(648)		C-W1
- Investment Income	(117)	(34)	(83)	C-W1
- Debt Management	(11)	(11)		C-W1
Members Allowances	(50)	(50)		C-W2
Business Rates	(121)	(18)	(103)	C-W3
Housing & Council Tax benefits	(7)	(122)	115	C-W4
Council Tax compensation grant	5	5		
Payment Card Industry (PCI) compliance	2	2		C-W4
VAT claims - legal fees	10	10		C-W4
Flood Defence levy	(8)	(8)		C-W5
Subscriptions	7	7		C-W5
Coroners & Mortuary fees	42	42		C-W5
Budget Consultation	50	50		C-W6
Old Car Leasing Scheme saving	(30)	(30)		C-W6
<b>Total</b>	<b>(876)</b>	<b>(805)</b>	<b>(71)</b>	

## NOTES ON PROJECTED VARIANCES

### **C-W1 – Treasury Management - £(0.776)m (favourable), £(0.083)m favourable movement**

#### **Investments – £(0.765)m**

This additional income has been created as a result of:

- the dividend received from Manchester Airport Group (MAG) of £(2.0)m, which is £(0.648)m above budget;
- a favourable increase in cash flow, generating £(0.034)m of additional investment income, primarily due to capital programme rephasing and grant monies received ahead of schedule;
- £5m of funds were invested on 29 September 2015 for a minimum period of 5yrs in the Church Commissioners Local Authority Property fund which is forecasted to generate annual returns of between 4% and 5%, equivalent to additional investment income above budget of £(0.083)m.

#### **Debt – £(0.011)m**

Lower than anticipated loan interest payable £(0.011)m.

### **C-W2 – Members Expenses - £(0.050)m (favourable), £nil movement**

Changes to the Members Allowances Scheme were approved at the Council meeting on 17 September 2014 following a report from the Independent Remuneration Panel (IRP). The changes have generated annual savings of approximately £(0.036)m.

Government legislation, effective from 1 April 2014, has removed the access to a Local Government Pension Scheme for Councillors. This is on a phased basis and will be applied to those Councillors re-elected in the May local elections over 3 years. The budget saving in 2015/16 will be £(0.014)m.

### **C-W3 – Business Rates - £(0.121)m (favourable), £(0.103)m favourable movement**

See notes and table in paragraphs 13 to 14 in the covering report.

### **C-W4 – Other Centrally held budgets - £0.005m (adverse), £0.115m adverse movement**

- **Housing & Council Tax Benefits - £(0.007)m**  
The Council Tax Benefit Scheme ceased in 2013 and was replaced by the Council Tax Support Scheme. Any recovery of overpaid Council Tax Benefit from previous years is retained by the Council and the outturn for 2015/16 is £(0.022)m. The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off.

There is a net variance of £0.015m within the Housing Benefit budget, as a consequence of a reduction in the net amount of Housing Benefit being paid out. This is an adverse movement of £0.122m since the last period. The Council has increased its activities relating to identifying fraudulent Housing

Benefit applications and as a consequence has identified a larger number of cases where claimants have understated their earnings. Too much housing benefit has been paid and this has subsequently resulted in a loss of subsidy to the Council. Steps are currently being taken to recover these overpayments, however projections of amounts being recouped are not updated until there is evidence to support actual cash being received.

- **Other minor variances £0.012m.**

#### **C-W5 – Precepts, Levies & Subscriptions - £0.041m (adverse), £nil movement**

- **Coroners & Mortuary fees - £0.042m**

The cost of the Coroners service, which is shared between Stockport, Trafford and Tameside Councils, has increased significantly due to the following factors:

- Increasing volume of inquests, resulting in the need for an additional court and hence an increase in associated costs;
- Deprivation of Liberty status (DOLS) is placing a further demand on the number of inquests. All DOLS cases deaths require an inquest;
- Pressures from increasing costs of toxicology and transport;
- Extra demands placed on the service from disclosure of information requests.

The additional costs for Trafford in 2015/16 are £0.079m and have been partly offset by the use of the earmarked reserve of £(0.037)m, which was specifically set up for such an eventuality. Also, the impact of these additional costs in the future have been included in the Medium Term Financial Plan.

- **Other minor variances £(0.001)m.**

#### **C-W6 – Provisions - £0.020m (adverse), £nil movement**

- 2016/17 Budget Consultation – the estimated costs of employing an independent company to oversee the budget consultation process, £0.050m;
- The 2015/16 saving from the Old Car Lease scheme will be overachieved due to employees leaving the scheme earlier than anticipated, £(0.030)m.

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## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 16 November 2015  
**Report for:** Decision  
**Report of:** The Executive Member for Finance and  
the Director of Finance

### Report Title

**CAPITAL INVESTMENT PROGRAMME MONITORING 2015/16**  
**2<sup>nd</sup> Quarter (April – September)**

### Summary

This report summarises the budget position for the period to 30 September 2015. The salient features are:

- The updated 2015/16 budget approved in July 2015 was £44.3m. Taking into account minor amendments in the second quarter the programme remains at £44.3m.
- Capital expenditure to date is £13.5m, being 31% of the budget with an outturn projection for 2015/16 of £40.6m.  
(see Appendix 2 for detail by service area).

### Recommendation(s)

1. That the amendments to the 2015/16 Capital Investment Programme be approved.
2. That the monitoring report be noted.

Contact person for access to background papers and further information:

Name: Mark Hughes  
Extension: 2072

## Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure to be contained within available resources in 2015/16.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	A number of improvement schemes are being undertaken in 2015/16.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes are being undertaken in 2015/16 on the grounds of health and safety.

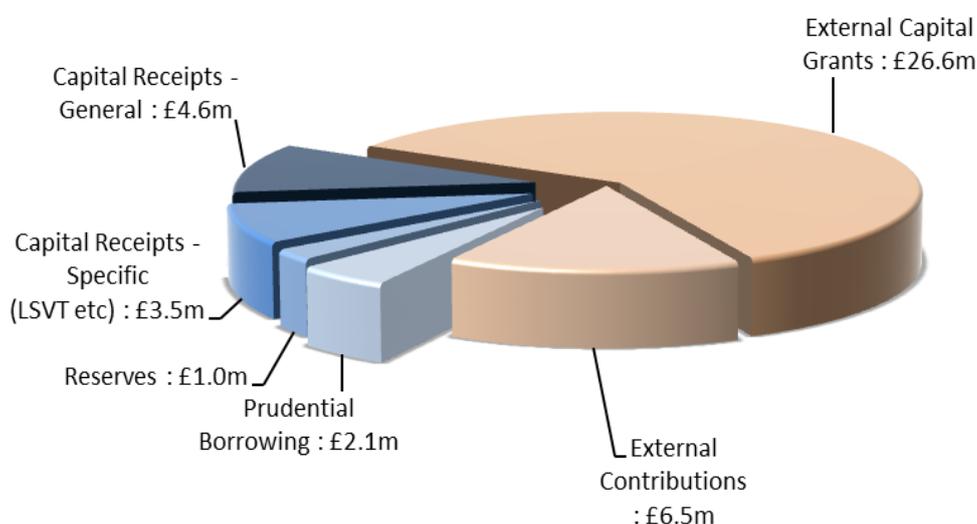
## 1. Capital Investment Programme Update

- 1.1 This report summarises the current position and progress of the 2015/16 Capital Investment Programme and its' financing as at 30 September 2015. It takes into account both financial and scheme progress monitoring undertaken with service area project officers.
- 1.2 Capital expenditure in 2015/16 is currently estimated at £44.3m which is the same as the budget estimate agreed in the Q1 Monitor Report in July 2015.
- 1.3 The TfGM funded City Cycle Ambition initiative is now close to completion and the final costs are lower than originally budgeted. As a result of this reduced requirement the level grant support has been reduced by £149k.
- 1.4 In partnership with the Trafford Clinical Commissioning Group (CCG) the Council has agreed to develop Davyhulme Library into a Doctor's Surgery, which the CCG will then lease. The CCG has agreed to fund the refurbishment, which is estimated to cost £300k. To date £70k of this funding has been confirmed. A budget to this value has been added to the Capital Programme and will be increased, up to £300k, as the CCG confirms the funding.
- 1.5 Two grant awards have been received to support additional investment in Sustainability and Greenspace projects:
  - Longford Park, Stretford - £10k: A grant from Trafford Housing Trust to support the continued development of the park.
  - Countryside Infrastructure - £20k: A Land Fill Tax grant has been awarded to support improvements to the Trans Pennine Trail at the Lesley Road area of Stretford.

## 2 Resourcing

- 2.1 The chart below shows the types and levels of resource available to finance the Capital Investment Programme. Internal funding of £11.2m equates to 25% of the total funding requirement, whilst external funding makes up the balance of £33.1m with 80% of this being government grants (£26.6m).

## Capital Programme 2015-16 (£44.3m) Financing by Resource Type



- 2.2 The current estimate of capital receipts has been updated to reflect the latest information from the Land Sales Programme (LSP). The table below shows the current value of estimated capital receipts available to support the capital budget has increased by £0.2m compared to the position reported in the Q1 Monitor Report as a result of a new site being added to the programme. Therefore the overall position remains the same as a surplus of £2.8m.

Impact on 2015/17 Capital Investment Programme	2015/16 £m	2016/17 £m	Total £m
<b>Resources available :</b>			
Gross Value of LSP	(2.8)	(6.5)	(9.3)
Receipts carried forward from earlier years incl LSVT VAT receipts	(11.1)		(11.1)
Other specific receipts	(0.3)		(0.3)
Less:-			
Disposal costs	0.2	0.2	0.4
Voluntary repayment of debt (re Long Term Accommodation)	1.4		1.4
Receipts required to be set aside in lieu of Sale Waterside Private Finance Initiative Minimum Revenue Provision	0.2	0.2	0.4
<b>Net Value of LSP</b>	<b>(12.4)</b>	<b>(6.1)</b>	<b>(18.5)</b>
Capital Programme requirement	8.1	7.6	15.7
<b>Current (Surplus)/Deficit at Q2</b>	<b>(4.3)</b>	<b>3.5</b>	<b>(2.8)</b>

- 2.3 It is not intended to commit these available capital receipts to further capital investment at this stage. The Council is awaiting the outcome of the Comprehensive Spending Review as the capital receipts may be required to help support the revenue budget indirectly, such as repaying debt or meeting staff severance costs which would otherwise fall on constrained revenue resources.

### 3. Actual Expenditure – 2<sup>nd</sup> Quarter (April – September)

- 3.1 There are 259 schemes currently allocated in the capital investment programme. All schemes have been reviewed with project officers for both physical and financial progress. The review provides a robust plan for schemes and projections of expenditure in the year.
- 3.2 Actual expenditure for the second quarter of the financial year is £13.5m and a service area breakdown is shown below along with a budget profiled against the expected start on completion dates of projects. Further service area details are shown in Appendix 2.

Capital Investment Programme : Expenditure at Quarter 2 2015/16	Q2 Spend £m	Profiled Budget £m	Proportion of budget
<b>Portfolio Analysis :</b>			
Adult Social Services & Community Wellbeing	1.0	1.6	62.5%
Children's Services	7.8	9.5	82.1%
Communities & Partnerships	-	0.1	-
Economic Growth & Planning	1.3	1.4	92.9%
Environment & Operations	2.7	3.7	73.0%
Transformation & Resources	0.7	0.7	100.0%
<b>Total</b>	<b>13.5</b>	<b>17.0</b>	<b>79.4%</b>
<b>Service Analysis :</b>			
Children, Families & Wellbeing	8.8	11.1	79.3%
Economic Growth, Environment & Infrastructure	4.0	5.2	76.9%
Transformation & Resources	0.7	0.7	100.0%
<b>Total</b>	<b>13.5</b>	<b>17.0</b>	<b>79.4%</b>

- 3.3 Expenditure incurred to date amounts to £13.5m, the main areas of spend are:
- **£7.8m** on a number of ongoing schools schemes which will provide additional school places and address condition issues through rewire, boiler, roof and kitchen ventilation works.
  - **£1.0m** on range of Adult Social Care schemes including Disabled Facilities Grants, Assistive Technology and the extension of Liquid Logic ICT system.
  - **£2.5m** from a budget of £11.2m for a range of highways & transport schemes, that have now been approved and preliminary work started.
  - **£1.0m** on the development of town centres across the borough, including design works for major redevelopment of Altrincham and Stretford and the completion of improvements to the pedestrian areas of Sale.
  - **£0.5m** on the new Customer Relationship Management ICT system.
- 3.4 An assessment has been undertaken of the likely projected outturn expenditure. This is now forecast to be £40.6m as a result of the following:
- **CFW** – £0.9m across schools and social care services includes:
    - £0.4m of schools capital maintenance budget has yet to be allocated and whilst there are schemes which could utilise this, due to the requirement to programme works in line with school holidays it is not expected be spent in 2015/16.

- £0.5m of Social Care Grant has not yet been allocated to specific projects in 2015/16.
- **EGEI** – £1.9m of projects are not expected to start in 2015/16 as originally programmed, these include:
  - Corporate Landlord Budgets (£0.5m) – The Community Asset Transfer budget is yet to be allocated and whilst negotiations are on-going with community groups, these can be protracted. However, there will be commitments on the leisure portfolio in respect of capital repairs to buildings.
  - LED Replacement Programme (£0.9m) – Work to replace the LED luminaires, to be undertaken by Amey, is not now expected to start until April 2016, but will be complete as expected, in mid-2017/18.
  - Additional Burial Land (£0.4m) – Agreement has been reached on the purchase of the land. However planning permissions have to be granted for the infrastructure works which are not now expected to be undertaken in 2015/16.
- **T&R** – £0.9m across a number of ICT includes:
  - £0.6m of the CRM Replacement Project budget where the continuing consultation and scoping with the appointed contractor has provided a more accurate profile of the budget.
  - £0.3m on five further projects which were originally planned for delivery in 205/16 are not now expected to start until 2016/17.

**Other Options**

Not applicable. Decisions about any review of the Capital Investment Programme will be taken in February 2016.

**Consultation**

Not applicable.

**Reasons for Recommendation**

Additional grants have been received by the Council and the projects upon which these monies will be spent need to be formally adopted into the Capital Investment Programme.

**Finance Officer Clearance**                    *(type in initials).....ID.....*

**Legal Officer Clearance**                    *(type in initials).....JF.....*

**Director of Finance** *Signature appended in hard copy*

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

<b>Capital Investment Programme 2015/16 : Budget changes during Quarter 2</b>			<b>Budget 2015/16 £'000</b>	<b>Budget 2015/16 £'000</b>
<b><i>Budget reported at Quarter 1</i></b>				<b>44,290</b>
<b><i>Amendments during Quarter 2</i></b>				
<b>New Schemes &amp; Increases</b>		Financed :		
Parks Infrastructure – Longford Park, Stretford		THT grant	10	
Countryside Infrastructure – Trans Pennine Trail		Land Fill Tax	20	
Davyhulme Library : Conversion to doctors surgery		NHS	70	100
<b>Reductions to Schemes (see para.1.3)</b>				
City Cycle Ambition Grant		TfGM		(149)
<b>Reprofiling – budget accelerated from 2016/17</b>				
Schools Maintenance – Broadheath PS			25	25
<b>Budget at 30 September 2015</b>				<b>44,266</b>

## Children, Families &amp; Wellbeing

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>21.6</b>	<b>11.1</b>		
Schools				
Primary Schools	10.5	6.2	5.0	80.6%
Secondary Schools	0.7	0.2	0.1	50.0%
Special Schools	5.7	2.8	2.5	89.3%
Other Schemes	0.6	0.3	0.2	66.7%
Children & Adult Social Care	4.1	1.6	1.0	62.5%
<b>Total</b>	<b>21.6</b>	<b>11.1</b>	<b>8.8</b>	<b>79.3%</b>

**Schools** – The major schemes within this area include:

- **Schools Basic Need Grant:** The 2015/16 budgets for these projects total £14.0m. Included in this are four major projects:
  - Brentwood School - £5.5m
  - Bowdon CoE Primary School - £3.5m
  - Oldfield Brow Primary School - £2.8m
  - Willows Primary School - £0.9m

The scheme at Willows Primary School is now complete, Bowdon CoE Primary School is due to complete in December whilst the others are on site and project officers are confident that the budgets will fully utilised in the year.
- **Capital Maintenance Grant:** A budget of £2.2m is programmed for 2015/16 across 25 new schemes and retentions on 10 schemes undertaken in 2014/15. The works cover a range of condition issues, including rewires, boilers, roofs and kitchen ventilation. 19 of the schemes have been completed over the school summer holidays with the balance due to complete over the October half-term holidays.

**Children and Adult Social Care** – The major schemes included in the report are:

- Disabled Facilities Grants : £1.9m - £0.3m has been incurred to date continuing the provision of grant to support adaptations which allow people to remain independent in their own homes.
- Replacement ICT System for Social Care : £0.7m – The new project to allow for integration of children social care requirements has begun, expenditure of £0.2m has been incurred in line with expectations.
- Telecare & Assistive Technology : £0.4m - £0.3m has been incurred on the continuing provision of equipment to support older people in their own homes.
- Personal Social Services Grant : £0.8m - £0.5m of this has yet to be allocated and is not expected to be utilised in 2015/16.

## Economic Growth, Environment & Infrastructure

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>19.8</b>	<b>5.2</b>		
<b>Corporate Landlord</b>				
Mechanical & Electrical	0.3	-	-	-
Health & Safety (inc DDA)	0.4	0.1	0.1	100.0%
Public Building Repairs	1.7	0.1	0.1	100.0%
Long Term Accommodation	0.1	0.1	0.1	100.0%
<b>Regeneration &amp; Strategic Planning</b>	3.8	1.1	1.0	90.9%
<b>Housing Services</b>	0.1	-	-	-
<b>Highways</b>				
Traffic & Transport	6.4	1.7	0.4	23.5%
Highway Maintenance	4.6	1.7	2.0	117.6%
Bridges	0.3	0.1	0.1	100.0%
<b>Bereavement Services</b>	0.8	0.1	-	-
<b>Sustainability &amp; Greenspace</b>	1.0	0.2	0.2	100.0%
<b>Public Protection</b>	0.3	-	-	-
<b>Total</b>	<b>19.8</b>	<b>5.2</b>	<b>4.0</b>	<b>76.9%</b>

The major schemes within this Service Area are:

- **Corporate Landlord Works: £2.5m** – A range of works are due to be undertaken to protect the Council’s assets in year. The Corporate Landlord Group has agreed a number of schemes covering M&E, DDA and Public Building Repairs work which are to be undertaken as part of the Joint Venture with Amey. *As yet a detailed programme of milestone dates is yet to be received and the £0.5m budget for community asset transfer works has not yet been committed. It is anticipated that there will be little investment in the year. However, there will be commitments on the leisure portfolio in respect of capital repairs to buildings.*
- **Town Centre Regeneration: £3.8m** – Work to bring town centres back to life and to encourage business opportunities. The first phase of the development of Altrincham completed in September whilst Stretford town centre work is at the design & consultation stage and works will commence once all external funding has been secured.
- **Highways Related Schemes : £11.4m** – This area includes :
  - *Highways Structural Maintenance (inc bridges)* – 32 schemes with a budget of £2.2m. A programme of works to be undertaken as part of the Joint Venture has been agreed with the majority of projects starting in the second half of the year. All are expected to complete in 2015/16
  - *Integrated Transport Programme* – 26 schemes with a budget of £0.7m. Progress in line with Highways Structural Maintenance above.

- *Street Lighting and LED Replacement Programme - £1.2m.* As part of the Joint Venture the LED Replacement Programme is now not expected to commence until April 2016.
- *Major Projects - £6.9m* - Includes Trafford's contribution to the extension of the Metrolink and Altrincham Interchange improvements which are programmed to fall due towards the end of the year. Whilst the TfGM funded schemes on the Bridgewater Way, Cycling Initiatives and Better Bus Routes are now practically complete.
- The second phase of the TfGM funded City Cycle Ambition initiative has now been approved with Trafford receiving grant totalling £1.8m. Three projects will commence in 2015/16 with a budget of £0.4m.

There is a need to address problems caused by large highway forest trees. Restrictions for pedestrians and damage to the footway, surface kerb line and the channel have been identified at a number of sites across the borough. Approximately £60k is needed to address these issues and savings have been identified from within existing highways budgets to cover these costs.

- **Sustainability & Greenspace: £1.0m** – Schemes for the improvement and provision of open spaces, parks and play areas including the upgrade of equipment and the improvement of paths and lighting. Following the additional of £0.3m of S.106 funded projects included in the last report schemes are progressing through the design and consultation stages with the expectation that all will be complete in year.
- **Bereavement Services - £0.8m**
  - *Additional Burial Land - £0.4m:* Agreement has been reached for the purchase of additional burial land in Altrincham and is expected to complete this year, due to planning permissions the associated infrastructure works are programmed for 2016/17.
  - *Altrincham Crematorium cremators - £0.5m:* The scheme has commenced and the first cremator has been installed. Work to replace the second cremator is due to start and is expected to complete in year.

## Transformation & Resources

Capital Investment Programme 2015/16	Budget 2015/16 £m	Q2 Profiled Budget £m	Q2 Expend 2015/16 £m	Proportion of budget
<b>Quarter 2 Budget</b>	<b>2.9</b>	<b>0.7</b>		
Performance & Improvement	0.3	-	-	-
Information Technology	2.6	0.7	0.7	100.0%
<b>Total</b>	<b>2.9</b>	<b>0.7</b>	<b>0.7</b>	<b>100.0%</b>

The majority of the budget within this Service Area relates to ICT schemes

The major schemes programmed for 2015/16 include:

- **CRM Replacement/ Upgrade: £1.8m** – The implementation programme for the project has now been finalised and consultation and scoping continue with Civica. As a result a more accurate profile of spend has been achieved with an expectation that £0.6m of the year's budget will be incurred in 2016/17.
- **Other ICT Projects: £0.8m** – A review of each of the 15 projects has been undertaken and as a result it is expected *5 will not be able to be delivered in the year and are planned for 2016/17. These are :*
  - *Proactive Server Monitoring - £36k*
  - *ICT provision for Members - £32k*
  - *ICT System Disaster Recovery - £102k*
  - *ICT - SAP SRM Upgrade - £40k*
  - *ICT - VMware ESX Memory Capacity Upgrade - £25k*

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 16 November 2015  
**Report for:** Information  
**Report of:** Executive Member for Transformation and Resources

### Report Title

Annual Delivery Plan 2015/16 (Second Quarter) Performance Report

### Summary

The attached draft report provides a summary of performance against the Council's Annual Delivery Plan, 2015/16. The report covers the period 1 June 2015 to 30 September 2015.

### Recommendations

That the report be noted.

Contact person for access to background papers and further information:

Name: Peter Forrester  
Extension: 1815

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The Annual Delivery Plan 2015/16 Quarter 2 Performance report summarises the Council's performance in relation to the Council's Corporate Priorities.
Financial	Not Applicable
Legal Implications:	None
Equality/Diversity Implications	None
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None
Risk Management Implications	None
Health and Safety Implications	Not applicable

## 1.0 Background

- 1.1 The report provides a summary of performance against the Council's Annual Delivery Plan 2015/16 and supporting management information, for the period 1<sup>st</sup> June to 30<sup>th</sup> September 2015.
- 1.2 This covers the Council's six Corporate Priorities:
  - Low Council Tax and Value For Money
  - Economic Growth and Development
  - Safe Place to Live – Fighting Crime
  - Services Focused on the Most Vulnerable People
  - Excellence in Education
  - Reshaping Trafford Council

## 2.0 Performance Update

- 2.1 The ADP has 41 indicators. To date, 32 of these have been reported in the second quarter and a further 9 are annual indicators that will have no result until later in the year.
- 2.2 There are 20 Green indicators (on target), 8 Amber and 4 Red. 14 have improved since last period, 7 have stayed the same and 10 have worsened since last period and one indicator has no direction of travel. One green indicator is currently an estimate.
- 2.3 The following indicators are rated as green (on target):
  - Reduce the level of sickness absence (Council wide excluding schools).
  - The percentage of Council Tax collected.
  - Take –up of Benefits online.
  - Number of third sector organisations receiving support.
  - Percentage of Trafford Residents in Employment.
  - Major planning applications processed on time.
  - The number of housing units for full planning consent granted.
  - 2015/16 Highway Maintenance Capital Programme.
  - The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).
  - Average achievement of Customer Care PIs (AMEY).
  - A reduction in repeat in the number of repeat victims within the super-victim cohort.
  - Community confidence in partnership working has improved in Urmston and Altrincham.
  - Indicators relating to the reduction in the number of incidents for vulnerable young people.
  - Trafford's position in relation to crime in Greater Manchester.
  - Trafford pupils educated in a Good or Outstanding school.
  - Low level of NEET 16-18 year olds.
  - Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)
  - Increase in retained Business Rate income to support 2015/16 Budget
  - Procurement savings target

2.4 The following are below target and exception reports have been produced:

- The ground floor vacancy rate
- The percentage of business rates collected
- The number of housing units started on site
- Percentage of household waste arisings which have been sent by the Council for recycling/composting
- The number of housing completions per year (gross)
- The percentage of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check
- Children in Care Long Term Placement Stability
- Percentage of Highway safety inspections carried out in full compliance with the agreed programme
- Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)
- Increase community confidence in partnership working within our town centres by 5% (Stretford and Sale)
- Delivery of efficiency and other savings and maximise income opportunities

**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.

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# TRAFFORD COUNCIL

**ANNUAL DELIVERY PLAN 2015/16  
Quarter 2  
Performance Report (DRAFT)**

## 1. Purpose and scope of the report

The report provides a summary of performance against the Council's Annual Delivery Plan (ADP) 2015/16 and supporting management information for the period 1<sup>st</sup> July to 30<sup>th</sup> Sept 2015 (Quarter 2).

This covers the Council's six Corporate Priorities

- Low Council Tax and Value For Money
- Economic Growth and Infrastructure
- Safe Place to Live – Fighting Crime
- Health and Wellbeing
- Supporting Young People
- Reshaping Trafford Council

Quarterly data and direction of travel is provided, where data is available.

All measures have a Red/Amber/Green assessment of current performance. This is based on actual data or a management assessment of expected Quarter 2 performance (Section 4). The dashboard dials provides a clear picture of where current performance is relative to the RAG rating and more information is provided on subsequent pages.

For Corporate Priority indicators, where actual or expected performance is red or Amber an Exception Report is included in the commentary (Section 5) .

## 2. Performance Key

<b>G Performance meets or exceeds the target</b>	<b>↑</b>	<b>Performance has improved compared with the previous period</b>
<b>A Performance is within the agreed % of the target</b>	<b>↔</b>	<b>Performance is the same compared with the previous period</b>
<b>R Performance is more than the agreed % of the target</b>	<b>↓</b>	<b>Performance has worsened compared with the previous period</b>

Where data is shaded, this indicates an estimated result and an assessment of performance by the Strategic Lead.



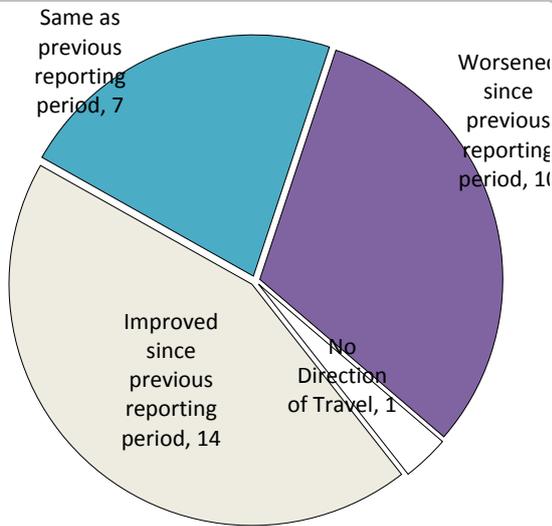
### 3. Performance Results

#### 3.1 Performance Summary

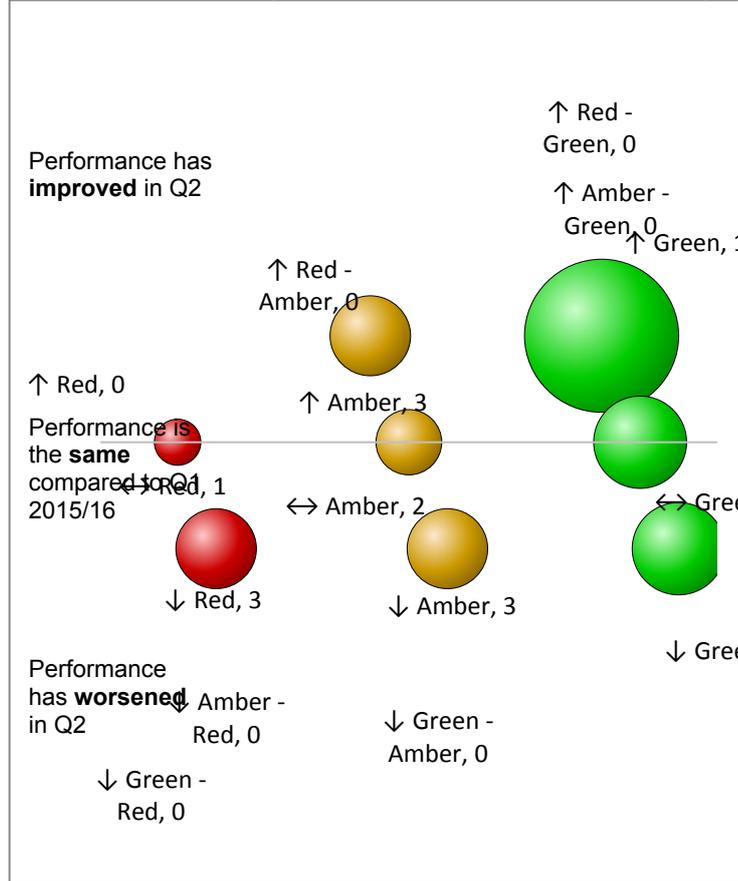
#### Performance Indicator RAG Status by Corporate Priority

	All Indicators	G, 19	G(est), 1	A, 8	R, 4	Annual, 9
ADP Theme	Low Council Tax and Value for Money	G, 5		A, 3		
	Economic Growth and Infrastructure	G, 6		A, 3	R, 1	Annual, 3
	Safe Place to Live - Fighting Crime	G, 5		R, 2		Annual, 2
	Health and Wellbeing	G(est), 1		A, 2	R, 1	
	Supporting Young People	G, 2		Annual, 3		
	Reshaping Trafford Council	G, 1		Annual, 1		

#### Direction of Travel of all Performance Indicators



#### Direction of Travel and RAG status (Position in relation to central line indicates direction of travel in Q2; size of bubble represents the number of indicators)



The ADP has 41 indicators. To date, 32 of these indicators have been reported in the second quarter and a further 9 are annual targets which will have no results until later in the year.

There are 20 Green indicators (on target), 8 Amber and 4 Red. 14 have improved since last period, 7 have stayed the same and 10 have worsened since last period. 1 indicator has no direction of travel.

### 3.2 Performance Exceptions

The following indicators have a RED performance status at the end of second quarter.				Report Attached Y/N?
Corporate Priority	REF	DEFINITION	DOT Q1	
ECONOMIC GROWTH AND INFRASTRUCTURE	NEW	The number of housing units started on site	↓	Y
SAFE PLACE TO LIVE – FIGHTING CRIME	NEW	Increase community confidence in partnership working within our town centres by 5% <b>(Stretford)</b>	↓	Y
SAFE PLACE TO LIVE – FIGHTING CRIME	NEW	Increase community confidence in partnership working within our town centres by 5% <b>(Sale)</b>	↓	Y
HEALTH AND WELLBEING		Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)	↓	Y

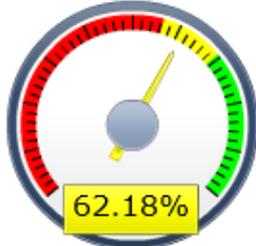
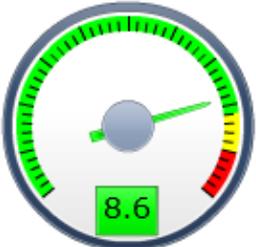
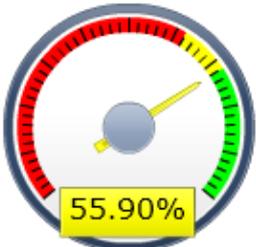
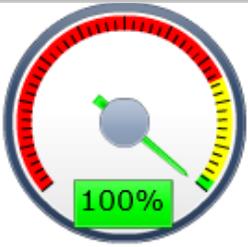
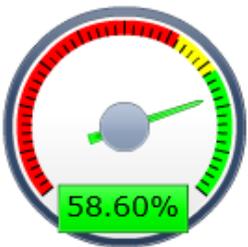
The following indicators have an AMBER performance status at the end of second quarter.				Report Attached Y/N?
Corporate Priority	REF	DEFINITION	DOT Q1	
LOW COUNCIL TAX AND VALUE FOR MONEY	NEW	Percentage of Business Rates collected.	↓	Y
LOW COUNCIL TAX AND VALUE FOR MONEY	NI179	Delivery of efficiency and other savings and maximise income opportunities	↔	Y
ECONOMIC GROWTH AND INFRASTRUCTURE	EG2	% of ground floor vacant units in town centres	↔	Y
ECONOMIC GROWTH AND INFRASTRUCTURE		The number of housing completions per year (gross)	↑	Y
ECONOMIC GROWTH AND INFRASTRUCTURE		Percentage of Highway safety inspections carried out in full compliance with the agreed programme	↓	Y
HEALTH AND WELLBEING		Increase the percentage of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check in the financial year	↑	Y
HEALTH AND WELLBEING		Children in Care Long Term Placement Stability	↓	Y
LOW COUNCIL TAX AND VALUE FOR MONEY	New (prev.CA 08)	Improve the % of household waste arisings which have been sent by the Council for recycling/composting	↑	Y

\*Exception reports start on page 18

## Section 4 – Performance Information

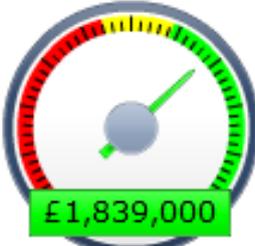
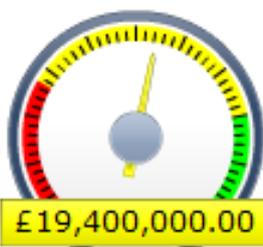
### ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

#### LOW COUNCIL TAX AND VALUE FOR MONEY

Metric type		D.O.T
<p>Improve the % of household waste arisings which have been sent by the Council for recycling/ composting</p> <p>Q2 Target - 64.50%</p>		↑
<p>Reduce the level of sickness absence (Council wide excluding schools)</p> <p>Q2 Target - 9 days</p>		↑
<p>Percentage of Business Rates collected</p> <p>Q2 Target - 56.62%</p>		↓
<p>Maintain take up of online claims for Housing Benefit and Council Tax benefit</p> <p>Q2 Target - 100%</p>		↑
<p>Percentage of Council Tax collected</p> <p>Q2 Target - 56.62%</p>		↓

ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

LOW COUNCIL TAX AND VALUE FOR MONEY

Metric type		D.O.T
<p>Increase in retained Business Rate income to support 2015/16 Budget.</p> <p>Q2 Target - £1.811M</p>	 <p>£1,839,000</p>	↑
<p>Procurement savings target</p> <p>Q2 Target - £6.141M</p>	 <p>£6,400,000.00</p>	↑
<p>Delivery of efficiency and other savings and maximise income opportunities</p> <p>Q2 Target - £20.5m</p>	 <p>£19,400,000.00</p>	← →

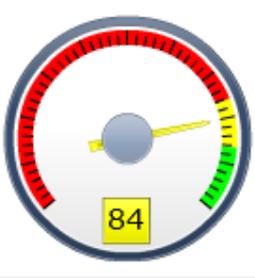
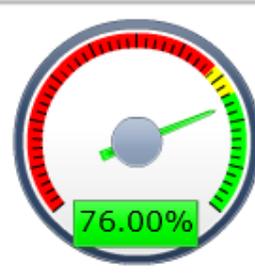
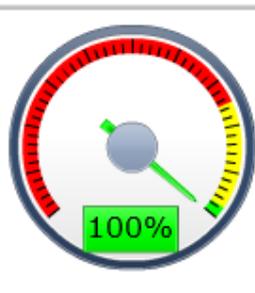
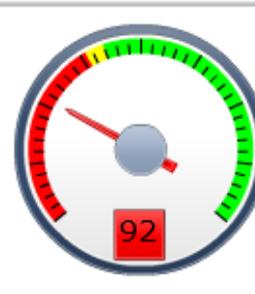
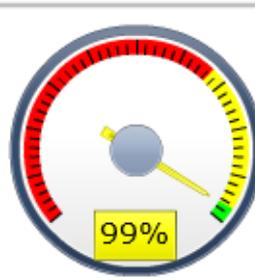
ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

ECONOMIC GROWTH AND INFRASTRUCTURE

Metric type		D.O.T
Percentage of ground floor vacant units in town centres  Q2 Target - 15%		← →
Percentage of major planning applications processed within timescales  Q2 Target - 70%		↓
The number of housing units for full planning consents granted  Q2 Target - 150		↑

ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

ECONOMIC GROWTH AND INFRASTRUCTURE

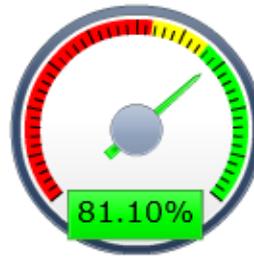
<p>The number of housing completions per year</p> <p>Q2 Target - 90 units</p>		<p>↑</p>
<p>Percentage of Trafford Residents in Employment</p> <p>Q2 Target - 75%</p>		<p>↑</p>
<p>Deliver the published 2015/2016 Highway Maintenance Capital Programme</p> <p>Q2 Target - 100%</p>		<p>← →</p>
<p>Metric type</p>	<p>D.O.T</p>	
<p>The number of housing units started on site -</p> <p>Q2 Target - 150 units</p>		<p>↓</p>
<p>Percentage of Highway safety inspections carried out in full compliance with the agreed programme</p> <p>Q2 Target - 100%</p>		<p>↓</p>

ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

ECONOMIC GROWTH AND INFRASTRUCTURE

The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).

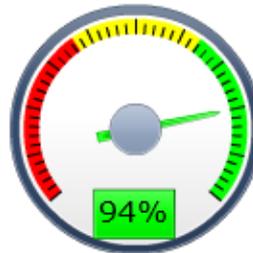
Q2 Target - 80%



↑

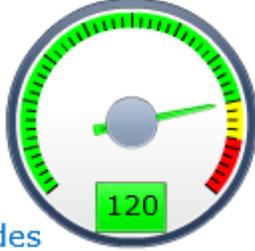
Average achievement of Customer Care PIs (AMEY)

Q2 Target - 90%



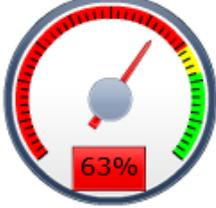
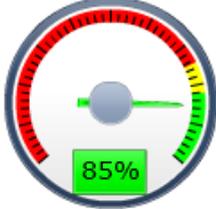
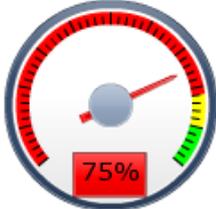
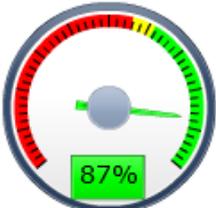
**NEW**

SAFE PLACE TO LIVE – FIGHTING CRIME

Metric type	D.O.T
<p>Maintain the position of Trafford compared to other GM areas in terms of Total Crime Rate.</p> <p><b>Q2 Target - 1st</b></p>	 <p>← →</p>
<p>To work collaboratively to reduce the number of incidents and public service resources committed to missing from home (MFH) for vulnerable young people.</p> <p><b>Q2 Target - &lt; 120 missing episodes</b></p>	 <p>↓</p>
<p>To work collaboratively to reduce the number of incidents and public service resources committed to missing from care (MFC) for vulnerable young people.</p> <p><b>Q2 Target - &lt; 110 missing episodes</b></p>	 <p>↓</p>

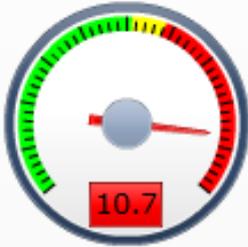
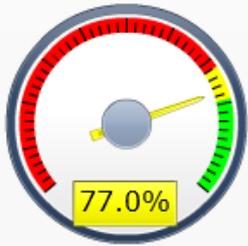
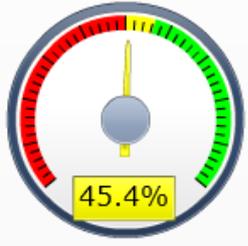
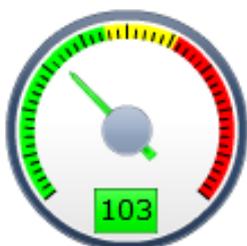
# ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

## SAFE PLACE TO LIVE - FIGHTING CRIME

Metric type		D.O.T
<p>Increase community confidence in partnership working within our town centres by 5%</p> <p>Q2 Target - 79%</p>	<p>Stretford</p> 	↓
<p>Increase community confidence in partnership working within our town centres by 5%</p> <p>Q2 Target - 83%</p>	<p>Urmston</p> 	↑
<p>Increase community confidence in partnership working within our town centres by 5%</p> <p>Q2 Target - 91%</p>	<p>Sale</p> 	↓
<p>Increase community confidence in partnership working within our town centres by 5%</p> <p>Q2 Target - 62%</p>	<p>Altrincham</p> 	↑

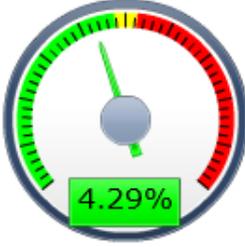
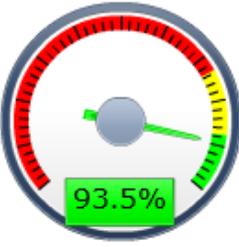
\*Please note that these 4 indicators all have separate target percentages based on 14/15 outturn, please see indicator below for more details\*

HEALTH AND WELLBEING

Metric type		D.O.T
<p>Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)</p> <p>Q2 Target - 7.9 rate per 100,000 population (18+)</p>		<p>↓</p>
<p>Children in Care Long Term Placement Stability</p> <p>Q2 Target - 80%</p>		<p>↓</p>
<p>Increase the percentage of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check in the financial year</p> <p>Q2 Target - 50%</p>		<p>↑</p>
<p>Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)</p> <p>Q2 Target - 124</p>		<p>↑</p>

ANNUAL DELIVERY PLAN 2015/16 Quarter 2 Performance Report

SUPPORTING YOUNG PEOPLE

Metric type		D.O.T
Maintain the low level of 16-18 year olds who are not in education training or employment (NEET) in Trafford Q2 Target - 5.3%		↑
Percentage of Trafford pupils educated in a Good or Outstanding school. Q2 Target - 93.4%		← →

RESHAPING TRAFFORD COUNCIL

Metric type		D.O.T
Number of third sector organisations receiving intensive support Q2 Target - 180		↑

## LOW COUNCIL TAX AND VALUE FOR MONEY

Ensure that the Council can demonstrate that it provides efficient, effective and economical, value for money services to the people of Trafford.

For 2015/16 we will:

Make effective use of resources;

- Ensure the delivery of 2015/16 budget savings of £21M
- Update the Council's financial forecasts in line with the forthcoming spending review and identify savings to meet the 2016/17 to 2018/19 budget gap
- Deliver a balanced budget in line with statutory responsibilities and Council priorities
- Continue to collaborate on efficiency projects with other local authorities and other partners
- Continue to work effectively with partners to improve service quality and value for money
- Ensure greater commercialisation of traded services to maximise best use of resources, improve customer service and to provide value for money.
- Implement the new CRM system and the remaining elements of the customer strategy
- Actively investigate allegations of benefit fraud and ensure that this includes a focus on targeting more serious abuses
- Minimise increases in the Waste Disposal Levy through increased waste recycling and reuse of materials.

### Key Policy or Delivery Programmes 2015/16

- Medium term Financial Plan
- GM Municipal Waste Management Strategy

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			Status
					Actual	Target	DOT	
CAG 08	Improve the % of household waste arisings which have been sent by the Council for recycling/ composting	M	61.9% G	62%	62.18%	65.50%	↑	A
See exception report below								
	Improve take up of online claims for Housing Benefit and Council Tax benefit	Q	100% G	98.5%	100%	100%	↔	G
Note - All claims for housing benefit and council tax are online								
NI 179	Delivery of efficiency and other savings and maximise income opportunities	Q	£13.8m G	£21.5m	£19.4m	£20.5m	↔	A
See exception report below								
BV 12i	Reduce the level of sickness absence (Council wide excluding schools)	M	10.77 Days R	9 days	8.6 days	9 days	↑	G
BV9	Percentage of Council Tax collected	M	97.8% G	98%	58.60%	56.62%	↓	G
Council Tax collection continues to improve enabling focus to be directed on the collection of previous years' arrears. The data presented shows performance against the target for this stage of the financial year.								

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			
					Actual	Target	DOT	Status
	Increase in retained Business Rate income to support 2015/16 Budget.		£1.710M	£1.811M	£1.839m	£1.811M	↑	G
New	Procurement savings target		New	£6.141M	£6.4M	£6.141M	↑	G
	Percentage of Business Rates collected		97.4%	97.5%	55.90%	56.62%	↓	A
See exception report below								

## ECONOMIC GROWTH AND INFRASTRUCTURE

**To promote economic growth and increase levels of investment, housing and jobs in Trafford; to improve the local environment and infrastructure thereby enhancing the attractiveness of the borough as a place to live, work and invest in.**

### For 2015/16 we will

- Deliver strategic development projects as identified in the Local Plan and maximise investment in the Borough.
- Support our Town Centres to be vibrant and dynamic places to benefit residents, businesses and visitors.
- Deliver and enable investment and growth through effective planning processes and frameworks.
- Invest in the highway infrastructure, support the Metrolink expansion and improve sustainable travel choices to access jobs, services and facilities within and between communities.
- Support business growth and attract inward investment into the borough.
- Maximise the potential of the Borough's assets, including international sporting facilities and visitor attractions, to lever in further investment.
- Encourage and support businesses, communities and individuals to take more ownership and responsibility for their environment in line with the Be Responsible campaign.
- Maximise the use of the Council's portfolio of assets to help support the delivery of council objectives.
- Develop housing, growth and maximise investment in Trafford through the Greater Manchester Housing Investment Fund.
- Maintain and improve the environment around our public spaces, highways and neighbourhoods.

### Key Policy or Delivery Programmes 2015/16

- Master Plans for: Old Trafford, Trafford Park, Stretford (and Altrincham Strategy)
- Trafford Local Plan
- Community Infrastructure Levy
- Flood Risk Management Strategy (in partnership with Manchester and Salford)
- Economic and Housing Growth and Prevention of Homelessness strategies
- Land Sales Programme
- Transport Asset Management Plan
- GM Housing Investment Fund
- GM Minerals Plan

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			Status
					Actual	Target	DOT	
EG2	Percentage of ground floor vacant units in town centres	Q	15.9%	15%	16%	15%	↔	A
See exception report below								
	Percentage of major planning applications processed within timescales	Q	81.8%	70%	94%	70%	↓	G
	The number of housing units for full planning consents granted	Q	New	500	328	150	↑	G

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			Status
					Actual	Target	DOT	
	The number of housing units started on site	Q	New	350	92	150	↓	R
See exception report below.								
NI 154	The number of housing completions per year	Q	245	300	84	90	↑	A
See exception report below.								
New (EG8)	Total Gross Value Added <i>(The total value of goods + services produced in the area)</i>	A	£6.04 billion	£6.2 billion	Annual Indicator Dec 15			
	Value of major developments obtaining planning consent (based on Council tax and rateable value)		New	£800k	Annual Indicator			
	Value of major developments completed (based on Council tax and rateable value)		New	£700k	Annual Indicator			
New (EG4.1)	Percentage of Trafford Residents in Employment	Q	73.9%	75%	76%	75%	↑	G
BRP02	Deliver the published 2015/16 Highway Maintenance Capital Programme	M	100% G	100%	100%	100%	↔	G
	The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).	Q	78.8% A	80%	81.10%	80%	↑	G
	Percentage of Highway safety inspections carried out in full compliance with the agreed programme	Q	95%	100%	99%	100%	↓	A
See exception report below								
	Average achievement of Customer Care PIs (AMEY)	Q	New	90%	94%	90%	NEW	G

## SAFE PLACE TO LIVE – FIGHTING CRIME

**Aim to be the safest place in Greater Manchester, and to have the highest level of public confidence and satisfaction in the action we take to tackle Crime and Anti-Social Behaviour.**

**For 2015/16 we will**

- Address the underlying causes of crime and anti-social behaviour by taking early action, working with local communities to prevent crime and improve public perception and confidence, and by working with partners to support and intervene at individual, family and community level, targeting resources where they are most needed.
- Improve public access to services offered by the Integrated Safer Communities team and through strong case management implement a collaborative and risk led approach to tackling Anti-Social Behaviour.
- Continue to develop and deliver innovative and effective interventions to address the behaviour of those involved in crime.
- Deliver responsive and visible justice by undertaking robust enforcement action and turning the tables on offenders to make sure they are held accountable for their actions, and that criminal assets are recovered.
- Continue to work effectively with partners and our communities to implement the national Prevent Strategy and to raise awareness and reduce the risks of radicalisation.
- We will, with our partners such as the police, identify the best methods for people to keep their property secure and launch a Trafford wide campaign to provide advice and highlighting best practice.
- We will work with Greater Manchester Police to ensure that we recruit more Trafford citizens to the role of Special Constable to be active within Trafford

**Key Policy or Delivery Programmes 2015/16 63%**

- Crime Strategy 2015-2018 (currently being refreshed)

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			
					Actual	Target	DOT	Status
STP1	Maintain the position of Trafford compared to other GM areas in terms of Total Crime Rate.	Q	1 <sup>st</sup> G	1 <sup>st</sup>	1 <sup>ST</sup>	1 <sup>ST</sup>	↔	G
	Reduce the number of repeat victims by 20% within the super-victim cohort (43 identified super victims)	Q	NEW	20%			Annual Indicator	
	Increase community confidence in partnership working within our town centres by 5% from the 14/15 outturn.	Q	Stretford 73%	Stretford 78%	63%	79%	↓	R
			Urmston 77%	Urmston 82%	85%	83%	↑	G
			Sale 85%	Sale 90%	75%	91%	↓	R
			Altrincham 56%	Altrincham 61%	87%	62%	↑	G
See exception report below								

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q2			
					Actual	Target	DOT	Status
	To work collaboratively to reduce the number of incidents by 10% and public service resources committed to missing from home (MFH) and missing from care (MFC) for vulnerable young people.	Q	MFH: 247	MFH: 222	120	120	↓	G
		Q	MFC: 206	MFC: 230	110	102	↓	G
	To increase the number of perpetrators of domestic abuse we work with and who successfully complete the programme by 20% in order to reduce the risk of re-offending	Q		78/60	Annual			
			Worked/Completed 65/50					

## HEALTH AND WELLBEING

**To commission and deliver quality services that encourage people to lead healthy and independent lives, enhancing wellbeing across Trafford with a particular focus on our vulnerable groups**

For 2015/16 we will

### **CFW Transformation Programme**

- Transform the CFW delivery model with innovative approaches focused on the most vulnerable people in Trafford in line with Reshaping Trafford.

### **Health and Wellbeing**

- Work with the CCG and local health providers to support delivery integrated commissioning and delivery of health and social care for Trafford
- Implementation of the GM Health and Social Care devolution in line with the Memorandum of Understanding
- Reduce health inequalities for our vulnerable groups and localities through the Health and Wellbeing Action plan
- Reduce alcohol and substance misuse and alcohol related harm
- Support people with long term health, mental health and disability needs to live healthier lives
- lives
- Promote healthy lifestyles and access to sport and leisure opportunities

### **Promoting resilience and independence**

- Enable people to have more choice, control and flexibility to meet their needs
- Ensure that people in Trafford are able to live as independently as possible, for as long as possible
- Implement the Care Act
- Support communities to promote their health and wellbeing by fostering enhanced social networks and by supporting an asset based approach to delivery community based solutions to improve health and wellbeing

### **Safeguarding vulnerable adults and children and young people**

- Ensure that vulnerable children, young people and adults at risk of abuse are safeguarded through robust delivery and monitoring of commissioned and internally delivered services
- Continue to focus on improving the quality of early help and social work practice, taking into account new legislation and government guidance
- Be an active partner in the leadership and development of both the TSCB and Adult Safeguarding Board and ensure coordinated working across both Boards.
- Ensure clear visibility and appropriate responses to the risks of Child Sexual Exploitation and radicalisation to protect children and young people

### **Close the gap for vulnerable children, families and communities**

- Embed early help and prevention across all aspects of work using learning from evidenced based models
- Continue to improve outcomes for children in care
- Improve support for families facing difficult times through locality working
- In partnership with public services, the Voluntary and Community sector and young people, develop a Youth Trust model for the delivery of first class youth provision in Trafford

### **Market management and quality assurance**

- Ensure that services are available within Trafford to meet the needs of the population by helping to develop market capacity.
- Monitor service providers so any safeguarding issues or potential provider failure is identified at the earliest stage.

### Key Policy or Delivery Programmes 2015/16

- CFW Transformation Programme
- GM Health and Social Care Devolution
- Better Care Fund programme
- Care Act Implementation
- Health and Wellbeing Strategy
- Stronger Families programme
- Welfare Reform delivery
- Crime Strategy 2015-18
- Youth Trust model

Ref.	Definition	Freq	14/15 Actual	15/16 Target	2015/16 Q1			
					Actual	Target	DOT	Status
	Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)	Q	7.9	7.9	10.7	7.9	↓	R
Figure is taken from August as full quarter not available until 12 <sup>th</sup> Nov, the full quarter figure will still be reflective of August's actual. See exception report below.								
	Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)	Q	250	250	103	124	↑	G
This is an estimated figure								
	Increase the percentage of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check in the financial year	Q	47.8%	50%	45.4%	50%	↑	A
See exception report below								
	Children in Care Long Term Stability	Q	78% A	80%	77.0%	80%	↓	A

## SUPPORTING YOUNG PEOPLE

Ensure that young people are well prepared to achieve in adulthood by creating an environment in which they can thrive.

**For 2015/16 we will**

### Improve the life chances of all children and young people

- Work with schools to maintain the 'Trafford family of schools' to support educational excellence
- Broker school to school support and quality assure interventions in line with national policy
- Provide effective system leadership across the Trafford Education system to support ongoing delivery of high quality education.
- Increase the number, range and take up of apprenticeships
- Provide monitoring, challenge and intervention for schools to ensure sustained high standards

### Close the gap in educational outcomes across our vulnerable groups

- Implement the outcomes of review of provision and support for children with special educational needs
- Implement the SEND reforms set out in the 2014 Children and Families Act
- Establish a 'Closing the Gap' Strategy for Education Standards
- Increase the percentage of care leavers in Education, Employment and Training
- Sustain the very high levels of two year olds in receipt of targeted nursery education

### Establish a Youth Trust

- Work with partners to co-ordinate youth activity and establish new investment and income streams to create sustainable youth provision
- Create a 'Youth Trust' with clear governance arrangements that can set strategic directions and lead commissioning of youth provision in Trafford
- Provide opportunities for young people across Trafford to access high quality youth provision that is fit for purpose in the 21st century
- Transition current provision to the new model supporting community groups and new providers to establish sustainable provision
- Establish a framework agreement that provides a structure for future commissioning once the Shadow Board of the Youth Trust is in place

### Key Policy or Delivery Programmes 2015 – 16

- CYP Strategy 2014-17
- Trafford Schools Causing Concern Protocol
- Trafford SEND Policy
- Trafford Closing the Gap Strategy (to be developed)

Ref.	Definition	Freq	14/15 Actual	15/16 Target	15/16 Q1	2015/16 Q1			
						Actual	Target	DOT	Status
New	% of pupils achieving 5 A*-C GSCE including English and Maths	A	72.2% G	72.5%	N/A	Annual Indicator- Due Q3			
CGV 2c	% of pupils on Free School Meals (FSM) achieving 5 A*-C GSCE including English and Maths	A	47% A	48%	N/A	Annual Indicator- Due Q3			
	% of pupils achieving Level 4 in Reading Writing and Mathematics at Key Stage 2	A	87% G	88%		Annual Indicator- Due Q3			

Ref.	Definition	Freq	14/15 Actual	15/16 Target	15/16 Q1	2015/16 Q1			
						Actual	Target	DOT	Status
LCA 2	Maintain the low level of 16-18 year olds who are not in education training or employment (NEET) in Trafford	M	3.97% G	4%	4.13%	4.29%	5.3%	↑	G
New	Percentage of Trafford pupils educated in a Good or Outstanding school.	A	93.4% G	93.4%	93.5%	93.5%	93.4%	↔	G

## RESHAPING TRAFFORD COUNCIL

**Continue to develop relationships with residents, local businesses and partners to ensure that we all work together for the benefit of the Borough. Internally, to reshape the organisation to ensure the Council embrace is a fit for purpose and resilient organisation.**

### For 2015/16 we will

- Continue to develop the organisational model to ensure sustainability of Council services with the Core Council comprising of strategy, commissioning, quality assurance and place shaping.
- Review services and identify alternative delivery models that can sit alongside the Core to enable the Council to manage the financial challenges and support the change required to deliver the Reshaping Trafford agenda
- Develop arrangements to share services across agencies in Greater Manchester, to secure greater efficiencies including shared use of buildings
- Develop manager and staff skills to support the alternative delivery models.
- Ensure there are robust business continuity plans as we manage the transition programme
- Prepare staff, residents and local businesses for the transition to the new organisation model taking into account our responsibilities under the Public Sector Equality Act.
- Ensure that residents are consulted on and well informed about how the Council spends its budget and the standards of service that they can expect from us
- Build up the InfoTrafford platform, and continue to develop the partnership intelligence hub to support service re-design.
- Adopt Public Service Reform principles across the Trafford Partnership through the identification of cross cutting challenges and development of alternative delivery models
- Embed a new approach to locality working through locality planning, supporting Locality Working to facilitate community engagement and consultation and to lead the development and implementation of Locality Plans, so as to create stronger and empowered communities that are safer, cleaner, healthier and better informed.
- Provide dedicated support to the Voluntary and Community Sector
- Integrate working with our Partners to pursue joined up services in local communities to provide better services for the future
- Review the Customer Pledge to focus on key standards, which customers will be able to expect, to ensure customers are at the centre of what we do.

### Greater Manchester Strategy

- Engage fully in the devolution of Health and Social Care
- Continue to support Public Service Reform through key workstreams i.e. Stronger Families and Employment and Skills

### Transform Children, Families and Wellbeing to;

- Establish an all-age integrated structure for health, social care and education
- Clarify the social care offer
- Develop a new Early Help approach

### Key Policy or Delivery Programmes 2015 – 16

- Customer Services Strategy
- Transformation Programme
- Reshaping Trafford Blueprint
- Collaboration Programmes (e.g. GMP, Strategic Procurement Unit)
- Third Sector Strategy; Volunteering Strategic framework; Locality Working Programme
- Digital Strategy

Ref.	Definition	Freq	14/15 Actual	15/16 Target	15/16 Q1	2015/16 Q1			
						Actual	Target	DOT	Status
	Number of third sector organisations receiving intensive support	Q	300 G	350	144	259	180	↑	G
	Identify savings to meet the 2016/17 gap	M	£17.45m G	£21.1m		Annual Indicator			

## 5. Exception Reports

### 5.1 Low Council Tax and Value for Money

<b>Theme / Priority:</b>	<b>Low Council Tax and Value for Money</b>		
	Environmental Services		
Indicator / Measure detail:	Improve the percentage of household waste arisings that have been sent by the Council for recycling or composting		
Baseline:			
<b>Target and timescale:</b>	Annual target of 63% Q2 Target of 65.5%	<b>Actual and timescale:</b>	Q2 Performance 62.18%
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>This indicator is particularly affected by weather patterns, due to Trafford residents being able to present a high volume of garden waste for composting, compared to other Local Authorities (weekly free collection in a 240 litre bin) A colder start to the year meant that green waste tonnages fell considerably (11% less in June, for example). In addition there is a continuing national trend of less paper production, meaning the available weight of pulpable materials collected (blue bin) is also declining. Residual waste is seeing a slight increase.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>			
<p>It is possible that a mild winter could help bring the indicator back to green but it is highly unlikely that the 63% target will be met this financial year.</p> <p>Current projections suggest that a target of around 60% is more realistic, unless significant measures are put in place quickly to capture more recycling. There is a financial impact on the One Trafford Partnership if residual waste tonnages increase beyond what has been predicted, leading to reduced recycling performance. At the moment the GMWDA have predicted an additional cost of £10K in 15/16 but this could increase if the current trend continues.</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
<p>The One Trafford Partnership are tracking other waste tonnages carefully and have planned to launch a number of campaigns to increase the capture of recycling from the home, as residual waste has also increased slightly in the last 6 months. Initiatives include the “bin it to win it” campaign targeting 5000 households in the Urmston area, and a proposed Christmas campaign. Amey have proposed to continue the green waste collection service over Christmas to underpin the importance of recycling at Christmas, especially food waste. In previous years this service stopped for a week. All households will be delivered new calendars in November and from January, the One Trafford Partnership will have the IT capability to capture extensive data (e.g. when and how often households participate in recycling) that will enable us to target education and awareness where it will have the most impact. A funding bid has also been submitted to the Waste Resource Action Programme (WRAP) for £40K that aims to improve recycling participation in terraced housing areas. Trafford Council’s bid has been shortlisted.</p>			

It is unlikely that all these initiatives will bring performance back on track by the year end but the more that is implemented now, the more likely the One Trafford Partnership will hit the 16/17 target. Discussions are already being held with the Greater Manchester Waste Authority and Amey as to the scope of the “behaviour change” initiatives that we need to undertake.

A report as to how the One Trafford Partnership will increase recycling performance will be shared at the next Strategic Partnering Board meeting.

One initiative that could have the greatest and immediate impact of diverting waste from the residual bin is a borough wide delivery of caddy liners and campaign around food waste.

In the longer term, analysis of participation data and waste composition analysis of the residual waste stream will be fundamental in determining future provision and policy around this service area, in order to continue to increase performance.

<b>Theme / Priority:</b>	<b>Low Council Tax and Value for Money</b>		
	BV10		
Indicator / Measure detail:	The percentage of Business Rates collected by the Authority in the year		
Baseline:			
<b>Target and timescale:</b>	56.62% (Sept 15)	<b>Actual and timescale:</b>	55.90% (Sept 15)
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
The main factor contributing to the shortfall is that there is a large amount of unpaid debt currently being challenged through the courts. This is in relation to rates avoidance cases with a value in excess of £1m.			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> Can we move resources to support this or other priorities?			
Cash Flow			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
We are working with other authorities and joint legal action is currently taking place for recovery of a portion of the unpaid debt.			

<b>Theme / Priority:</b>	<b>Low council tax and value for money</b>		
	All Services		
Indicator / Measure detail:	Delivery of efficiency and other savings and maximise income opportunities		
Baseline:			
<b>Target and timescale:</b>	Annual target £21.5m Q2 target £20.5m	<b>Actual and timescale:</b>	Q2 performance £19.4m
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>The savings target of £21.5m is the largest in the history of the Council. Variations in performance during the year are not unexpected.</p> <p>The monthly budget monitoring report includes a forecast savings figure for 2015/16 for each initiative.</p> <p>The latest forecast for the year is that the overall savings target will be achieved, with variations on a limited number of individual savings measures.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>			
At this stage of the year there is no impact on the Council's financial position.			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
Savings continue to be actively monitored by individual budget holders, the CFW transformation programme team and the Transformational Board to ensure the end of year target is achieved.			

## 5.2 Economic Growth and Infrastructure

<b>Theme / Priority:</b>	<b>Economic Growth and Infrastructure</b>		
Indicator / Measure detail:	The Number of housing Units Started on Site		
Baseline:	New 2015/16 Indicator		
<b>Target and timescale:</b>	Q2 100 units	<b>Actual and timescale:</b>	Q2 28
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> </ul>			

<ul style="list-style-type: none"> <li>• What performance is predicted for future periods?</li> </ul>
<p>This is a new indicator for 2015/16, it details that the Council has recorded 28 units starting on site during Qtr 2, with a total of 92 units after six months.</p> <p>This activity suggests that development activity has dropped across the borough over the second quarter. It suggests performance in relation to this indicator in Quarter 3 &amp; 4 will not be sufficient to meet the overall annual target.</p>
<p><b>What difference does this make – the implications of not meeting target?</b></p>
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>
<p>The main implication of not meeting this target is that it is the impact on our ability to meet relevant corporate priorities and plans, especially in relation to creating housing stock required to meet local housing needs. It also impacts on the Council's regeneration aspiration, continuing inequality in access to new housing and providing new growth in sustainable locations.</p> <p>Low delivery of housing also impacts on the receipt of New Homes Bonus and new Council Tax and drawing down the GM Housing Investment</p>
<p><b>How can we make sure things get better?</b></p>
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>
<p>Improvements in data collection methods and the introduction of new indicators have been made and are contributing to the availability of more up-to-date information being available to monitor housing development in the borough.</p> <p>A process of more regular site surveys has also been introduced to ensure the Council has a comprehensive understanding of the current housing situation in terms of what is in the pipeline (with planning permission) and what developments have been completed.</p> <p>As reported elsewhere in the monitoring report, the Council granted planning permission for 249 units in Q1 and 328 in Q2 monitoring periods. Together this equates to 577 units with planning permission in the first 6 months of the year. When compared against the annualised housing land target of 578 units per annum (set in the adopted Trafford Core Strategy), suggests that the number of sites with extant planning permissions cannot be viewed as an impediment to the delivery of new residential development</p> <p>The Council continues to work with GM Place and GM Housing Fund to identify opportunities for funding of schemes, with approval already in place for two Trafford sites (subject to planning permission. The Council also continues to work in partnership with Himor and Peel to bring forward the development of, respectively, the Carrington and Trafford Waters strategic development sites. The Strategic Growth Team will be reviewing extant planning permissions to identify impediments to delivery and to support developers to bring sites forward.</p>

<b>Theme / Priority:</b>	<b>Economic Growth and Infrastructure</b>		
Indicator / Measure detail:	The number of housing completions		
Baseline:	New 2015/16 Indicator		
<b>Target and timescale:</b>	Q2 90 units (2015/16 Target – 300)	<b>Actual and timescale:</b>	Q2 84
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>This indicator details that the Council has recorded 84 residential units completed during Qtr 2, with a total of 135 completions after six months.</p> <p>This activity, together with the reduction in starts on sites (see separate indicator) suggests that development activity across the borough has concentrated on completions over the second quarter. It suggests performance in relation to this indicator in Quarter 3 &amp; 4 will continue and could therefore be sufficient to meet the overall annual target.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>			
<p>The main implication of not meeting this target is the impact on our ability to meet relevant corporate priorities and plans, especially in relation to creating housing stock required to meet local housing needs. It also impacts on the Council's regeneration aspiration, continuing inequality in access to new housing and providing new growth in sustainable locations.</p> <p>Low delivery of housing also impacts on the receipt of New Homes Bonus and new Council Tax and drawing down the GM Housing Investment Fund</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
<p>Improvements in data collection methods and the introduction of new indicators have been made and are contributing to the availability of more up-to-date information being available to monitor housing development in the borough.</p> <p>A process of more regular site surveys has also been introduced to ensure the Council has a comprehensive understanding of the current housing situation in terms of what is in the pipeline (with planning permission) and what developments have been completed.</p> <p>As reported elsewhere in the monitoring report, the Council granted planning permission for 249 units in Q1 and 328 in Q2 monitoring periods. Together this equates to 577 units with planning permission in the first 6 months of the year. When compared against the annualised housing land target of 578 units per annum (set in the adopted Trafford Core Strategy), it suggests that the number of sites with extant planning permissions cannot be viewed as an impediment to the delivery of new residential development</p>			

The Strategic Growth Services is to carry out work over the coming months, as a priority, to identify impediments to the delivery of extant planning permissions. This work to bring forward more sites in Trafford over the coming months will include the identification of opportunities for the funding of new housing schemes through the GM Place and GM Housing Investment Fund initiatives.

Theme / Priority:		Economic Growth and Infrastructure	
Indicator / Measure detail:	Percentage of Highway safety inspections carried out in full compliance with the agreed programme		
Baseline:			
<b>Target and timescale:</b>	100%	<b>Actual and timescale:</b>	99%
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
Performance for the first month of Q2 was slightly below target at 96% however performance in both August and September was back to 100%.			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul>			
Can we move resources to support this or other priorities?			
There is a very low risk that missed inspections could result in a reduced ability to defend third party highway claims in the relevant period.			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
The performance is now back at target level for the final two months of Q2.			

Theme / Priority:		Economic Growth and Infrastructure	
Indicator / Measure detail:	% of ground floor vacant units in town centres		
Baseline:			
<b>Target and timescale:</b>	15% By End March 16	<b>Actual and timescale:</b>	16% End Sept 15
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> </ul>			

• What performance is predicted for future periods?

The vacancy rate for the second Quarter 2015/2016 (16.09%) is only 0.05% higher than the last quarter (16.04%). The vacancy rate will fluctuate in accordance with market conditions and the demands and financial circumstances of individual retailers. Although a general decrease over time would be the aspiration, it would be expected that the vacancy rate would sometimes rise.

During the last quarter, the vacancy rate has fallen slightly in Altrincham and risen slightly in Urmston. However, Sale and Urmston still have a much lower vacancy rate than the latest reported North West average vacancy rates for retail and leisure (16.4%, September 2015).

	Vacancy Rate (%) June 15	Vacancy Rate (%) Sept 15
Altrincham	17.8	17.1
Sale	11.6	11.6
Stretford	33.8	33.8
Urmston	6.7	8.2
	<b>16.0</b>	<b>16.0</b>

The current average vacancy rate has shown a decrease compared to the same period in period in 2014 (i.e. 17.3%), and improved performance has been shown in all of the town centres.

	Vacancy Rate (%) Sept 14	Vacancy Rate (%) Sept 15
Altrincham	17.7	17.1
Sale	10.6	11.6
Stretford	43.4	33.8
Urmston	6.8	8.2
	<b>17.3</b>	<b>16.0</b>

There are a number of new openings expected in the next quarter and recent investment in Altrincham (improvements to the public realm and the Stamford Quarter), Sale (School Road improvements) and Stretford (new units created in the indoor market area) should attract additional business openings.

The Council has continued to run the Town Centre Loan Scheme which offers interest-free loans of up to £10,000 (sometimes £20,000 for certain Altrincham properties) to businesses who occupy vacant units in the town centres. There were 5 new loan scheme openings in the last quarter with at least three further openings expected in the next quarter as a result of the scheme.

**What difference does this make – the implications of not meeting target?**

- Impact on service users/public.
  - Impact on corporate priorities and plans.
  - Impact on service/partner priorities.
  - Impact on equalities, sustainability or efficiency
- Can we move resources to support this or other priorities?

It is important to the sustainability of the town centres that the long term trend is one of an increase in occupancy levels, which will represent increased business growth and spend in the town centres.

The vacancy rate for the end of September 2015 is 1.09% above the target for the end of March 16 but the market, and overall economic conditions, dictate fluctuations in the retail sector and the subsequent impact on the take-up and vacancy rates.

Altrincham's vacancy rate in particular has fallen significantly in the past few years and it is hoped that this trend will continue driven by the new investment in the Stamford Quarter and Public Realm, the impact of the Market House and the work of the Town Team. New ownership and new investment in Stretford, including the opening of Aldi in 2016 and openings of newly constructed units in the Indoor Market area. It is also hoped the recent investment in environmental improvements in Sale and Urmston will have a positive impact.

The Council will continue to invest significant resources into the town centres and coordinated support mechanisms such as the Altrincham Town Team and the Town Centre Partnerships will continue. For example, the Town Centre Investment Fund was established and financed by the Council to improve the environment and reduce vacancy rates across all the town centres. Also, the work being carried out by the Town Centre Partnerships, including events and promotion, aims to bring in extra visitors into the town centres and support existing and new businesses.

**How can we make sure things get better?**

- What activities have been or will be put in place to address underperformance? Make specific reference to action plans.
- When performance will be brought back on track?
- Assess the need for additional resources/funding/training/investment.
- Identify the source of additional resources/funding/training/investment.
- Consult with other services, staff, managers, relevant Members and partners.

**5.3 Safe Place to Live – Fighting Crime**

Theme / Priority:		Safe Place to Live – Fighting Crime	
Indicator / Measure detail:	Increase community confidence in partnership working within our town centres by 5%		
Baseline:	85% SALE TOWN CENTRE		
<b>Target and timescale:</b>	91% Q2	<b>Actual and timescale:</b>	75%
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul> <p>The trend over the last 12 months has been stable or upwards, and exceeded the target by 6% in quarter 1. Liaison with the police integrated neighbourhood team and our Safer Communities officers has not yet offered any single explanation for the drop this quarter. Incidents of note are being reviewed.</p> <p>The sample was low this quarter and the external company conducting the Perception survey reports that for Sale the variance was at 12%.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p> <p>At this stage we remain confident the target will be reached.</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> </ul>			

<ul style="list-style-type: none"> <li>Assess the need for additional resources/funding/training/investment.</li> <li>Identify the source of additional resources/funding/training/investment.</li> <li>Consult with other services, staff, managers, relevant Members and partners.</li> </ul>
The quarterly perception surveys are monitored by one of the sub-groups of the Safer Partnership and so these latest figures will be discussed at the next meeting and any relevant partnership actions will be implemented.

<b>Theme / Priority:</b>	<b>Safe Place to Live- Fighting Crime</b>		
Indicator / Measure detail:	Increase community confidence in partnership working within our town centres by 5%		
Baseline:	78% STRETFORD TOWN CENTRE		
<b>Target and timescale:</b>	79%	<b>Actual and timescale:</b>	63%
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>Is any variance within expected limits?</li> <li>Why has the variance occurred?</li> <li>Is further information available to give a more complete picture of performance?</li> <li>What performance is predicted for future periods?</li> </ul>			
<p>The trend over the last 12 months has been stable or upwards, with a slight dip in Q1. Liaison with the police integrated neighbourhood team and our Safer Communities officers have not yet offered any single explanation for the drop this quarter. Incidents of note are being reviewed. The sample was low this quarter and the external company conducting the Perception survey reports that for Stretford the variance was at 13%.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>Impact on service users/public.</li> <li>Impact on corporate priorities and plans.</li> <li>Impact on service/partner priorities.</li> <li>Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p> <p>At this stage we remain confident the target will be reached.</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>When performance will be brought back on track?</li> <li>Assess the need for additional resources/funding/training/investment.</li> <li>Identify the source of additional resources/funding/training/investment.</li> <li>Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
The quarterly perception surveys are monitored by one of the sub-groups of the Safer Partnership and so these latest figures will be discussed at the next meeting and any relevant partnership actions will be implemented.			

## 5.4 Health and Wellbeing

Theme / Priority:	HEALTH AND WELLBEING		
Indicator / Measure detail:	Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)		
Baseline:			
Target and timescale:	<7.9	Actual and timescale:	10.7
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>There is a historical pattern of high delayed discharges from University Hospital South Manchester (UHSM) that is due to a range of complex factors. We also know during the summer period there are spikes and this variance is typical of the same period of time last year and in previous years. Data is outside of an expected tolerance limit but it is not unusual and or specific to Trafford as South Manchester also experienced similar difficulties.</p> <p>The spike is attributed to a number of factors as listed below:</p> <ul style="list-style-type: none"> <li>• Some homecare providers make insufficient provision for business continuity to cover the summer holiday period when a large proportion of the workforce take leave. This leaves them with poor staffing levels and a very limited ability to take new packages putting further stress on an already limited workforce. We are working with providers to resolve this and bringing additional providers into the market.</li> <li>• The population demography in Trafford makes it difficult for providers to recruit to homecare vacancies, as there is less of a supply of residents seeking this type of job and pay.</li> <li>• Restructure of the Council's reablement service have resulted in additional patient packages going out to the external market for the Stabilise and Make Safe (SAMS) pilot. This is a pilot at this stage and although evaluation has been very good it was not operating at full capacity through the transitional period. We expect the new services to have a significant positive impact over the 2<sup>nd</sup> half of the year.</li> <li>• A review has shown that the flow of Trafford patients from acute settings, and expectations of future service established by clinicians in hospitals, are not always appropriate or sustainable. An action plan is in place with UHSM to resolve this issue.</li> <li>• There is an ongoing lack of intermediate care beds in Trafford which we believe is putting additional pressure on other types of care package and increasing delayed discharges. This is recognised by Trafford CCG and we are working with them on a pilot to increase capacity from October.</li> </ul> <p>In totality the factors that result in a delayed discharge are complex and start almost at the point of admission. There is no one set of data that definitively indicates where the problem can be solved therefore there is no one definitive solution. There have also been substantial challenges with recording in line with national definitions, in particular at UHSM.</p> <p>Significant work is underway with UHSM and Trafford CCG to review the processes in place from admission onwards and that requires the acute providers to look at their own processes as well as medical bed capacity. A full action plan is in place with UHSM and Trafford CCG, and all Council actions are in progress with several concluded.</p> <p>The full data for August 2015 actually shows a downward trend for delayed discharges, so whilst there have been key periods of significant demand within the year to date the overall trend is downward with delays returning to a normal range. Analysis of a three month period shows significant variability in performance so it is likely that whilst significant improvement has been</p>			

made in recently, it is likely that unpredictable performance will continue until all partners have bedded in required changes.

**What difference does this make – the implications of not meeting target?**

- Impact on service users/public.
  - Impact on corporate priorities and plans.
  - Impact on service/partner priorities.
  - Impact on equalities, sustainability or efficiency
- Can we move resources to support this or other priorities?

- Patients remain in hospital longer than necessary which may impact on their independence and recovery.
- The reputation of the organisation is affected negatively
- The delays contribute to pressures on bed availability during this period although it should be noted that the hospital have reduced the bed availability over the last 12 months.
- The acute providers ability to maintain NHS targets is compromised

Remedies have been put in place in the short term to improve flow and two new homecare providers were awarded contracts though a quotation exercise and all previously delayed packages of care have now been let.

Pennine Care continues to support and facilitate discharge for some patients via their Health care support workers to expedite discharge where possible.

**How can we make sure things get better?**

- What activities have been or will be put in place to address underperformance? Make specific reference to action plans.
- When performance will be brought back on track?
- Assess the need for additional resources/funding/training/investment.
- Identify the source of additional resources/funding/training/investment.
- Consult with other services, staff, managers, relevant Members and partners.

- Additional capacity has been brought to the homecare market with a significant improvement in access in recent weeks. It is anticipated that the situation will continue to improve and reduce the number of delayed transfers towards the target.
- Further procurement is underway for additional winter capacity
- A full agreed action plan is in place as described to address findings from a review conducted in June of delays in the system. This is monitored and updated weekly.
- There is a new additional role of Contact Officer been recruited to reduce the number of inappropriate referrals into the social work team within hospitals.
- There are 2 additional re-ablement staff based within the team at UHSM to improve and co-ordinate the appropriate flow of service users into the Stabilise and Make Safe service to reduce the burden on homecare.
- The planned GM pilot of joint work with Manchester and Stockport Social Care colleagues has commenced to develop an integrated cross-border model and greater peer review.
- A Head of Independence has been recruited to support the implementation of transformation projects within operational services. One of their priorities will be the implementation of changes within the hospital SW team.
- A review of intermediate care capacity has recommended substantial growth in availability. We are working closely with the CCG on a pilot due to start in October.

<b>Theme / Priority:</b>	<b>Health and Wellbeing</b>		
	Increase the percentage of eligible population aged 40-74 who received an NHA Health Check in the financial year.		
Indicator / Measure detail:	The percentage of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check in the financial year		
Baseline:	47.9% 2014 / 2015		
<b>Target and</b>	50% of those offered then	<b>Actual and</b>	45.4% at Q2 (Sept 15)

<b>timescale:</b>	taking up a Health Check by March 2016	<b>timescale:</b>	
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>In Q2 54.8% of those offered an NHS Health Check took up that offer. However, performance year to date is at 45.4%.  The YTD performance is higher than Q2 YTD in 2014/15 which was 41.9%.  A high number of invitations are sent out by GP practices in Q1 which means that this is usually the lowest uptake.  If Q3 &amp; Q4 uptake matches 2014/15 the overall uptake for 2015/16 will reach the 50% target.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>			
<p>By not delivering more health checks, less of the population can be informed of their cardiovascular risk and take action to reduce their risk of cardiovascular disease and other diseases which cause premature death in Trafford.</p> <p>The NHS Health checks programme is a mandatory service for local authorities.</p> <p>By picking up risk factors and disease earlier, both the NHS and social care can save resources downstream. Also this can reduce premature mortality and a healthier working age population which in turn supports the local economy.</p> <p>It is particularly important to deliver the NHS Health Check programme in areas of social deprivation where the risk factors for and the prevalence of disease is likely to be higher.</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
<p>We are eight months into a 12 month pilot offering NHS Health Checks in community pharmacy to patients in Urmston that is showing good results and high patient satisfaction so far.  We are exploring the possibilities for extending the providers of NHS Health Checks to include other community pharmacy venues throughout Trafford. We are discussing the options with the Local Pharmaceutical Committee and the Local Medical Committee.  The IT set up costs for each additional provider to ensure the results can be directly inputted onto the NHS patient record are £1,000 per provider. Within the additional NHS Health Check budget we could only afford to roll this provision out slowly. A one-off investment could mean we could expand this scheme more quickly with a greater and more immediate impact on the uptake rate.</p>			

<b>Theme / Priority:</b>	<b>Health and Wellbeing</b>
	Children in long term care: Placement stability
Indicator / Measure detail:	Proportion of children in care aged under 16 who have been in care for at least 30 months and in their current placement for at least 24 months.
Baseline:	

<b>Target and timescale:</b>	80%, March 2016	<b>Actual and timescale:</b>	77.0% at Q2 (Sept 15)
<b>Why is performance at the current level?</b>			
<ul style="list-style-type: none"> <li>• Is any variance within expected limits?</li> <li>• Why has the variance occurred?</li> <li>• Is further information available to give a more complete picture of performance?</li> <li>• What performance is predicted for future periods?</li> </ul>			
<p>Performance in this area continues to be very positive and is above the last published national average which is 67%.</p> <p>The adverse variance relates to 27 children who have changed placement. An analysis of the this cohort of children indicates that 22 % of the placement changes were planned moves which were in keeping with the child's long term care plan. However the majority of the placement changes were associated with complex and or challenging behaviour. As part of the families together project a review will be undertaken of the support services provided to children whose placements are at a risk of disruption with a view to strengthen the support to those children and therefore increasing overall placement stability. This transformation project is being led by Catherine Rooney (Acting Joint Director- Children social care).In addition to the above a review of Trafford's placement strategy is planned and this may lead to the development of improved placement options for children with complex or challenging behaviour</p> <p>It is predicted that performance is likely to remain around the 77% to 80% figure for future periods of the financial year pending the impact of the above 2 projects.</p>			
<b>What difference does this make – the implications of not meeting target?</b>			
<ul style="list-style-type: none"> <li>• Impact on service users/public.</li> <li>• Impact on corporate priorities and plans.</li> <li>• Impact on service/partner priorities.</li> <li>• Impact on equalities, sustainability or efficiency</li> </ul> <p>Can we move resources to support this or other priorities?</p>			
<p>The outturn for this indicator continues to be very positive when compared to statistical neighbours. The provision of stable long-term placements is central to the individual success of children in care and is a key priority of Trafford's Placement strategy.</p> <p>Progress against this indicator is monitored at both the Corporate Parenting Board and at the Monthly Directors Safeguarding meeting. The provision of long term stable placements to children in care is a priority which is shared by the whole Council.</p>			
<b>How can we make sure things get better?</b>			
<ul style="list-style-type: none"> <li>• What activities have been or will be put in place to address underperformance? Make specific reference to action plans.</li> <li>• When performance will be brought back on track?</li> <li>• Assess the need for additional resources/funding/training/investment.</li> <li>• Identify the source of additional resources/funding/training/investment.</li> <li>• Consult with other services, staff, managers, relevant Members and partners.</li> </ul>			
<p>As part of the families together project a review will be undertaken of the support services provided to children whose placements are at a risk of disruption with a view to strengthening the support to those children and therefore increasing overall placement stability. This transformation project is being led by Catherine Rooney (Acting Joint Director- Children social care). In addition to the above a review of Trafford's placement strategy is planned and this may lead to the development of improved placement options for children with complex or challenging behaviour</p> <p>A key area of placement development activity is the recruitment of more foster carers for both older children and sibling groups. A targeted foster care recruitment campaign was launched in May and it is hoped that this will enhance Trafford's capacity to provide long term stable foster placements to this cohort of children.</p>			



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## NOTICE OF THE DECISIONS AGREED AT THE GREATER MANCHESTER COMBINED AUTHORITY MEETING HELD ON FRIDAY 30 OCTOBER 2015 AT BURY TOWN HALL

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Peter Williams
SALFORD CC	Councillor David Lancaster
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

### **JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE**

GMFRA	Councillor Tommy Judge
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

### **OFFICERS IN ATTENDANCE**

Margaret Asquith	Bolton Council
Mike Owen	Bury Council
Carolyn Wilkins	Oldham Council
Howard Bernstein	Manchester CC
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Theresa Grant	Trafford Council
Alison McKenzie Folan	Wigan Council
Peter O'Reilly	GM Fire & Rescue
Ian Hopkins	GMP
John Bland	GM Waste Disposal Authority
Simon Nokes	New Economy
Adam Allen	Office of the Police & Crime Commissioner
Jon Lamonte	TfGM

Liz Treacy  
Richard Paver  
Andrew Lightfoot  
Julie Connor  
Sylvia Welsh  
Kerry Bond

GMCA Monitoring Officer  
GMCA Treasurer  
GM Public Service Reform  
) Greater Manchester  
) Integrated Support Team  
)

### **138/15 APOLOGIES**

Apologies for absence were received on behalf of David Acton (GMFRA), Richard Farnell (Rochdale), Donna Hall (Wigan), Paul Najsarek (Bolton), Cath Piddington (GMWDA) and Ian Stewart (Salford).

### **139/15 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS**

There were no Chair's announcements.

### **140/15 DECLARATIONS OF INTERESTS**

Councillor Leese declared a prejudicial interest in item 9, Greater Manchester Investment Framework and Conditional Project Approval, as a Director of Manchester Ship Canal Company and left the room during discussion of this item.

### **141/15 MINUTES OF THE GMCA MEETING HELD ON 25 SEPTEMBER 2015**

The minutes of the GMCA meeting held on 25 September were submitted for consideration.

#### **RESOLVED/-**

To approve the minutes of the GMCA meeting held on 25 September 2015.

### **142/15 FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA**

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out a Forward Plan of those strategic decisions to be considered by GMCA over the next four months.

#### **RESOLVED/-**

To note the Forward Plan of Strategic Decisions as set out in the report.

### **143/15 CITIES AND LOCAL GOVERNMENT DEVOLUTION BILL UPDATE**

Liz Treacy, GMCA Monitoring Officer, updated members on the progress of the Cities and Devolution Bill and outlined subsequent stages. The second day of committee would now be on 17 November 2015.

Members reaffirmed the GMCA's position that adoption of an elected mayor was always contingent on Greater Manchester receiving devolved powers in relation to transport powers as outlined in the Devolution Agreement.

**RESOLVED/-**

1. To note the progress on the Bill and that a further report will be provided when the Bill has completed its passage through Parliament.
2. That officers be requested to seek assurances from Government in relation to the devolution of transport powers in line with the signed Devolution Agreement.

**144/15 CAPITAL EXPENDITURE UPDATE 2015/16**

Richard Paver, GMCA Treasurer, presented an update report in relation to the Greater Manchester Combined Authority 2015/16 capital expenditure programme.

**RESOLVED/-**

1. To approve the revisions to the capital budget as set out in appendix A and detailed within the report.
2. To note the actual expenditure as at August 2015 and the current 2015/16 forecast compared to the revised 2015/16 capital budget.
3. To approve the addition of the Cycle City Ambition Grant (CCAG) 2 into the capital programme; and
4. To approve the virement of £1.2 million of Growth Deal funding for the Great Ancoats Street scheme to the Hyde Road scheme as detailed in paragraph 5.2

**145/15 GREATER MANCHESTER ROAD ACTIVITY PERMIT SCHEME (GMRAPS): YEAR 2 FURTHER PROGRESS**

Jon Lamonte, Chief Executive, TfGM, provided an update of the operation and financial performance of GMRAPS performance halfway through its third year.

**RESOLVED/-**

1. To note the operational update.
2. To approve the introduction of the proposed Key Performance Indicators (KPIs), as contained in the statutory permit guidance document, when the scheme is next varied.
3. To approve the change in the rate of set-up cost amortisation from the current rate of five years to the originally agreed basis of over the first three years of scheme operation.
4. To approve the implementation of a Key Route Network (KRN) Local Authority Allowable Cost Reimbursement rate, from April 2016, the basis of which has been agreed with Local Authority representatives.

5. To approve the implementation of updated non-KRN Local Authority Allowable Cost Reimbursement rates, from April 2016.

**146/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL**

Eamonn Boylan, Chief Executive, Stockport MBC, introduced a report seeking approval for a Growing Places loan to fund infrastructure works at Port Salford, and recycled Regional Growth Fund loans to B&H Precision Tools and RealityMine. Further details of the projects are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the applicants.

**RESOLVED/-**

1. To agree that the project funding applications by Port Salford Holdings Limited, a subsidiary of the Peel Group, (loan of £4,600,000), B&H Precision Tools (loan of £550k) and RealityMine Phase 2 (loan of £1,250,000) be given conditional approval and progress to due diligence.
2. To delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans at 1) above.

**147/15 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED/-**

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**148/15 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL**

Consideration was given to a report providing further detail on the funding application from Port Salford Holdings Limited for £4,600,000, B&H Precision Tooling for £550,000 and RealityMine Phase 2 for £1,250,000.

**RESOLVED/-**

To note the contents of the report.

## NOTICE OF THE DECISIONS AGREED AT THE JOINT MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD HELD ON FRIDAY 30 OCTOBER 2015 AT BURY TOWN HALL

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Kerry Bond

GMCA Monitoring Officer  
GMCA Treasurer  
GM Public Service Reform  
) Greater Manchester  
) Integrated Support Team  
)

#### **105/15 APOLOGIES**

Apologies for absence were received on behalf of David Acton (GMFRA), Richard Farnell (Rochdale), Donna Hall (Wigan), Paul Najsarek (Bolton), Cath Piddington (GMWDA) and Ian Stewart (Salford).

#### **106/15 DECLARATIONS OF INTERESTS**

None received.

#### **107/15 MINUTES OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD MEETING HELD ON 25 SEPTEMBER 2015**

The minutes of the Joint GMCA and AGMA Executive Board meeting held on 25 September 2015 were submitted for consideration.

#### **RESOLVED/-**

To approve the minutes of the Joint GMCA and AGMA Executive Board held on 25 September 2015.

#### **108/15 FORWARD PLAN OF STRATEGIC DECISIONS OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD AND AGMA EXECUTIVE BOARD**

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out the Forward Plan of those strategic decisions to be considered over the next four months.

#### **RESOLVED/-**

To note the Forward Plan of Strategic Decisions as set out in the report.

#### **109/15 MINUTES OF THE JOINT GMCA AND AGMA SCRUTINY POOL MEETING HELD ON 9 OCTOBER 2015**

#### **RESOLVED/-**

To note the minutes of the Joint GMCA and AGMA Scrutiny Pool meeting held on 9 October 2015.

## **110/15      GREATER MANCHESTER SPATIAL FRAMEWORK – CONSULTATION ON STRATEGIC GROWTH OPTIONS**

Eamonn Boylan, Chief Executive, Stockport MBC, introduced a report updating members on the next stage of the Greater Manchester Spatial Framework, seeking approval to a formal consultation process following discussions with Leaders on the final content.

The report also advised that it was proposed the consultation will begin on 9 November 2015 for at least 6 weeks and will be carried out in line with the Statement of Communities Involvement of the 10 local planning authorities.

### **RESOLVED/-**

1. To note the report and agree the approach.
2. To delegate responsibility to make any final amendments to the consultation documents and agree their publication to Eamonn Boylan, Chief Executive, Stockport MBC, in consultation with Councillor Sue Derbyshire, Portfolio Lead member for Planning & Housing.
3. To agree that Greater Manchester continue discussions with Department for Communities and Local Government as outlined in Section 3 of the report.

## **111/15      HOUSING AND PLANNING BILL**

Eamonn Boylan, Chief Executive, Stockport MBC presented a report detailing the key provisions of the Government's Housing and Planning Bill, published on 13 October 2015.

A member expressed concern that this legislation would not help to address the growing demand in Greater Manchester for affordable rented housing for those on low incomes given the current economic climate.

It was noted that a further paper presenting options under development to identify how these issues might be addressed as they affect Greater Manchester would be considered at an informal meeting of leaders later in the day. It was also suggested that the further paper could be made publicly available once discussed so that there is a general understanding and awareness of the context, constraints of work currently being undertaken to address the needs of Greater Manchester residents more specifically.

### **RESOLVED/-**

To note the key elements of the Housing and Planning Bill.

## **112/15      AGMA REVENUE BUDGET MONITORING UPDATE 2015/16**

Richard Paver, GMCA and AGMA Treasurer, presented a report informing members of the 2015/16 forecast revenue outturn position as at end September 2015.

In response to a question it was confirmed that conversations were being undertaken across the relevant agencies to ensure Operation Challenger would be as sustainable going forward and that the funding request from the Police and Crime Panel support costs was for

**RESOLVED/-**

1. To note the report and the current revenue outturn forecast for 2015/16 which is projecting an underspend of £268,000.
2. To note and approve the funding requirements for Operation Challenger as detailed in the report and approve the virement of £121,000 from the Police and Crime Panel support costs budget to the project budget as detailed in paragraphs 2.1 to 2.3 of the report, noting that the funding is for 2015/16 only and that longer term funding requirements will need to be addressed.
3. To approve the remaining revisions to the revenue budget plan 2015/16 as identified in the report and described in paragraph 2.4 of the report.
4. To note the position on reserves as highlighted in paragraph 3 of the report.