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TRAFFORD COUNCIL

AGENDA PAPERS FOR EXECUTIVE MEETING

Date: Wednesday, 22 February 2017

Time: 6.00 p.m.

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

AGENDA	PART I	Pages
1. ATTENDANCES		
To note attendances, including officers, and any apologies for absence.		
2. DECLARATIONS OF INTEREST		
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. BUDGET PROPOSALS 2017/18 - REVENUE BUDGET & ASSOCIATED DECISIONS		
NOTE: The substantive decision reports (a,d,e & f) are recommendations to Budget Council. These reports are also included with the <u>Council Summons</u> . The information items informing the Executive's recommendations (b & c) are solely included with the Executive's agenda papers. All reports will be published with the respective agenda on the Council's website.		
(a) Executive's Revenue Budget Proposals 2017/18 & MTFS 2018/19-2019/20		1 - 78
(b) Budget 2017/18 - Consultation Process and Feedback		79 - 134
(c) Executive's Response to Scrutiny Committee's Recommendations to the Budget Proposals for 2017/18		135 - 140
(d) Capital Programme and Prudential Indicators 2017/20		141 - 158
(e) Treasury Management Strategy 2017/18 - 2019/20		159 - 184

- (f) Fees, Charges and Allowances 2017/18 185 - 190
4. **FAIR PRICE FOR CARE : OUTCOME OF THE REVIEW OF THE PRICE FOR HOMECARE AND RESIDENTIAL AND NURSING CARE** 191 - 198
- To consider a report of the Executive Member for Adult Social Care and Community Wellbeing.
5. **TRAFFORD'S APPROACH TO DEVELOPING A PORTFOLIO OF INVESTMENT OPPORTUNITIES** 199 - 204
- To consider a report of the Deputy Chief Executive.
6. **PROPOSAL FOR THE PROCUREMENT OF WATER, WASTEWATER AND ANCILLARY SERVICES** 205 - 212
- To consider a report of the Executive Member for Economic Growth, Environment and Infrastructure.
7. **ANNUAL DELIVERY PLAN 2016/17 (THIRD QUARTER) PERFORMANCE REPORT** 213 - 250
- To consider a report of the Executive Member for Transformation and Resources and Corporate Director, Transformation and Resources.
8. **IMPLEMENTATION OF A PUBLIC SPACES PROTECTION ORDER (PSPO) FOR TRAFFORD PARK IN RELATION TO CAR CRUISERS** To Follow
- To consider a report of the Executive Member for Communities and Partnerships.
9. **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
- (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.

10. 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 and A. Williams (Vice-Chairman)

Further Information

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

Jo Maloney, 0161 912 4298
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This agenda was issued on Tuesday 14th February 2017 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD BOROUGH COUNCIL

Report to: Executive and Council
Date: 22 February 2017
Report for: Decision
Report of: Executive Member for Finance and the Chief Finance Officer

Report Title

Executive's Revenue Budget Proposals 2017/18 & MTFS 2018/19-2019/20

Summary

This report sets out the Executive's updated 3 year budget strategy proposals and detailed revenue budget proposals for 2017/18 and Medium Term Financial Strategy (MTFS) for the period 2018/19-2019/20. To include:

- The approach taken to consultation, subsequent outcomes of feedback from stakeholders, staff and scrutiny and revised recommendations which are now put forward for members approval
- Changes to budget assumptions, estimates and movements in funding

The key summary of figures for the revenue budget are:

- The overall budget movement for 2017/18 on a 'like for like' basis is an increase in the net budget of £1.41 million or 0.96%, from £146.70 million to £148.11 million. However, as Trafford is part of the 100% business rates retention GM pilot, Public Health monies will no longer be received in a separate ring-fenced grant but are counted as part of core funding and therefore the net budget increases by £12.72 million to £160.83 million.
- The budget funding gap for the three years before applying these proposals is now estimated to be £47.71 million comprising:
 - £32.23 million of additional cost pressures
 - £15.48 million of reductions to funding
- The proposals contained in the report close the 2017/18 budget gap of £25.37 million via a mixture of measures:
 - Income generation
 - Transformational service delivery savings
 - Additional funding and use of reserves
- It should be noted that if all the proposals in this report are implemented there currently still remains a residual budget gap of:
 - £13.19 million in 2018/19, and
 - £6.05 million in 2019/20

Throughout 2017 the Executive will continue to review proposals to address this budget gap

Recommendation(s)

It is recommended that Council approve :

- a) The 2017/18 net Revenue Budget of £160.83 million.
- b) The 2018/19 to 2019/20 Medium Term Financial Strategy (MTFS) including the income and savings proposals.
- c) The calculation of the Council Tax Requirement as summarised in Section 9.1 and set out in the Formal Council Tax Resolution (Green Sheets to be circulated at Council);
- d) To increase Council Tax by 4.99%:
 - o 1.99% general increase in the 'relevant basic amount' in each of the three years 2017/18 to 2019/20, and
 - o 3% for the 'Adult Social Care' precept in each of the two years 2017/18 and 2018/19.
- e) The Fees and Charges for 2017/18, as set out in the Fees & Charges booklet.
- f) Approval is delegated jointly to each Corporate Director with the Chief Finance Officer to amend fees and charges during 2017/18 in the event of any change in VAT rate, as appropriate.
- g) That the minimum level of General Reserve for 2017/18 be retained at £6.0 million, as in 2016/17 (Section 7.2).
- h) The overall Capital Investment Programme level of £109.16 million be approved (as detailed in the Capital Programme & Prudential Indicators report attached) of which £65.73 million relates to 2017/18.
- i) The Prudential Borrowing Indicators as set out in Appendix 3, of both the attached Treasury Management Strategy and Capital Programme & Prudential Indicators reports.
- j) The distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 8 and detailed in Annex H.
- k) The publication of the Council's updated Efficiency Plan in Annex I.
- l) Due to the late publication of the Final 2017/18 Local Government Finance Settlement, the Council to delegate to the Chief Finance Officer the power to

vary the level of Budget Support Reserve needed to balance the 2017/18 revenue budget in the event of any change at final settlement (as long as this does not impact on the level of general risk reserve retained).

and in approving the above, has taken into consideration :

- a) The objective assessment by the Chief Finance Officer of the robustness of budget estimates and adequacy of the financial reserves (Section 7.3 and Annex G).
- b) The Executive's response to the Scrutiny Committee's recommendations to the budget proposals as included in a separate report on the agenda.
- c) The 'Budget 2017/18 - consultation Process and Feedback' report.
- d) The Equality Impact Assessments in relation to the budget proposals and the Public Sector Equality duty.

In addition, the Council notes the following :

- a) The approval on 18 January 2017 under delegated powers by the Chief Finance Officer of the Council Tax Base for 2017/18 at 74,883 Band D equivalents.
- b) Along with the calculation of the estimated Council Tax surplus, sufficient to release £(1.3 million) to support the Council's 2017/18 revenue budget and a distribution of £(181)k and £(68)k representing the respective shares of the GM Police & Crime Commissioner and GM Fire and Rescue Authority.
- c) The base budget assumptions as set out in the Medium Term Financial Strategy (MTFS) as detailed in Annex A.
- d) Notes the budget gap for the two years 2018/19 £13.19 million and 2019/20 of £6.05 million.
- e) That the Capital Investment Programme for 2017/18, 2018/19 and 2019/20 is to be set at an indicative £65.73 million, £25.51 million and £17.92 million respectively.
- f) The use of capital receipts to fund a number of transformational savings and income generating projects as detailed in Annex I.
- g) That the Council Tax figures included in the report for the GM Fire & Rescue and Police Authority are the recommended provisional amounts pending their formal approval.
- h) The Treasury Management Strategy 2017/20 detailed elsewhere on the agenda.
- i) Notes the final decision with regard to school crossing patrols will not be taken

until the results of the second phase of consultation are concluded and a report to The Executive will then be presented at the appropriate time.

- j) A 'Budget 2017/18 - consultation Process and Feedback' report on the outcomes of the public consultation is included on the Executive meeting budget agenda.

Contact person for access to background papers and further information:

Name: Cllr Patrick Myers Nikki Bishop
 Extension: 4238

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed draft budget for 2017/18 supports all key priorities and policies.
Financial	The report sets out the proposed budget for 2017/18, allocating available resource across service objective heads as detailed in Annex F of 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. If the budget for a directorate is to be exceeded, which will result in a call on reserves, the Executive will need to identify the impact on reserves and when they will be replenished. The Council has carried out a public consultation on its budget proposals. It has taken full account of the feedback in presenting this budget.
Equality/Diversity Implications	The Council has complied with the requirements of its Equality Duty and where appropriate an Equality Impact Assessments was undertaken and considered. Those Equality Impact Assessments are published as background papers to this report.
Sustainability Implications	None arising out of this report.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications.
Risk Management Implications	The risks associated with the budget proposal have been considered.

Health and Wellbeing Implications	The Council has complied with the requirements of its Equality Duty and where appropriate an Equality Impact Assessments was undertaken and considered. Those Equality Impact Assessments are published as background papers to this report.
Health and Safety Implications	The health and safety implications of the budget proposal have been considered.

Other Options

The Executive is recommending an overall increase to the level of council tax of 4.99% in 2017/18 comprising the increase of 3% for the 'adult social care precept' to be earmarked for adult social care expenditure and 1.99% general increase in the 'relevant basic amount'.

An alternative option is not to increase council tax but there would be insufficient funding to pay for the Council's services in 2017/18. If this option were pursued then further savings of £4.21 million would need to be identified over and above the significant level of savings already included in this budget report. Alternatively a decision could be made to increase its 'relevant basic amount of council tax' above the levels proposed in this report, however this would exceed the referendum limits, which would mean a local referendum was required.

The use of reserves has been reviewed (See Section 7) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a minimum level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.

Consultation

The details and results of the budget consultation exercise are referred to in Section 3.2-3.4 together with the review of the proposals and process by the Council's Scrutiny Committee.

The Public Sector Equality Duty

The Equality Act 2010 requires public authorities to comply with the Public Sector Equality Duty. The public sector equality duty requires public authorities to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies.

People who are protected under the Equality Act 2010, have certain protected characteristics. The characteristics that are protected in relation to the Public Sector Equality Duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Public authorities, when carrying out its functions, must therefore have due regard to:

- The elimination of unlawful discrimination;
- The advancement of equality of opportunity between people who have protected characteristics and those that do not; and

- The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.

An Equality Impact Assessment (EIA) is a practical tool which may be used to identify discrimination as it is a process designed to ensure that a policy, scheme or project does not discriminate or disadvantage people. An EIA can be used to identify potential impacts of decisions and also, any mitigating measures. Where relevant and to further assist the Council in its evaluation of the proposals, a number of EIAs were undertaken as part of the evaluation process.

The EIAs were available to officers evaluating the consultation responses and to members of the Executive who will be deciding whether or not to support the proposals contained within the report. Any potential impacts have been identified through the EIA and consultation process. Where any potential impact has been identified consideration has been given to whether measures can be taken to mitigate against these impacts. Mitigation measures are set out within the body of the relevant EIA or are reflected in modifications to the proposals.

In considering the report and deciding whether to accept the recommendations the Executive is also required to have regard to the Public Sector Equality Duty. In order to satisfy this duty the Executive must consider the potential impacts identified in the EIA's and the consultation responses.

Where reasonable and appropriate mitigation measures have been proposed which will offset either wholly or in part the impacts identified. Where mitigating measures are not proposed, countervailing factors, namely the significant budgetary pressures facing the Council and the need to make improvements and efficiencies to the services concerned are considered to provide justification for the measures

Reasons for Recommendation

To enable the Council to set a Budget Requirement and Council Tax level for 2017/18. The reason for these recommendations is to deliver a balanced budget 2017/18 in relation to the proposals set out in this report, whilst having due regard for equality impact and risk mitigation.

Key Decision

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

Finance Officer Clearance GB.....

Legal Officer ClearanceMJ.....

CORPORATE DIRECTOR'S SIGNATURE



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



TRAFFORD
COUNCIL

**Executive's
Revenue Budget
Proposals 2017/18 &
2018/19-2019/20 Medium
Term Financial Strategy**

22 February 2017

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FOREWORD by the EXECUTIVE MEMBER for FINANCE COUNCILLOR PATRICK MYERS

The budget proposals contained in this report are the 8th since austerity began in 2010. Throughout this period the Council has been committed to delivering value for money services and a low council tax. Trafford currently has the lowest council tax in the North West and also has the lowest council tax of any Metropolitan District in England.

This has only been 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 49% qualified at NVQ4 and above compared to the Greater Manchester (GM) average of 34%. The borough has the highest productivity rate per head in GM and the highest Gross Value Added (GVA) outside of Manchester producing £7 billion p.a. The number of Trafford residents in employment is 123,300 and is predicted to increase by 9% over the next 10yrs.

With our partners we have won several awards for our innovative and collaborative work across the recently reviewed and refreshed Trafford Partnership, 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.

In 2016 we were a national finalist in the MJ Awards for 3 categories, Local Authority of the Year, Senior Leadership Team and for our Locality Working programme which is supporting behaviour change amongst our residents and the Council received a commendation in the North of England Excellence Awards. The Partnership has also established a new integrated governance framework for Reform which is driving forward fundamental change across sectors and services in order to reduce demand and ensure we provide services more collaboratively and more effectively in the best interests of the residents of Trafford.

Trafford was also announced joint winner of the NHS Health Education England Learning Together in Health and Social Care Projects Award for its innovative integrated working project called i-Care. The award recognises the bold and ambitious journey the authority took to re-shape itself and change the way its people work, including how it operates with key partners from the NHS and other agencies.

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 good with outstanding features 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';

95.1% 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. 2015 figures show that Trafford is ranked 6th nationally for Key Stage 2, 3rd nationally for GCSE and 3rd nationally for A Level results.

Work is continuing to implement the strategic frameworks for all the town centres including the Stretford Masterplan, Sale Town Centre Improvement Plan and Altrincham Strategy. The Council is committed to the sustainability of its main town centres and has completed the first phase of the comprehensive public realm improvement works in Altrincham, while the second phase (phase 2a) encompassing Stamford New Road to Regent Road will be completed in 2017. The first phase of exciting proposals for public realm improvements in Stretford Town Centre is scheduled to start in March 2017. The Council supported 6 new businesses to take vacant premises in the town centres through the innovative Town Centres Loan Scheme, which levered c.£293,000 of private sector investment and created 35 jobs. Through these efforts, the overall vacancy rates in the town centres fell to 11.1% (December 2016).

The Council delivered, in partnership with the private sector, the borough's first Business Improvement District for Altrincham which will generate c.£1.5 million over 5yrs to support business growth and attract spend and investment.

The Council also, in partnership with the Manufacturing Institute, Trafford College and Trafford Housing Trust, delivered the borough's first Fab Lab to encourage residents and businesses to utilise technology, develop prototypes and products, start businesses and develop skills.

- 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:-
 - Supported 173 residents into employment through the innovative Trafford Pledge, matching unemployed people with local employers.
 - Directly supported 205 local businesses to access advice and support from a range of local, sub-regional and national organisations.
 - Successfully delivered local elections and the Referendum in 2016.
 - Maintained 'Bronze' status under the government's homelessness gold standard challenge (i.e. the first step in the process) and has completed and submitted the next challenges to be awarded 'Silver' standard.
 - Reduced average major planning application processing times by half.
- 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 we continue to deliver. Some of these include:-
 - 106,732 visitors to Waterside Arts Centre selling more than 40,500 tickets and receiving over 3,500 school children,

- The Arts Centre launched the first Summer Family Festival event in July 2016 and a Trafford Live (Celebrating Your Community) event was held at the Town Hall in early October.
 - Determined more than 2,700 planning applications, which will grant permission for nearly 4000 new homes.
 - Maintain 40 public parks covering 243 hectares, with 7 parks currently achieving the prestigious Green Flag status.
 - Continue to collect grey general waste bins on a fortnightly cycle, emptying approximately 30,000 bins of household rubbish every day.
 - Remove approximately 3,700 tonnes of street sweepings and litterbin waste from our streets and open spaces every year.
 - Protecting expenditure on the youth provision through the establishment of an independent Youth Trust.
 - Recycle over 60% of domestic waste making Trafford the best performing district in Greater Manchester and the highest performing metropolitan districts in the country; 6th of all councils.
- 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:-
 - Seen our “Be Bold Be the Difference” campaign encourage hundreds of residents to get more active in their community, enabled by 150 front-line staff trained in community building (in addition to the 300 trained in 2015) and over 1,500 residents got involved in our community voting events to allocate council grants, with 45 groups now being supported to deliver new innovative community projects
 - Introduced a premium planning application service to deliver robust planning decisions within challenging timescales.
- The Council also continues to invest and support key initiatives in the borough and wider sub-region including:-
 - Planning the implementation of a £24 million investment in a new Leisure Strategy for Trafford
 - Contributing to the new Trafford Park Metrolink extension to the Trafford Centre.
 - Taking forward the Future Carrington scheme in partnership with HIMOR to ensure first phase planning application submitted (725 homes and 1m sq.ft new employment space) and future phases that will in total deliver up to 11,500 new homes, 8m sqft of new employment floor space and create c.14,000 new jobs on land owned by HIMOR and other parties.

- Fully supporting the development of the GM Strategic Framework that will set GM's employment and residential growth targets for the next 20 years.
- Four new library buildings to be provided by the end of 2018 at Altrincham, Old Trafford, Hale and Timperley.
- Working with AGMA to improve service delivery and enhance customer experience e.g. one library card.
- Limelight - Shrewsbury Street, Old Trafford – £18 million new community hub with extra care housing, library and health centre.
- Major public realm works in Altrincham town centre and Stretford.
- Providing an upgrade to all our Public Realm CCTV cameras and a new 24 hour control room in partnership with Salford City Council.

As stated earlier the budget proposals contained in this report are the 8th since austerity began in 2010. Over this period the Council has had to bridge budgets gaps each year as a result of reduced funding and cost pressures totalling £136.11 million of which £112.82 million was met from efficiencies, income and policy choices. This has been no easy challenge for a low funded, low tax authority like Trafford. The next three years will not provide any respite with the budget gap now estimated to be £47.71 million.

In recent years we have approached the budget position positively and transformed and reshaped our services. Our long term vision for the future is that:

No one will be held back and no one left behind

and our future strategy holds this at its core. A new place based strategy is under development guided by two key principles around:-

- People - The Council will help residents to help themselves and each other
- Place - To create a place where people want to live, stay, learn, work & relax

A number of key work streams will be developed over the next few years to ensure Trafford is able to meet the challenge with our partners and create a sustainable borough. The conversation we have to have with the residents of the borough, customers and partners is how we can further transform the services our communities rely on and provide them in different ways.

The proposals in this report are following the subsequent outcomes of feedback from consultation with stakeholders, staff and scrutiny and revised recommendations which are now put forward for member's approval.

Since the draft budget was presented to the Executive on 15th November 2016 there have been a number of factors which have contributed towards an overall increase in the funding gap from £22.17 million to £25.37 million in 2017/18 and over the next three years from £42.09 million to £47.71 million.

Movement in the Budget Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Funding Gap (Draft Budget Nov16)	22,165	10,692	9,237	42,094
Adults: Additional Pressures e.g. reducing the delayed transfers of care, increasing care requirements	2,292	0	0	2,292
Adults: Deprivation of Liberty Safeguards Assessments (DOLS)	250	0	0	250
Children's Placements	1,800	0	0	1,800
Social Care Transport	250	0	0	250
Other: Minor Service Pressures & Contingency Items (incl. Treasury Management, National Living Wage Assumption, Changes to Grant Allocations etc...)	(348)	1,188	(537)	303
Cost Pressures & Investment Updates	4,244	1,188	(537)	4,895
Increase in Council Tax Base	(764)	(11)	(12)	(787)
Business Rates Updates	(275)	1,908	(130)	1,503
Funding Updates	(1,039)	1,897	(142)	716
Revised Funding Gap (Feb17)	25,370	13,777	8,558	47,705

The 2017/18 funding gap of £25.37 million has been met from a combination of the following:

- Income generation and savings amounting to £15.57 million comprising:-
 - Income Generation:
 - The continuation of existing income generating projects of £430k and
 - New proposals which are projected to generate £1.77 million.
 - Transformational Service Delivery Savings:
 - The continuation of existing savings programmes of £8.80 million and
 - New savings proposals amounting to £4.57 million.
- Additional funding and use of reserves amounting to £9.80 million comprising:-
 - Council tax of £4.21 million, comprising
 - £1.68m from an increase in the 'relevant basic amount' of Council Tax of 1.99%, and
 - £2.53m from an increase of 3% in respect of the 'adult social care precept'

For a band D property in Trafford this equates to an increase of £1.08 per week or £56.25 per annum.

- Business rates of £1.16 million, due to revisions in assumptions following updates being provided by Department of Communities and Local Government on multiplier rates & Valuation Office Agency update on the new 2017 Rating List.
- Collection Fund surplus of £1.37 million, split between £1 million Council Tax and net £375k Business Rates.
- The use of the budget support reserve, which has been set aside for this purpose, of £3.06 million. This gives us a temporary one year smoothing effect which defers savings to 2018/19.

Summary of the Reduction in the Revised Funding Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revised Funding Gap	25,370	13,777	8,558
Efficiencies	(180)	0	0
Income	(430)	0	0
Policy	(8,613)	(250)	0
Full Year Effect of 2016/17 Proposals	(9,223)	(250)	0
Efficiencies	(2,921)	(78)	350
Income	(1,772)	(335)	(510)
Policy	(1,651)	268	(261)
Funding & Reserves	(9,803)	(195)	(2,085)
2017/18 Proposals	(16,147)	(340)	(2,506)
Total Budget Gap	0	13,187	6,052

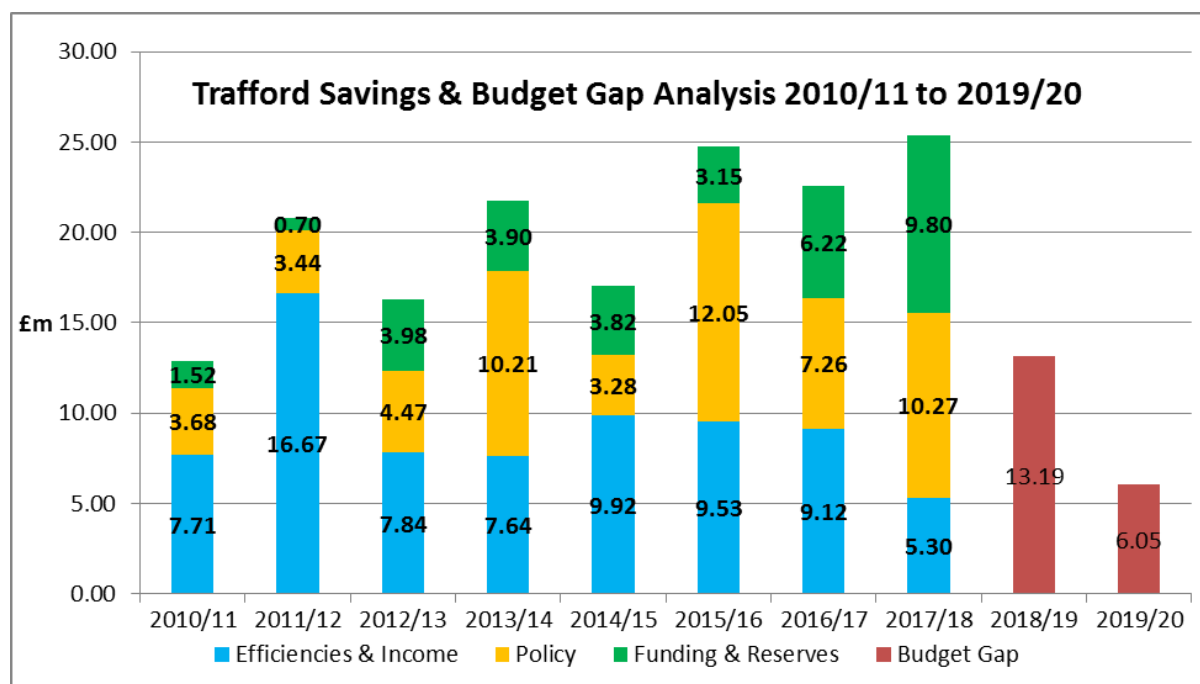
Despite the increasing difficulty in setting a balanced budget for 2017/18 it is worth highlighting some of the significant new investment both revenue and capital included in these budget proposals:-

- An increase in the level of demographic funding on our social care services of £7.0m coupled with £2.4m to cover the cost of adaptations and assistive technology to assist people to live in their own homes
- Provision of additional places in our primary schools £2.5m
- The first phase of improvements to our leisure centres £6.5m
- Improvements to our highways £3.2m
- Improvements to parks infrastructure and play area refurbishments £0.4m
- Investment in new technology £1.3m

At the draft budget stage the level of income generation and savings identified were not sufficient to meet the budget gap of £2.02m in 2017/18, a summary of how this budget gap at draft budget stage has now been met is shown in the table below.

Balancing the Budget Gap (Draft to Final) <i>(A Breakdown is Provided in Annex B)</i>	2017/18 £'000	2018/19 £'000	2019/20 £'000
Budget Gap at Draft Budget (Nov16)	2,022	9,145	4,825
Cost Pressures & Investment Updates	4,244	1,188	(537)
Savings & Income Proposals Updates	(1,731)	450	350
Funding Updates	(1,039)	1,897	(142)
Additional Funding	(3,238)	249	1,556
Additional Use of Reserves	(258)	258	0
Final Budget Gap After Proposals (Feb17)	0	13,187	6,052

Whilst this budget gap has now been closed for 2017/18 the size of the challenge over the following two years remains significant. For that reason the budget process for 2018/19 will commence immediately such that sufficient time is afforded to consider all options at an early stage.



Councillor Patrick Myers

Executive Member for Finance

1. FINANCIAL BACKGROUND

1.1 Background

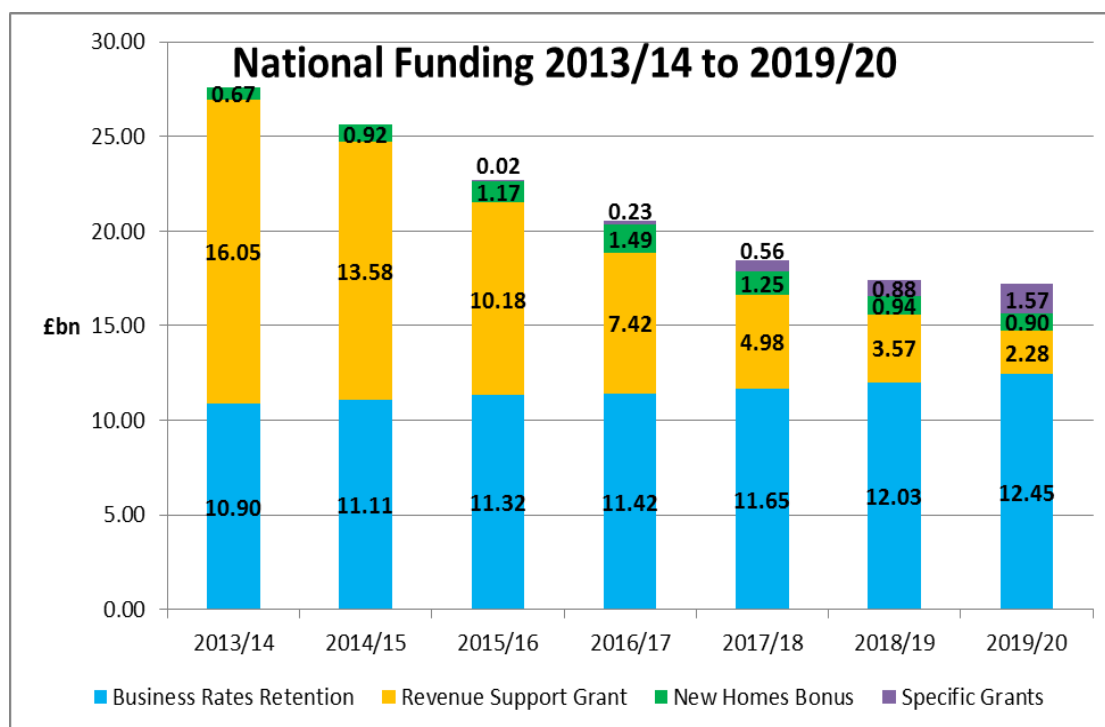
1.1.1 Since 2010 the Government has reduced the funding for Local Government and in the November 2015 Spending Review announced plans to completely phase out Revenue Support Grant (RSG) by 2020, paving the way for the implementation of 100% Business Rate Retention scheme.

1.1.2 To provide funding certainty & stability over the period to 2020, in the December 2015 Provisional Finance Settlement the Secretary of State offered councils the option to accept a four year funding settlement for the period 2016/17 to 2019/20 on the condition that councils produce an efficiency plan to be published by 14th October 2016. This offer was later confirmed by letter, after a consultation period, on 10th March 2016.

1.1.3 On the 19th September 2016 the Executive approved that the Council accept the four year funding settlement and the publication of the Efficiency Plan. The medium term minimum funding guarantee not only safeguards the Council against further reductions but provides certainty to enable the Council to make longer term transformational and growth plans both within our organisation and in collaboration with our partners. An updated efficiency plan can be found in Annex I.

1.2 Provisional 2017/18 Local Government Finance Settlement

1.2.1 The provisional 2017/18 Local Government Finance Settlement was released on the 15th December 2016 which provided updates to the national funding figures to 2019/20.



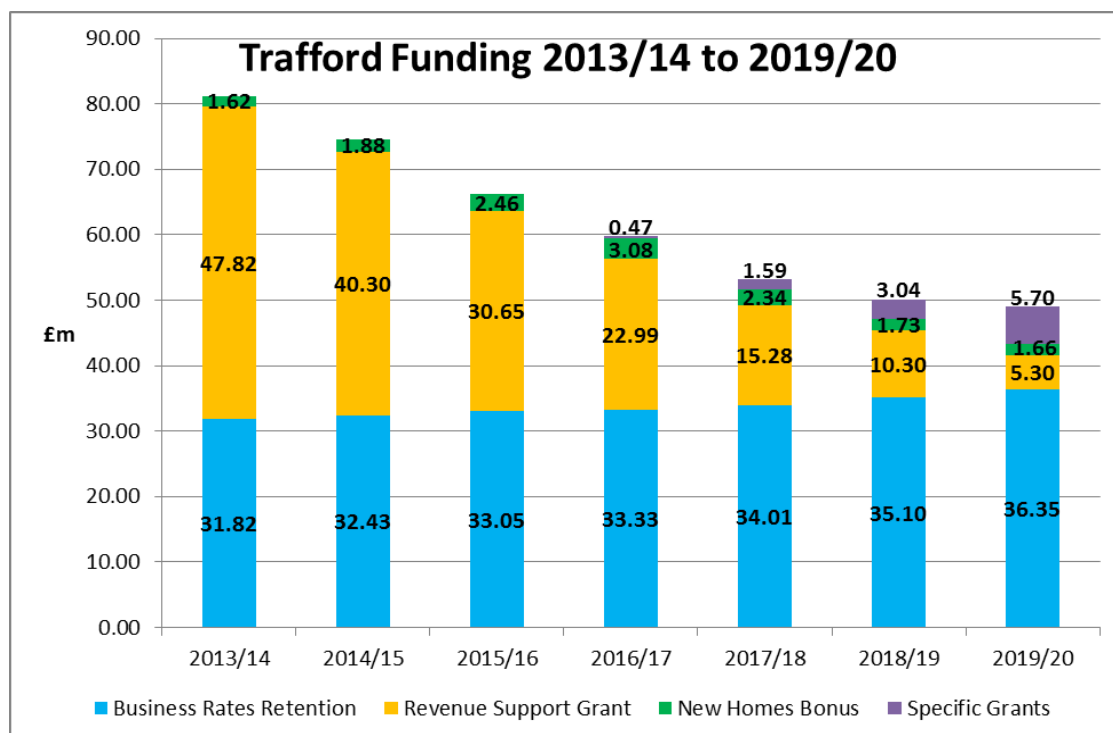
1.2.2 When comparisons are made with funding levels at the inception of the Business Rates Retention scheme in 2013/14 it highlights funding reducing from £27.6bn to £17.2bn (38%) over the period, with RSG being the main contributor.

1.3 Council Position

1.3.1 The Provisional 2017/18 settlement figures re-confirmed those originally offered in accepting the four year settlement and can be found in the table below:

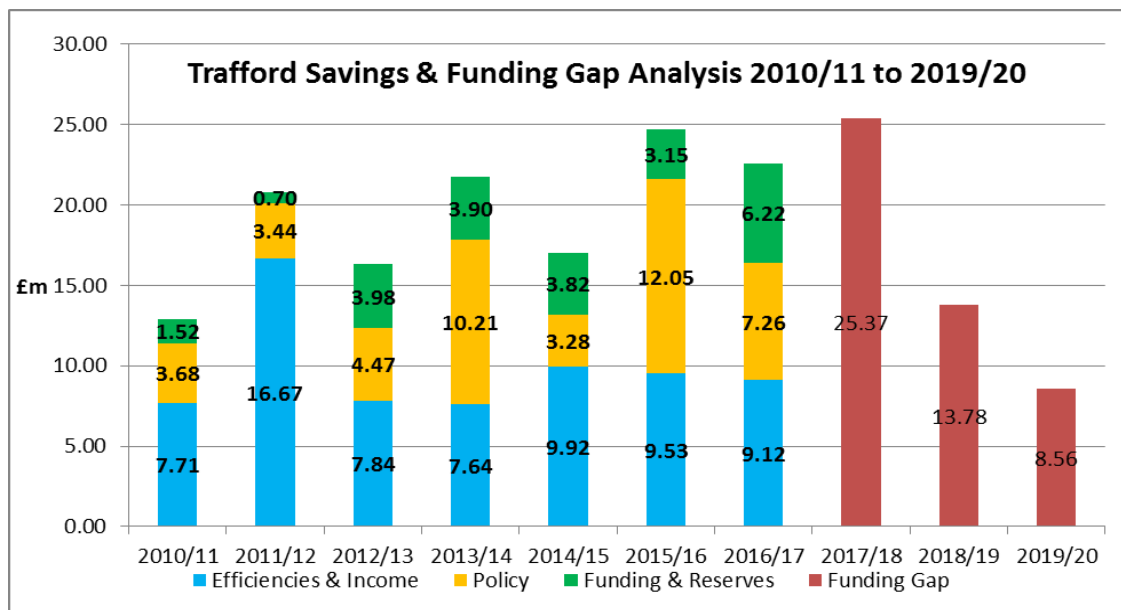
Table 1: The Funding Offer	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revenue Support Grant	22,989	15,276	10,303	5,299
Transitional Grant	465	458	0	0
Rural Services Delivery Grant	0	0	0	0
Total	23,454	15,734	10,303	5,299

1.3.2 When making comparisons to the national funding figures above, Trafford funding over the same period 2013/14 to 2019/20 is set to reduce by £32.24m or 40% which is 2% above the national average.



1.3.3 Trafford Council is a high performing, low spending council providing excellent, value for money services and has risen to the challenge presented by the effects of the austerity agenda, rising demand levels and funding reductions over the years since 2010.

1.3.4 Since 2010/11 the Council has successfully delivered £96.44m of savings and the current year 2016/17 budget includes a further £16.38m of savings. These are being delivered through a mixture of income generation, in-house efficiencies and the transformation of services and service delivery. Over the next three years the Council is tasked with closing a funding gap which now stands at £47.71m.

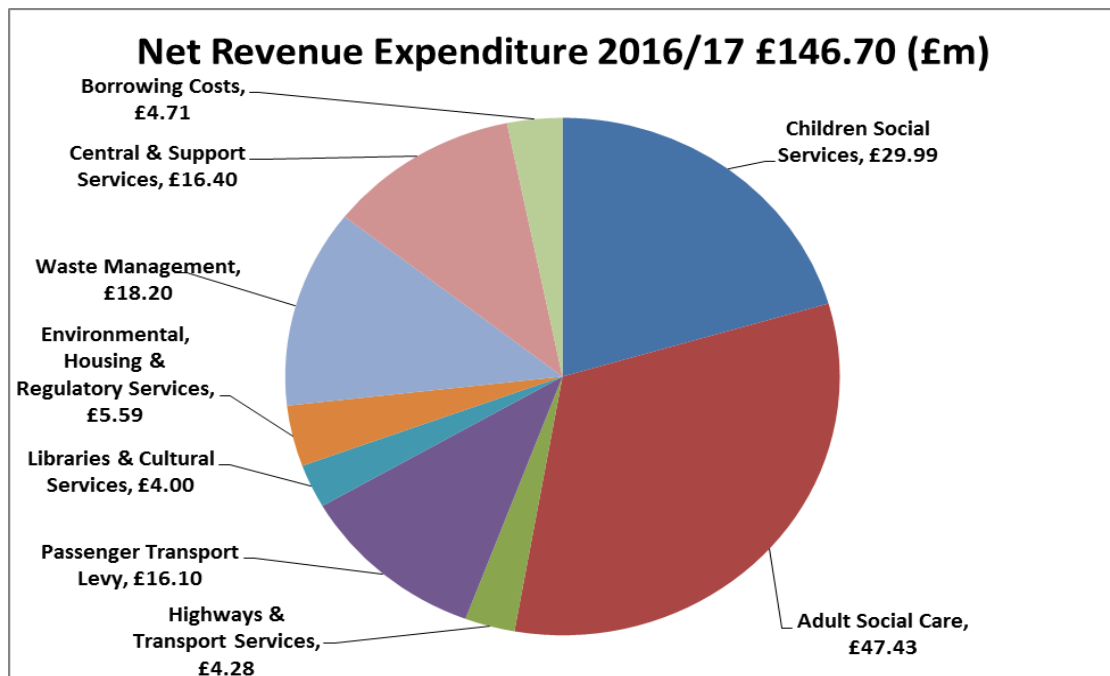


2. 2016/17 BASE BUDGET & MONITORING POSITION as at PERIOD 8 (November 16)

2.1 Base Budget 2016/17

2.1.1 The Council's gross budget for 2016/17 is £423 million however this includes specific funding of Dedicated Schools Grant, Housing Benefit and Public Health. The Council's net controllable budget agreed by Council in February 2016 was £147.32m.

2.1.2 As Trafford will be part of the 100% business rates retention GM pilot from April 2017, in preparation it has been necessary to re-align some business rates related budgets (i.e. section 31 grants and GM Pool Levy/Rebates) totalling £623k to funding, although this is merely presentational it does result in both the net budget and funding reducing for 2016/17 to £146.70m, these changes will take effect from period 10 (January 2017) monitoring.



2.1.3 Which includes some of the following:

➤ Adult Social Care

- Supported over 3,700 residents with a care package
- Provided services to 4,913 users and 5,867 carers
- Provided information and advice to support carers with over 11,000 contacts to the carer helpline
- Provided over 800,000 hours of external home care support

➤ Children's Social Services

- Supported 3,393 clients

➤ Economic Growth, Environment & Infrastructure

- Maintained over 500 miles of roads and footpaths.
- Maintained over 27,500 lampposts and 4,500 items of illuminated street furniture.
- Responsible for 18,000 highway trees and 50,000 trees within public parks and open spaces
- 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).
- Empty approximately 30,000 bins of household rubbish every day.
- 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
- 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.

➤ Transformation & Resources

- The Council continues to collect over 97% of Council Tax remaining the highest in GM which supports the Council's financial resources.
- The Council's customer contact service deal with over 330,000 telephone enquiries per year. In 2016/17, the Contact Centre target is to answer 80% of telephone calls within 20 seconds.
- The Catering Service serves on average 15,000 meals per day, over 2.85 million meals per year.
- The authority has one crematorium and five cemeteries and the service undertakes approximately 1,700 cremations and 600 burials per year.
- The Council continues to promote openness and transparency and our Council meetings have received over 9,000 online views.
- During 2015/16 106,732 visitors to Waterside Arts Centre selling more than 40,500 tickets and receiving over 3,500 school children.
- Provision of the Council's in-house professional services of HR, Legal, IT & Finance
- Facilitates and supports the award winning Trafford Partnership.
- Provision of wedding facilities at Trafford Town Hall.

2.2 Revenue Budget Monitoring 2016/17 Period 8 (November 16)

2.2.1 Delivery of the 2016/17 budget is critical to maintaining the Council's budget proposals and future MTFS. The period 8 (November 2016) revenue budget monitoring report forecasts a small underspend of £670k as follows:

Table 2: Budget Monitoring results by Service	Forecast Variance (£'000)	%
Children's Services	2,389	8.1%
Adult Services (incl. Public Health)	380	0.8%
Economic Growth, Environment & Infrastructure	(394)	(1.2)%
Transformation & Resources	(897)	(5.3)%
Total Service Budgets	1,478	1.2%
Council-wide budgets	(2,148)	(9.9)%
Forecast outturn	(670)	(0.5)%
Dedicated Schools Grant	492	0.4%

2.2.2 The current in-year variations contain a number of items with those notable items listed below which has been considered in determining the budget proposals for 2017/18:

- Children's Services - additional cost of children's care packages.
- Adult Services - a combination of higher levels of care being required and the number of new entrants.
- Council-wide - recovery of prior-year(s) housing benefit overpayments, reduction in business rates levy payment and a review of balance sheet.
- Staff vacancies - which are in the process of being filled.

2.2.3 The significant demand led pressures being placed on the Children's Service placement budget are being addressed in the current year predominantly through the use of one-off savings within Council-wide budgets and brought forward service earmarked reserves. However, the recurrent nature of this pressure is likely to continue into 2017/18 and the implications from this have been factored into the revised funding gap in section 4.2 and discussed in section 4.3 of this report.

3. BUDGET PROCESS 2017/18

3.1 Budget Approach 2017/20

3.1.1 The draft budget for 2017/18 was agreed by the Executive on 15th November 2016 and set out the overall approach to the budget to address a funding gap of £42.09m over the next three years, of which £22.17m related to 2017/18.

3.1.2 In recent years the Council has had to adopt innovative approaches in order to address the significant budget pressures it faces and the Council's Reshaping Trafford approach has been further adapted for this budget process to address the gap in the budget for 2017/18 to 2019/20.

3.1.3 The long term vision for the future is that ***no one will be held back and no one left behind*** and our future strategy holds this at its core.

3.1.4 The Executive aims to shape a borough which acknowledges that it is made up of different places and enables each to flourish and be confident in their own identity. It will be a thriving borough everywhere and an attractive place to live. The key outcomes include:-

- Trafford will have thriving communities where people choose to live and which retain their own unique identity across the whole of the Borough.
- Businesses will thrive in all areas, creating sustainable employment for all working age people.
- No place will be isolated because the road network and public transport infrastructure will connect all our places.
- Young people will have access to good quality education that prepares and enables them to develop the skills they need to access good quality jobs.
- The sport, recreation and retail offer will help to define the unique nature of these places, which complements the wider offer across the borough whilst promoting healthy lifestyles and regular exercise.
- Young couples and families will want to live in these areas because they have good quality housing, access to good quality schools and they are well connected to transport links.
- People will be enabled to take full responsibility for their health and wellbeing. They will partake in regular exercise and narrow the healthy life expectancy gap, living independently within their communities.

3.1.5 As part of this work a placed based strategy has been developed based around two guiding principles which will see the Council work with partners to ensure services are delivered in the most efficient and effective manner:-

- People - The Council will help residents to help themselves and each other
- Place - To create a place where people want to live, stay, learn, work & relax

3.1.6 This strategy which continues to evolve currently has seven key interventions and the savings and income proposals in this budget report have been themed around these, albeit a number of the themes will take time to develop.

- Creating a national beacon for sports, leisure and activity for all, making Trafford a destination of choice
- Accelerate housing and economic growth
- Redesigning services
- One Trafford - being responsible, being bold, being healthy
- Optimising technology to improve lives and productivity
- Building on excellent education outcomes - developing a wider education and skills offer that better connects people to jobs
- Mersey Valley becomes a significant visitor attraction that connects the North to the South of the Borough.

3.1.7 As with previous budget rounds the Executive continued the approach of growth, charging and saving to balance its overall budget. The first two themes were 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.

3.1.8 To balance the budget a number of income generation and savings totalling £14.00m were identified and assumptions were made on increases to the rate of council tax and one-off use of reserves. At draft budget stage a budget gap of £2.02m remained and this formed the basis of public consultation.

Table 3: Draft Budget Report Summary	2017/18 £'000	2018/19 £'000	2019/20 £'000
Original Funding Gap	22,165	10,692	9,237
Less Social Care Precept (as per budget report February 2016)	(1,682)	(1,732)	(1,783)
Remaining Funding Gap	20,483	8,960	7,454
Less Savings from existing programmes	(9,346)	(250)	0
New Savings and Income Proposals	(4,650)	(635)	(811)
Increase in Council Tax (general increase of 1.99%)	(1,665)	(1,730)	(1,818)
Net Budget Gap	4,822	6,345	4,825
Use of Budget Support Reserve	(2,800)	2,800	0
Total Budget Gap	2,022	9,145	4,825

3.1.9 Since the draft budget which was approved by the Executive on 15th November 2016 there have been a number of factors which have impacted on the overall budgetary position:-

- Impact of public consultation
- Staff Consultation
- Scrutiny
- In-year monitoring position
- General review of budget assumptions
- Local Government Financial Settlement

3.2 Budget Consultation

3.2.1 There is a separate 'Budget 2017/18 - Consultation Process and Feedback' report on the Executive meeting budget agenda detailing the consultation process in relation to the 2017/18 budget proposals which included two public consultation events, each webcast live, and an online survey. The theme of the consultation was about, "Taking the Trafford Pound Further" and greater emphasis was placed on the use of social media for the duration of the consultation and residents, businesses and staff had the opportunity to complete the online survey.

3.2.2 The report also identifies the findings and outcomes of the exercise which at this stage is not expected to have any material impact on the savings included in the draft budget report with the exception of proposal around the transfer of maintenance to bowling clubs which will no longer go forward as part of these budget proposals, but will be subject to a further review as part of the overall leisure strategy.

3.2.3 With regards to the council's proposal to find alternative funding for school crossing patrols, a second phase of consultation will be undertaken prior to the implementation of any change to the current arrangements. The Council remains committed to seeking alternative funding sources which, if found, would allow the retention of schools crossing patrols. Whilst the savings target for schools crossing patrols remains in the savings proposals for 2017/18, in the event that they cannot be delivered following the second round of consultation then the impact will be met from the Council-wide contingency budget. The outcome of the second phase of consultation will be reported to a future Executive.

3.2.4 In order to assist the evaluation of the budget proposals and to ensure that the Council paid due regard to its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) were carried out as part of the evaluation process to ensure that due consideration was given to those with the protected characteristics and the likely impact of the proposals on each of these groups.

3.2.5 The EIAs are not finalised until the end of the budget process because the feedback from any consultations held, which may relate to the equality impact on a group or groups with a protected characteristic, has to be considered in the final decision-making process. The considerations relating to equalities may be significant enough to influence the final decision and shaping of the business proposal. To pre-empt this by completing the EIA earlier, could lead to a judicial review.

3.2.6 The Executive is required to have regard to the Public Sector Equality Duty and in order to satisfy this duty the Executive must consider the potential impacts identified in the EIA's and the consultation feedback which is included in the 'Budget 2017/18 - Consultation Process and Feedback' report.

3.3 Scrutiny Review

3.3.1 The Leader of the Council gave a presentation to the Scrutiny Committee on 16th November 2016 setting out the budget proposals. Two Budget Scrutiny Working Group sessions were then held during December 2016 with relevant Executive Members and senior officers attending to give background to the budget proposals and answer questions.

3.3.2 Scrutiny Committee comments were submitted to the Executive on 23rd January 2017 in the 'Overview and Scrutiny Review of the Executive's Draft Budget Proposals for 2017/18' report

3.3.3 The report identifies that Scrutiny Members feel that there are three key, crosscutting areas where the Executive needs to satisfy itself of the robustness of the proposals. These are:

- £2m budget gap
- Risk assessments (savings delivery risk)
- Ensuring that forward projections for demand led services are robust

3.3.4 Scrutiny Members have also identified a number of specific areas of the proposals where they felt more information was required on how these savings would be achieved and managed. These include:

- Parking Fees
- School Crossing Patrols
- Waste Management
- Grounds Maintenance (Bowling Greens)

3.3.5 The Executive's response to the Scrutiny Committee issues and recommendations can be found in a separate report elsewhere on the Executive meeting budget agenda.

3.4 Staff Consultation – Terms and Conditions

3.4.1 For the period 2017/18, formal consultation has taken place with respect to a proposal to implement 1.5 days mandatory leave for a further temporary period of 12 months, April 2017 to March 2018.

- 3.4.2 The period of statutory consultation was aligned to the main consultation on the budget; it commenced on 7th November 2016, with the issue of a S.188 notice to the recognised trade unions and concluded on 3rd January 2017.
- 3.4.3 During this period, there were four formal collective consultation meetings involving Elected Members, Senior Managers and trade union officials. The purpose of these meetings was to discuss the proposal, receive feedback and try to reach a collective agreement.
- 3.4.4 Taking account of the feedback received, the proposal is that the scheme will be extended for one further year, until 31st March 2018.
- 3.4.5 A more detailed 'Staff Terms and Conditions' report can be found on the agenda for the Employment Committee dated 16th January 2017, who approved the recommendation around the changes to and extension of mandatory unpaid leave.
- 3.4.6 At this stage the impact of the overall budget process on jobs is not clear as the transformation projects across the Children Families and Wellbeing directorate are still in progress. Where there are any proposed changes or reductions, full consultation will take place with trade unions and the workforce.

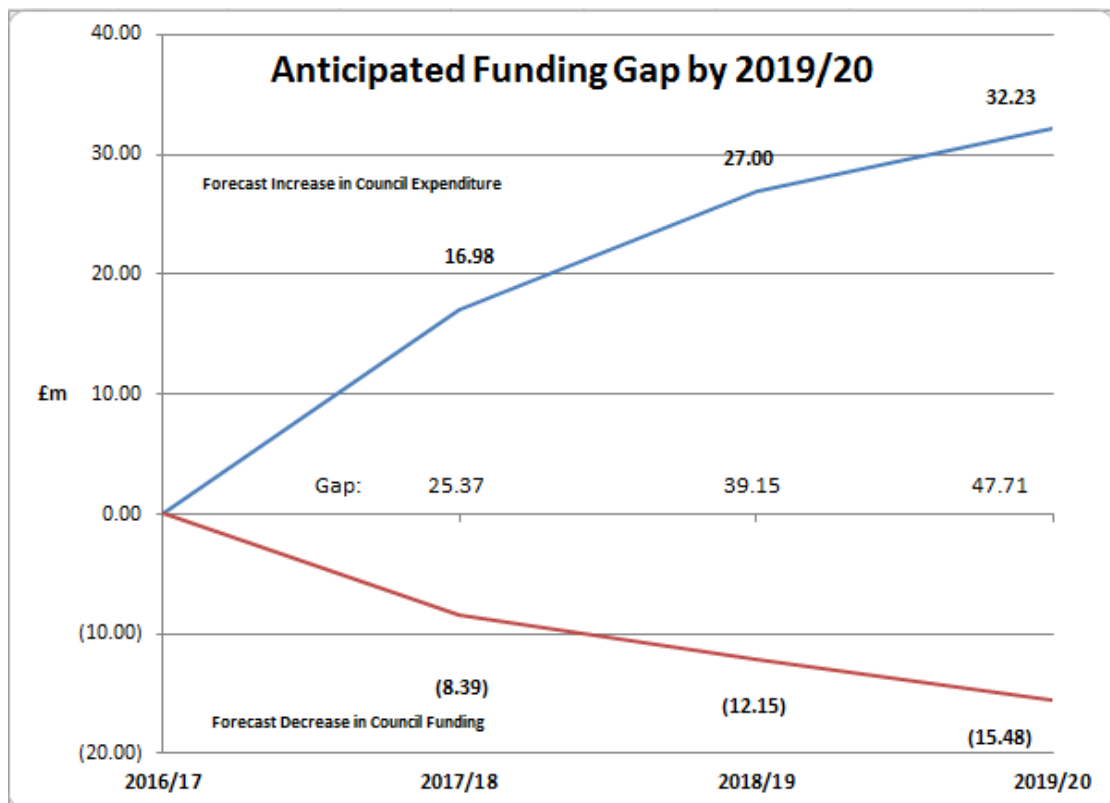
4. BUDGET UPDATES 2017/18 and MTFS 2018/20

4.1 This section identifies:-

- The overall funding gap for 2017/18 and later years and explains the changes since the draft budget was published in November 2016.
- How the funding gap has been closed for 2017/18.

4.2 Updated Annual Funding Position

4.2.1 The MTFS position reported to the Executive in the November 2016 Draft Budget Report showed an overall funding gap for 2017/18 to 2019/20 of £42.09m, however due to the in-year demand being experienced within Adult and Children Services, the release of the 2016 Autumn Statement and provisional 2017/18 Local Government Finance Settlement, and updates to policies, assumptions and estimates, the funding gap for the three years has now increased by £5.62m to £47.71m, as shown in the chart below:



4.3 Updated Cost Pressures, Investment and Funding Summary

4.3.1 Cost pressures and investment:

Adverse variance of £32.23m over the next three years, the main features are detailed below with a summary of budget assumptions shown in Annex A:

- Pay: includes a provision for a 1% pay award; and an increase in the employer's pension rate which has now been reduced from 1% to 0.5% due to the rate now being confirmed at 20.9% for the next three years.

- Inflation: relates to non-staffing budgets and includes a general allowance of 2%; plus other contractual inflation. An inflation freeze has now been applied on all non contractual budgets in 2017/18.
- Living Wage: the allowance of £5.70m has now been reduced by £600k due a lower than anticipated 2017/18 rate being confirmed in the 2016 Autumn Statement.
- Levies: allowances for waste disposal, transport and Environment Agency (flood defence).

In 2017/18 the waste levy will increase to £22.97m compared to £14.36m in 2016/17.

The reason for this seemingly large increase is that the Greater Manchester Waste Disposal Authority needs to make an investment of up to £77.7m in order to implement a long term savings programme which will see savings to the levy in future years. The effect of this large increase has been managed at a GM level by a proposed reduction of the same amount in the transport levy.

- Demography: an annual budget increase to reflect the increasing number of adults & children requiring social care of £4.50m and increasing number and cost of looked after children of £2.50m, which includes an additional £700k due to increased demand being experienced in 2016/17. As section 2.2 states the latest monitoring shows further increasing pressures on demand led placements budgets therefore a further £4.34m has been built into the budget since draft budget stage.
- New Income: an allowance for the Council's share of the additional funding of £1.5bn the Government is providing for the improved Better Care Fund and New Adult Social Care Support Grant.
- Expected Grant Reductions: allowance for reductions in the Public Health grant; the phasing out of the Education Services Grant by September 2017, the earlier than expected reduction in New Homes Bonus to four year allocations and a reduction in DSG recharge.
- Treasury Management: includes investment interest and borrowing costs, which have been updated to reflect the lower interest rate and the revised approach to the application of the MRP policy.
- Other: includes allowances for other minor service pressures & contingency items.

Overall increase in the estimate of budget pressures in 2017/18 since the November draft budget is £4.24m

4.3.2 Funding:

An overall adverse variance of £15.48m over the next three years, the main feature being the reduction in RSG which is being partially offset through an increase in the Council Tax base and a growth in Business Rates as detailed below:

- Council Tax: the 0.5% allowance for the estimated increase in the Council Tax base has now been uplifted to 1.4% primarily due to a reduction in the cost of the Council Tax Support Scheme.

Taking this into consideration The Chief Finance Officer, in accordance with her delegated powers, has approved a Tax Base of 74,883 Band D properties for 2017/18, an increase of 1,039 from 2016/17. The forward plans have an expectation of £400k growth in council tax each year.

- Business Rates: the Council is now seeing a relatively buoyant rateable value base, including the opening of a new power station in Carrington. An allowance has been made for this growth in the current resource forecasts. However £2m of assumed growth in 2018/19 for the additional power station in Carrington has now been removed from the assumptions.

4.3.3 Provisional 2017/18 Local Government Finance Settlement:

The outcome for Trafford is a marginal favourable variance of £173k over the next three years:

- Revenue Support Grant: as discussed earlier in section 1.3.1 of this report, the RSG figures were re-confirmed and reflect those provided as part of accepting the four year settlement.
- Retained Business Rates (Baseline Funding): slight increases due to changes in the Government inflation assumptions.
- Business Rates Tariff: DCLG have updated the 2017/18 tariff adjustment formula due to the new 2017 Revaluation List, which benefits the council.
- New Homes Bonus: changes to the existing scheme of phasing payment from 6 to 4 years and setting a baseline of a 0.4% increase before payments will be made, which overall reduce the level of grant the council will receive.
- New Adult Social Care Support Grant: one-off grant to be given to councils in 2017/18 which is being funded from the reduction in New Homes Bonus Grant.

Overall increase in the estimate of funding in 2017/18 since the November draft budget is £1.04m

Therefore since the draft budget stage the overall funding gap has increased from £22.17m to £25.37m in 2017/18

4.3.4 The table below summarises the budget movements to cost pressures, investments and funding between the draft and final budget stage and the impact on the overall funding gap and a full detailed listing is provided in Annex B.

Table 4: Budget Movements	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
FUNDING GAP (Draft Budget Nov16)	22,165	10,692	9,237
Movements to Net Budget:			
Adults: Additional Pressures e.g. reducing the delayed transfers of care, increasing care requirements	2,292	0	0
Adults: Deprivation of Liberty Safeguards Assessments (DOLS)	250	0	0
Children's Placements	1,800	0	0
Social Care Transport	250	0	0
Pension Contribution Rate - set at 20.9% for the next 3 years	(262)	(516)	(519)
General Inflation: Freeze in 2017/18	(284)	0	0
National Living Wage Assumptions	(600)	0	0
Updates to Grant Allocations	(193)	910	402
Treasury Management: Interest Rates & increase in MRP (Debt Repayment)	884	226	(420)
Other: Minor Service Pressures & Contingency Items	107	568	0
Cost Pressures & Investment Updates	4,244	1,188	(537)
Movements to Funding:			
Assumed Increase in Council Tax Base 1.4% (Previously 0.5%)	(764)	(11)	(12)
Business Rates: Baseline & Tariff Updates	(275)	(92)	(130)
Business Rates: Growth & Assumptions	0	2,000	0
Funding Updates	(1,039)	1,897	(142)
TOTAL BUDGET MOVEMENT	3,205	3,085	(679)
REVISED FUNDING GAP	25,370	13,777	8,558

4.3.5 A subjective breakdown of the revised £47.71m funding gap is provided in the table below:

Table 5: The 2017/20 Funding Gap	February 2017		
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Budget Forecasts			
Net Budget Requirement b/fwd	146,697	163,674	173,694
Cost Pressures & Investment:			
Pay	1,173	933	653
Living Wage	1,548	1,822	1,729
Inflationary	0	288	293
Contractual Obligations	2,004	2,015	1,992
Levies	698	703	703
Demographic	7,043	2,000	2,000
Grants, Legislative & Service Transfers *	2,289	1,105	(1,973)
Loss of Income	105	0	0
Treasury Management	1,474	99	(420)
Other	643	1,055	250
Total Cost Pressures & Investment	16,977	10,020	5,227
Budget Requirement Before Savings	163,674	173,694	178,921
Funding:			
Council Tax	84,418	84,840	85,264
RSG	15,276	10,303	5,299
Business Rates: Local Share	68,998	71,218	73,751
Business Rates: Tariff Payment	(34,988)	(36,114)	(37,398)
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	4,300	4,300	4,300
Prior Year: Collection Fund Surplus/(Deficit) & GM Pool (Levy)/Rebate	300	0	0
Available Funding	138,304	134,547	131,216
Cumulative Revised Funding Gap	25,370	39,147	47,705
Annual Revised Funding Gap	25,370	13,777	8,558

* Note: includes additional Improved Better Care Funding of £5.7m by 19/20

4.4 How The Funding Gap Has Been Met 2017/18

4.4.1 The table below shows the final position following the latest round of business cases & budget proposals and funding updates.

Table 6: Summary of the Reduction in the Revised Funding Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revised Funding Gap	25,370	13,777	8,558
Existing Savings & income programmes (Feb16)	(9,223)	(250)	0
Savings & Income Proposals (Nov16)	(4,244)	(95)	(771)
Savings & Income Proposals (Feb17)	(2,100)	(50)	350
Savings & Income Proposals	(15,567)	(395)	(421)
Adult Social Care Precept (3%+3%+0%)	(2,533)	(2,684)	(26)
Increase in Council Tax (general increase of 1.99%)	(1,679)	(1,781)	(1,887)
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	(1,158)	(163)	(172)
Prior Year: Collection Fund Surplus/(Deficit) & GM Pool (Levy)/Rebate	(1,375)	1,375	0
Additional Funding	(6,745)	(3,253)	(2,085)
Net Budget Gap	3,058	10,129	6,052
Use of Budget Support Reserve	(3,058)	3,058	0
Total Budget Gap	0	13,187	6,052

4.4.2 Since the Draft Budget Report in November 2016 the council has consulted and reviewed the robustness of existing proposals and undertaken another round to generate new budget proposals to close the budget gap in 2017/18.

4.4.3 Updates to Existing and November 2016 Savings & Income Proposals:

There have been a small number of changes to planned savings previously reported:-

- £123k of reshaping care savings will be unachievable in 2017/18 following a review.
- £228k of reablement and budget revision savings will be unachievable in 2017/18 following a review.
- £18k the maintenance to individual bowling clubs saving proposal has now been removed following consultation.
- £500k saving reversal in 2018/19 of the mandatory and voluntary unpaid leave scheme due to the proposal only being a 12 month extension.

4.4.4 New Savings & Income Proposals (February 2017):

The latest round of budget proposals generated additional income proposals of £110k and savings proposals of £1.99m, in 2017/18 as detailed below:

- £1.15m savings from the Council making an advance upfront payment to the GM Pension Fund in respect of 2017/20 pension contributions.
- £800k savings from reductions in provisions (redundancy) and contingencies.
- £40k saving from a reduction in the training budget.
- £60k accommodation recharge to GM Police.
- £50k sub-letting income from Sale Waterside.

4.4.5 Additional Funding (February 2017):

- Council Tax: within the Provisional 2017/18 Local Government Finance Settlement the Government set out its proposals regarding Council Tax referendum principles for 2017/18 of:
 - a) Continue to allow Local Authorities to increase their Council Tax by less than 2% without the need to hold a referendum i.e. allow a 1.99% general increase in the 'relevant basic amount'.
 - b) Increase the flexibility offered on the use of the 'adult social care precept', the original intention was for a 2% per year increase up to 2019/20, in recognition of the pressures on adult social care services especially in the next two years, social care authorities will now have the flexibility to increase by up to 3% in 2017/18 or 2018/19 but still cannot exceed 6% in total over the three year period.

Note: to ensure councils are using the income from the precept they will be required to publish a description of their plans which must be signed off by the Chief Finance Officer.

Propose an overall increase in the level of Council Tax of 4.99%:

- 1.99% general increase in the 'relevant basic amount' in the three years 2017/18 to 2019/20, and
 - 3% for the 'Adult Social Care' precept in the two years 2017/18 and 2018/19.
- Business Rates: estimated increase in retained business rates due to updated modelling for the new 2017 rateable value lists, baselines, tariffs, multipliers, transitional and small business rates reliefs, appeals provision, section 31 grants and a better understanding of the 'No Detriment' calculation under the 100% retention GM pilot scheme. (see section 5)
 - 2016/17 Collection Fund Surplus: a one-off benefit in 2017/18 of £1.37m (£1.0m council tax and net £375k from business rates) due to there being an estimated surplus on the collection fund in 2016/17, calculated as part of the annual budget setting process.

4.4.6 Additional Use of Reserves (February 2017):

- Use of Budget Support Reserve: the Budget Support Reserve which was created during 2015/16, as a result of prudent financial management, to support future year's budgets. This is a one-off resource which assists in helping to close the gap in 2017/18 but only acts to defer savings to later years.

4.5 Existing & New Savings & Income Proposals

4.5.1 The table below summarises all the income and savings programmes and proposals by intervention:

Note: The figures in the table below also include the full year impact of £9.22m from those income generating projects and savings identified in the 2016/17 budget process and consultation, and approved by Council in February 2016.

Table 7: Summary of Savings & Income Proposals by Intervention	2017/18 £'000	2018/19 £'000	2019/20 £'000
Creating a national beacon for sports, leisure and activity for all, making Trafford a destination of choice	(150)	(250)	(100)
Accelerate housing and economic growth	(70)	0	0
Redesigning services	(14,014)	200	350
One Trafford - being responsible, being bold, being healthy	(931)	(307)	(656)
Optimising technology to improve lives and productivity	(402)	(38)	(15)
Total Income and Savings	(15,567)	(395)	(421)

4.5.2 New income and savings proposals to be approved in this report are individually listed in Annex D.

4.5.3 A second phase of consultation will be undertaken on the proposal for school crossing patrols. Whilst this saving target remains in the proposals for 2017/18 in the event that it cannot be delivered following the second round of consultation then the impact will be met from the Council-wide contingency budget. The outcome of the second phase of consultation will be reported to a future Executive.

4.6 Summary

4.6.1 A summary of all the movements to the budget gap at draft budget stage is shown in the table below and a full detailed listing can be found in Annex B.

Table 8: Balancing the Budget Gap (Draft to Final)	2017/18 £'000	2018/19 £'000	2019/20 £'000
Budget Gap at Draft Budget (Nov16)	2,022	9,145	4,825
Cost Pressures & Investment Updates	4,244	1,188	(537)
Savings & Income Proposals Updates	(1,731)	450	350
Funding Updates	(1,039)	1,897	(142)
Additional Funding	(3,238)	249	1,556
Additional Use of Reserves	(258)	258	0
Final Budget Gap After Proposals (Feb17)	0	13,187	6,052

5. GM & CHESHIRE RATES POOL & 100% BUSINESS RATES RETENTION GM PILOT

5.1 GM & Cheshire Business Rates Pool

5.1.1 Authorities can voluntarily come together to pool their business rates, providing the potential to generate additional growth and retain any levy payments. A Pool treats authorities as a single entity for the purpose of calculating, top-ups, tariffs, levies and safety net requirements. The purpose of a Pool is not to alter individual authorities income levels but to retain some/all of any levy that might be payable to Central Government within the Pool.

5.1.2 From April 2015 GM and Cheshire East joined together as a Pool, Cheshire West and Chester later joined the Pool in April 2016. Each authority is required to make a decision as to whether to remain in the Pool within 28 days of the provisional Local Government Finance Settlement announced on 15th December 2015.

5.1.3 All twelve authorities in the Pool have signed up to continuing with the Pool for 2017/18. There will be an initial call on this levy in the following proportions of the levies generated by each authority: Cheshire East, Cheshire West and Chester retain 50%, Trafford retain one-third with the remainder being pooled at GM level.

5.1.4 The 2017/18 forecast by each authority currently does not anticipate them calling upon the safety net, on that basis Trafford levy saving will be included in the 'No Detriment' calculation as part of the 100% business rates retention pilot. (See Para 5.3.4 below)

5.2 100% Business Rates Retention Pilot Overview

5.2.1 In the 2015 spending review and autumn statement the government announced plans to completely phase out Revenue Support Grant by 2019/20 to pave the way for the implementation of 100% business rates retention in 2020/21.

5.2.2 In the 2016 budget the government committed to piloting approaches to 100% business rates retention in Greater Manchester, Liverpool and London, with some elements being piloted from as early as 2017/18.

5.2.3 It has now been confirmed the approach will be piloted from 1st April 2017 in a number of areas including GM, Liverpool City Region, West Midlands, West of England, Cornwall and the GLA

5.2.4 With the move to 100% rates retention pilot authorities will potentially be taking on a greater degree of risk, therefore it was agreed that pilots would operate on a 'no detriment' basis i.e. the pilot is to be without detriment to resources that would have been available to individual authorities under the current local government finance regime.

5.3 Greater Manchester Pilot

- 5.3.1 Since the announcement DCLG has engaged with pilot areas to reach agreements on the arrangements for implementation from 1st April 2017. A key objective for GM has been to explore how headroom can be created for local investment that promotes growth/increases productivity/reduces costs elsewhere at place level. Discussions on how this might be achieved are still ongoing with DCLG.
- 5.3.2 The final 2017/18 Local Government Finance Settlement will confirm that GM pilot authorities will retain 100% of locally raised business rates but in return they will forego Revenue Support Grant (RSG) and Public Health Grant, individual authority tariff and top-up payments will be adjusted to ensure fiscal neutrality and, in addition, to test potential elements of the 100% rates retention scheme, safety net arrangements will be revised.
- 5.3.3 The draft final settlement figures were awaited before making the decision whether to commit to the pilot. As the draft figures recently received are in line with what was expected and following consultation with the 10 GM Leaders and Interim Mayor, GM has indicated to DCLG that it will participate in the 100% Business Rates Retention Pilot.
- 5.3.4 It should be noted that GM cannot be any worse off than under the current 50% system. It is specified that this is to be without detriment to the resources that would have been available to the individual local authorities within GM. The calculation is at GM level, with any gain from the 50% scheme first being used to make good any losses at an individual authority level. A decision is then required at GM level about how any remaining gain is utilised.
- 5.3.5 Guidance produced by DCLG sets out the 'no detriment' calculation, going forward this will now require two set of figures being calculated of (A) under the existing 50% retention system and (B) under the new 100% rates retention pilot as follows:

Element	A - Existing 50%	B - Pilot 100%
Local Share	49% NNDR1&3	99% NNDR1&3
Baseline Funding Level	As per Finance Settlement	Adjusted - to include RSG & Public Health Grant
Tariff/Top-up	As per Finance Settlement	Adjusted - for new baselines
Levy	Levy Rate 0.50	Levy Rate 0
Safety Net	92.5% of Baseline Funding Level	97% of Baseline Funding Level
S31 Grants	49% NNDR1&3	99% NNDR1&3
RSG	As per Finance Settlement	Not Paid - included within Baseline Funding Level (above)
Public Health	As per Grant Allocation	
GM Pool Levy/Rebate	As per the existing GM & Cheshire pool arrangements	N/A No Levy

5.3.6 Overall individual authorities within the GM pilot will retain **no less** than that figure currently calculated under (A) existing 50% retention system.

5.4 Trafford Position

5.4.1 Using DCLG latest guidance and the methodology proposed for calculating baseline funding levels, business rates baselines and tariff or top-up payments, the changes required to the 2017/18 budget are as follows and a full detailed list along with the 'No Detriment' calculation is provided within Annex C:

5.4.2 Net Budget (£12.72m increase):

- Under the pilot Public Health Grant will not be paid to the authority but will be included within the Baseline Funding Level (i.e. retained rates) therefore reducing grant income by £12.72m.

5.4.3 Funding (£12.72m increase):

- RSG: under the pilot RSG will not be paid to the authority but will be included within the Baseline Funding Level (i.e. retained rates) therefore reducing funding by £15.28m.
- Business Rates: Local Share: under the pilot the authority will no longer retain 49% but now 99% of business rates, therefore increasing funding by £70.41m.
- Business Rates: Tariff Payment: the tariff payment is the difference between the individual authority notional business rates baseline (i.e. assumed local share of NNDR income) and baseline funding level (i.e. settlement funding assessment), under the pilot both increase but not proportionately, therefore the difference between the two being the tariff payment also increases, reducing funding by £42.41m.
- Business Rates: Assumptions, Growth, S31 Grants, GM Pool Levy/Rebate: **NET NIL**
 - Business Rates: Assumptions & Growth: under the pilot the authority will no longer retain 49% but now 99% of business rates, therefore increasing funding by £5.68m.
 - Section 31 Grants: under the pilot the authority will no longer receive 49% but now 99% of S31 grants, therefore increasing grant funding by £2.14m.
 - Growth Levy: is abolished under 100% rates retention therefore the levy and rebate payments under the existing GM Pool arrangements will cease saving £2.38m.

- GM Pilot Benefit ('no detriment' over payment): under the GM Pilot arrangements the funding available to Trafford will be ***no less*** than under the existing 50% system. Any retained rates received over this calculated amount (A) will be retained within GM to be used for generating growth. Under the 50% system, this amount would have been part of the funding paid over to DCLG.

5.5 Summary of Changes to the 2017/18 Budget

5.5.1 Overall as the table below demonstrates that the 100% rates retention GM Pilot results in a presentational change to both the net budget and funding which is due to the inclusion of the Public Health monies which were previously paid as a separate ring-fenced grant.

Table 9: 100% Retention GM Pilot	2017/18		
	100% (£'000)	50% (£'000)	Changes (£'000)
Proposed Budget			
Service:			
Children's Services	31,960	31,960	0
Adult Services (incl. Public Health)	58,210	45,492	12,718
Economic Growth, Environment & Infrastructure	38,579	38,579	0
Transformation & Resources	16,535	16,535	0
Total Service Budgets	145,284	132,566	12,718
Council-wide Budgets	15,541	15,541	0
Proposed Net Budget	160,825	148,107	12,718
Funding:			
Council Tax	88,630	88,630	0
RSG	0	15,276	15,276
Business Rates: Local Share	139,403	68,998	(70,405)
Business Rates: Tariff Payment	(77,399)	(34,988)	42,411
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	5,458	5,458	0
Prior Year: Collection Fund			
Surplus/(Deficit) & GM Pool (Levy)/Rebate	1,675	1,675	0
Proposed Funding	157,767	145,049	(12,718)
Reserves			
Budget Support Reserve	3,058	3,058	0
Use of Reserves	3,058	3,058	0
Total Budget Gap	0	0	0

6. PROPOSED 2017/18 BUDGET and 2018/20 MTFS

- 6.1.1 The proposed net budget for 2017/18 on a 'like for like' basis is £148.11m an increase in the net budget of £1.41m or 0.96%, from £146.70m. However, as detailed in section 5 Trafford is part of the 100% business rates retention GM pilot and Public Health monies will no longer be received in a separate ring-fenced grant but are to be counted as part of core funding. As a result the proposed net budget increases by £12.72m to £160.83m.
- 6.1.2 Full subjective and objective summaries providing a breakdown of the 2017/18 net budget of £160.83m can be found in Annexes E & F.
- 6.1.3 Whilst the budget gap has now been closed for 2017/18 the size of the challenge over the following two years remains significant. For that reason the budget process for 2018/19 will commence immediately such that sufficient time is afforded to consider all options at an early stage, to ensure robust savings proposals can be developed in order to bridge the budget gap in future years as shown below.

Table 10: The 2017/20 Budget	February 2017		
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Proposed Budget			
Service:			
Children's Services	31,960	33,718	35,038
Adult Services (incl. Public Health)	58,210	60,780	62,208
Economic Growth, Environment & Infrastructure (*)	38,579	32,508	33,525
Transformation & Resources	16,535	17,092	17,489
Total Service Budgets	145,284	144,098	148,260
Council-wide Budgets (*)	15,541	26,021	26,343
Proposed Net Budget	160,825	170,119	174,603
Funding:			
Council Tax	88,630	93,517	95,854
Business Rates: Local Share	139,403	143,889	149,007
Business Rates: Tariff Payment	(77,399)	(86,095)	(95,290)
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	5,458	5,621	5,793
Prior Year: Collection Fund Surplus/(Deficit) & GM Pool (Levy)/Rebate	1,675	0	0
Proposed Funding	157,767	156,932	155,364
Reserves			
Budget Support Reserve	3,058	0	0
Use of Reserves	3,058	0	0
Cumulative Budget Gap	0	13,187	19,239
Annual Budget Gap	0	13,187	6,052

(*) The year on year budget changes between 2017/18 and 2018/19 include for changes between the waste levy and passenger transport held in EGEI and Council-wide respectively as detailed in Paragraph 4.3.1.

7. ROBUSTNESS, RISKS & RESERVES

7.1 Robustness and Risks

7.1.1 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.

7.1.2 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.

7.1.3 In exercising their statutory duty the Chief Finance Officer, in conjunction with the Corporate Leadership 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.

7.1.4 The Council faces various financial risks to include:

- The ability to deliver savings within agreed timescales.
- Potential legal challenges to decisions.
- Fees & charges income differing to assumptions.
- Variations to external funding and grant allocations.
- Demographic pressures.
- Inflation & Interest Rates differing to assumptions.
- Business Rates growth & the 100% retention scheme pilot and potential costs with backdated appeal costs.
- Variations to external levies & contracts.
- Future changes to legislation
- An increasing level of its funding from local sources
- Devolution & integration of Health & Social Care (also an opportunity)

7.2 Reserves

7.2.1 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.

7.2.2 The Council usable reserves at 31st March 2016 stood at £55.65m, of which £20.57m relates to Earmarked revenue reserves as shown below along with their projected usage over the 3 year planning period.

Table 11: Usable Reserves	13/14 £m	14/15 £m	15/16 £m	16/17 £m	17/18 £m	18/19 £m	19/20 £m
Specific	24.84	18.19	7.09	4.24	2.97	2.56	2.56
Smoothing	3.80	1.64	2.84	3.12	2.36	1.39	1.39
Budget Support	0.00	0.00	4.05	6.56	3.50	3.50	3.50
Service C/fwd	0.98	3.94	6.59	0.61	0.61	0.61	0.61
Investment Fund	0.00	0.00	0.00	2.48	4.96	7.44	9.93
Earmarked Reserves	29.62	23.77	20.57	17.01	14.40	15.50	17.99
General Reserve	10.98	7.87	7.89	6.00	6.00	6.00	6.00
Capital Related Reserves	27.32	30.25	17.77	4.37	3.71	0.00	0.00
School Related Reserves	13.37	10.73	9.42	8.94	8.94	8.94	8.94
Total Usable Reserves	81.29	72.62	55.65	36.32	33.05	30.44	32.93
Provisions	25.18	18.87	18.77	17.83	17.83	17.83	17.83
Total Usable Reserves & Provisions	106.47	91.49	74.42	54.15	50.88	48.27	50.76

7.2.3 General Reserve: the Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure, in February 2016 Council agreed to set the minimum level of the General Fund Reserve at £6.00m, the Chief Finance Officer advises the Council to maintain this level.

Table 12: Advised minimum level of General Reserve	2017/18 £m
Tax & Treasury Management	0.24
Pay & inflation	1.30
Fees and Charges	0.10
Emergency & Disaster Recovery	1.02
Efficiencies	1.43
Demand led budgets	2.32
Other Pressures	0.06
General Fund Financing	2.50
TOTAL	8.97
Risk reduction of 33%	-2.97
Advisory level of minimum reserve	6.00

7.2.4 The Council holds other Earmarked reserves to fund both revenue and capital expenditure which are held primarily to fund known future commitments but also act as service contingencies for unexpected events and to cover future risks, which include:

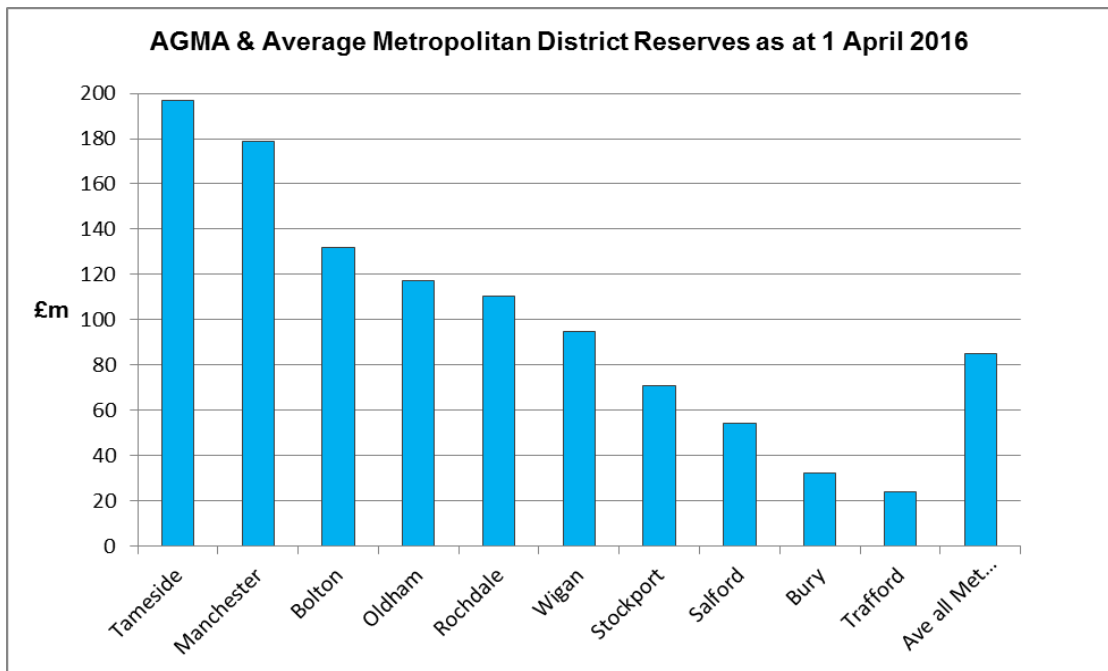
- Specific: mainly consists of the Insurance Reserve to cover potential future claims as a result of past events, the Employment Rationalisation Reserve for the costs of severance and related costs of structural change over and above the revenue budget provision and Transformation Reserve.
- Smoothing: established to reduce or smooth out volatility in the revenue budget where normal operating expenditure is not always similar year-on-year.
- Budget Support: established in 2015/16 to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term, with further additions currently planned in 2016/17 from a review of other earmarked reserves balances.
- Service Carry Forward: represents accumulated savings on directorate budgets in previous years. These amounts are anticipated to be utilised to support expenditure on transformational projects.
- Investment Fund: to be established from the revised approach to the application of the existing MRP policy, this will generate £9.93m between the years 2016/17 to 2019/20 and its use will be restricted to being deployed on sustainable income generating or 'invest to save' i.e. revenue cost saving projects.

7.2.5 The Council holds the following reserves for statutory or specific purposes only:

- Capital reserves: consist of capital receipts, grants and contributions which can only be used to fund capital expenditure and are all allocated to support the current capital programme
- Schools reserves: represent the carry forward balances of individual school surpluses & deficits

7.2.6 Balancing the annual budget by drawing on Earmarked reserves may be viewed as a legitimate short-term option but it is not prudent for these reserves to be deployed to finance recurrent expenditure. However as a one-off in 2017/18 £3.06m will be used from the Budget Support Reserve to defer an element of savings into 2018/19.

7.2.7 The level of Reserves the Council holds is in part reflective of the past funding levels of a council in comparison to its need to spend. Holding reserves can assist in cushioning the effects of financial shocks and aids resilience. It should be noted that, as the lowest funded Council in Greater Manchester, Trafford also faces the challenge of having accumulated the lowest level of earmarked reserves.



Data source: National Statistics: Local authority revenue expenditure and financing England: 2016 to 2017 budget individual local authority data: [Revenue account \(RA\) budget 2016-17](#)

7.2.8 The Council has significantly lower levels of reserves than its neighbours and therefore the use of reserves to support its budget decisions cannot be taken lightly. During 2015/16 a budget support reserve was created and this will be utilised to help balance the budget position in 2017/18.

7.3 Summary

7.3.1 It is a requirement of the Local Government Act 2003 for the Council's Chief Finance Officer to give an opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.

7.3.2 Members' attention is drawn to the statement by the Chief Finance Officer attached at Annex G, which should be taken into account before approving the budget together with the comments made in paragraphs below.

7.3.3 In determining the budget for the forthcoming year there are important decisions about the use of reserves. The provisional 2017/18 local government finance settlement reconfirmed funding through to 2019/20. Whilst we may have concern about the size of the settlements they are nevertheless useful in understanding how decisions will be taken over the Council's medium term financial position.

7.3.4 The planned use of £3.06m of general reserves to support the budget is a one-off source of funding and therefore the budget gap in 2018/19 increases by this amount.

8. SCHOOLS FUNDING & BUDGETS 2017/18

8.1 Background

8.1.1 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 has been re-baselined for 2017/18 and can be divided into three main areas:

- Schools Block - approximately £150m which essentially funds schools' budgets. This includes approximately £62m 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 £25m which primarily supports Special Educational Needs (SEN) expenditure. This includes £10m to fund Trafford Special Schools.
- Early Years block - approximately £15m, which funds educational, provision for 2 to 5 year olds in both LEA Schools and Private, Voluntary and Independent (PVI) settings. This grant was increased for 2017/18 for the additional 15 hours of provision for 3 and 4 year olds of eligible working parents.

8.1.2 Other grants include Pupil Premium Grant (PPG) of £6m which is intended to bridge the attainment gap for pupils in receipt of free school meals and pupils who are or have been in care. In addition to this there is the Universal Infant Free School Meals Grant £2.88m, 6th Form Funding £1.18m and PE and Sports Grant £600k.

8.1.3 The distribution of DSG for Trafford and subsequent funding amounts for individual schools are dependent upon the October census count of pupil numbers with the final distribution of DSG not known until January 2017 following the pupil census in October 2016.

8.1.4 The final distribution of DSG was agreed locally with the Schools Funding Forum, which is made up of representatives from across all Trafford's schools, on 17th January and full details of the funding formula as recommended by the Schools Funding Forum are shown at Annex H.

8.2 Education Services Grant (ESG)

8.2.1 The Council is paid the grant to cover a range of statutory and regulatory duties and other responsibilities it has for schools. In the 2015 spending review the DfE announced a large reduction of £600m in the amount of ESG to be distributed nationally. This has created a significant budget pressure for the Council and has contributed to the overall budget gap referred to elsewhere in this budget report.

8.2.2 The £600m cut is 75% of the total ESG funding. Since the announcement of the reduction the DfE has changed its position on the expected role of local authorities, as illustrated in the white paper Education Excellence Everywhere and subsequent briefings and a number of statutory duties now remain in place. As such the government has advised councils they will provide transitional funding from April 2017 to August 2017.

8.2.3 For Trafford this is a reduction of £1.2m and will adversely impact on the statutory services provided by the Council for all children and young people, for all schools and for locally maintained schools. Given this reduction a review of our statutory and regulatory duties is being undertaken with a view to mitigating the impact of the reduction on the overall budget.

8.3 National Funding Formula

8.3.1 The Department for Education (DfE) launched the second stage consultation on the future of school and high needs funding on 14th December 2016 with responses due by 22nd March 2017.

8.3.2 Despite anticipating an increase in our comparatively low level of schools funding the indicative figures show an overall reduction in funding for Trafford of £0.8m.

Table 13: Provisional Funding Allocations	2016/17 Baseline (£m)	New Indicative Allocation (£m)	% change
Primary	72.490	73.722	1.7
Secondary	70.992	69.008	-2.8
Total	143.482	142.730	-0.5%

8.3.3 There are a number of reasons for this; a major one being the increase in the overall weighting afforded to deprivation within the proposed formula. The schools funding forum will be consulted with over the coming weeks to ensure a consistent response can be compiled for Trafford's schools.

8.4 Summary Position

8.4.1 The estimated outturn position on the DSG is a total overspend of £492k. During the year the budget position has been reviewed particularly in the high needs area to control costs. This overspend will be financed from the central DSG reserve, leaving a small balance carried forward to 2017/18.

Table 14: DSG Position 2016/17	Budget £	Expected Outturn £	Difference £
School's block	87,232,707	87,099,488	(133,219)
High Needs Block	21,470,451	21,610,735	140,284
Early Years	11,183,164	11,192,020	8,856
Total	119,886,322	119,902,244	15,922
DSG Grant allocation	119,410,000		
Reserve carried forward 15/16	786,528		
<u>Less :</u>			
Reserve used to balance budget 16/17	476,322		
Overspend 16/17	15,922		
Expected reserves remaining	294,284		

8.4.2 At this stage and due to a combination of a re-baselining of DSG allocations and cost control measures within the high needs area the budgets for the schools block, early years and high needs are containable within the overall allocations for 2017/18.

Table 15: DSG Allocations & Budget 2017/18	£m	£m
<u>Schools Block Budget</u>		
Allocated to schools	148.15	
School's block central budgets	1.21	
DfE Licences	0.18	
ESG Retained Duties	0.58	150.12
<u>High Needs Block Budget</u>		
Special Schools	11.14	
Sensory Impairment	1.22	
Speech Therapy	0.24	
SEN	5.51	
Out of Borough	4.44	
Notional SEN Contingency	0.43	
Behaviour & Attendance	0.51	
PRU's	1.03	
Post 16 FE Colleges	0.13	
EFA High Needs Block Deduction	0.39	25.04
Early Years Block Budget		14.61
Total 2017/18 DSG Budgets		189.77
Schools Block Allocation	150.12	
High Needs Block Allocation	25.04	
Early Years Block Allocation	14.61	
Total 2017/18 DSG Allocations		189.77

9. COUNCIL TAX REQUIREMENT AND STATUTORY CALCULATIONS

9.1 Budget Requirement

9.1.1 The Local Government Finance Act 1992, as amended by the Localism Act 2011, requires the Council to make the following calculations:

- an estimate of the Council's gross revenue expenditure - Section 31A(2),
- an estimate of anticipated income - Section 31A(3),
- a calculation of the difference between (i) and (ii) above, (i.e. net revenue expenditure) - Section 31A(4) – this is known as the Council Tax Requirement,
- a calculation of the Council's 'relevant basic amount' of Council Tax, calculated by dividing the Council Tax Requirement by the council tax base (expressed in Band D's).

9.1.2 If the proposals in this budget report are agreed, the calculation for the 2017/18 Council Tax Requirement will be as follows:

LGFA 1992	Calculation of Council Tax Requirement & Relevant Basic Amount of Council Tax 2017/18	£
S 31A(2) (a) – (f)	Gross Expenditure Service expenditure	426,041,312
S 31A(3) (a, c, d)	Gross Income Fees, charges and specific grants Application of Budget Support Reserve	(265,216,468) (3,058,000)
	Budget Requirement (previous regulations)	157,766,844
(b)	Revenue Support Grant	0
(b)	Retained Business Rates Baseline Business Rates (Growth & S31 Grants) Collection Fund surplus (Business Rates)	(62,004,124) (5,457,602) (375,097)
(b)	Collection Fund surplus (Council Tax)	(1,300,000)
S 31A(4)	Council Tax Requirement	88,630,021
	Council Tax Base in Band D's	74,883
S 31B	Relevant Basic Amount of Council Tax	£1,183.58

9.1.3 The Chief Finance Officer in accordance with their delegated powers approved the 2017/18 Trafford Council Tax Base (number of equivalent Band D properties in the borough) on 18th January 2017 at 74,883, which is a growth of 1,039 Band D equivalents on 2016/17. The 2017/18 Council Tax Base for the four Parish Councils were also approved as: Partington 1,517, Dunham Massey 228, Warburton 162 and Carrington 123.

9.2 Council Tax Increases

9.2.1 The Localism Act 2011 abolished Council Tax capping and replaced it with a requirement to hold a Council Tax Referendum if an authority wishes to increase its “relevant basic amount of Council Tax” by an amount equal to or exceeding a level set out by the Government annually. For 2017/18 a figure of 5% has been set, which is a combination of the core principle of 2% and the ‘adult social care precept’ of 3%.

9.2.2 In addition in each of the financial years beginning with 2016-17 up to and including 2019-20, the Secretary of State offered authorities with adult social care responsibilities the option of increasing their ‘relevant basic amount’ of council tax by an additional 2% ‘adult social care precept’, to help pay for adult social care costs without breaching the referendum threshold.

9.2.3 In recognition of the pressures on adult social care services especially in the next two years, within the Provisional 2017/18 Local Government Finance Settlement, the Government announced that adult social care authorities will now have the flexibility to increase their ‘adult social care precept’ by up to 3% in 2017/18 and/or 2018/19 but still cannot exceed 6% in total over the three year period.

9.2.4 As highlighted elsewhere in this report, it is proposed to raise the level of council tax in 2017/18 by 4.99%:

- 1.99% general increase in the ‘relevant basic amount’ in each of the three years 2017/18 to 2019/20, and
- 3% for the ‘Adult Social Care’ precept in each of the two years 2017/18 and 2018/19.

9.2.5 The calculation of the percentage change in “Relevant Basic Amount of Council Tax”, for Trafford Services is shown below :

	2016/17	2017/18
Council Tax Base	73,844	74,883
Council Tax Requirement with Levies (£)	83,246,556	88,630,021
Basic Amount of Council Tax (£) (excluding Social Care Precept)	1,105.23	1,127.66
Social Care Precept	22.10	55.92
Relevant Basic Amount of Council Tax	1,127.33	1,183.58
% increase in Relevant Basic Amount of Council Tax	2.00%	4.99%

9.2.6 It is proposed to increase the ‘relevant basic amount’ of Council Tax by 4.99%, which is within the 5% figure set by Government in 2017/18 for social care authorities. As this remains in line with Government policy it would therefore not be deemed ‘excessive’ and as a result there is no requirement to hold a Referendum.

9.2.7 Of the two major precepting bodies, the GM Police & Crime Commissioner are recommending a £5.00 (3.18%) increase in their Band D precept and the GM Fire and Rescue Authority is proposing an increase of £1.17 (1.99%) on their Band D precept.

9.2.8 Partington Town Council, at its meeting on 14 November 2016, elected to keep the level of Band D Council Tax at £42.50, the same as 2016/17. In addition both Dunham Massey (10th January 2017) and Warburton (17th January 2017) Parish Councils each agreed to set a Precept in 2017/18 of £50.00 per Band D equivalent property.

9.3 Council Tax Levels and Bandings

9.3.1 The overall Precepts and Council Tax levels for 2017/18 for Trafford properties are as follows:

Council Tax per Precepting Body	Precept Amount £	Council Tax per Band D Property £	Council Tax Level Increase %
Trafford Services (inclusive of 'Adult Social Care Precept')	88,630,021	1,183.58	4.99%
GM Police Authority (see note)	12,153,511	162.30	3.18%
GM Fire Authority (see note)	4,489,236	59.95	1.99%
Total (excluding Parishes)	105,272,768	1,405.83	4.65%
Partington Precept	64,473	42.50	0%
Total for Partington		1,448.33	4.50%
Dunham Massey Precept	11,400	50.00	N/A
Total for Dunham Massey		1,455.83	N/A
Warburton Precept	8,100	50.00	N/A
Total for Warburton		1,455.83	N/A

9.3.2 Note: The Council Tax figures for the GM Fire & Rescue Authority and Greater Manchester Police included above are the recommended amounts and are subject to formal approval. GM Police are due to meet to approve their budget on 15th February 2017 and GM Fire & Rescue on 16th February 2017.

9.3.3 The council tax for 2017/18, inclusive of the 'adult social care precept', for each of the eight valuation bands would be as follows:

2017/18 Council Tax levels by valuation band (incl. major Precepts):					
Band	Valuation range (in 1991 prices)	Council Tax (Excl. Parishes) £	Council Tax for Partington £	Council Tax for Dunham Massey £	Council Tax for Warburton £
A	Up to £40,000	937.21	965.54	970.54	970.54
B	Over £40,000 and up to £52,000	1,093.41	1,126.47	1,132.30	1,132.30
C	Over £52,000 and up to £68,000	1,249.62	1,287.40	1,294.06	1,294.06
D	Over £68,000 and up to £88,000	1,405.83	1,448.33	1,455.83	1,455.83
E	Over £88,000 and up to £120,000	1,718.24	1,770.18	1,779.35	1,779.35
F	Over £120,000 and up to £160,000	2,030.64	2,092.03	2,102.86	2,102.86
G	Over £160,000 and up to £320,000	2,343.04	2,413.87	2,426.37	2,426.37
H	Over £320,000	2,811.66	2,896.66	2,911.66	2,911.66

10. CAPITAL PROGRAMME AND TREASURY MANAGEMENT STRATEGY

10.1 There are two, more detailed, papers elsewhere on the agenda regarding the Capital Programme & Prudential Indicators, and the Treasury Management Strategy. Members are requested to treat these papers as part of the overall budget bundle for the purposes of decision making. The following is an outline of the features of those reports.

10.2 Capital Investment Programme 2017/20

10.2.1 The proposed Capital Investment Programme for 2017/20 is worth £109.16m, with £65.73m profiled to be undertaken during 2017/18.

Table 20: Capital Investment Programme 2017/20	2017/18 £'000	2018/19 £'000	2019/20 £'000	TOTAL £'000
Service Analysis :				
Children, Families & Wellbeing	14,012	8,690	4,590	27,292
Economic Growth, Environment & Infrastructure	41,208	15,834	13,227	70,269
Transformation & Resources	10,515	983	100	11,598
Total Programme	65,735	25,507	17,917	109,159

10.2.2 The £109.16m programme above includes the following investment:

- Additional primary school placements, £7.3m in 2017/18, £11.3m over three years, and other investment in schools' infrastructure of £3.8m in 2016/17, £8.3m over three years.
- Highways investment of £14.4m in 2017/18, and £33.6m over the three years allowing for the replacement of 65km of carriageway, 66km of footway, contribution to the extension of the Metrolink into Trafford Park and completion of the replacement street lighting programme.
- Investment of £15.0m in 2017/18, £20.0m over three years, to support the acquisition of income generating assets which will yield future sustainable revenue streams for the Council.
- Investment in the local economy through the Borough's Town Centres of £6.4m in 2017/18 and £6.9m over the three years.
- Investment in leisure facilities of £6.5m in 2017/18, being the first phase of a £24.4m investment strategy in support of the Council's Leisure Strategy.
- A variety of investments in social care of £3.0m in 2017/18 and £7.7m over three years, including grants and home assistance to allow elderly and/or disabled people live in their own homes for longer.
- Provide support of £0.1m in 2017/18 and £1.1m over three years, to homeowners and social housing landlords to encourage more homes to be brought up to habitable standard and provide affordable housing.
- Improvements to the Council's parks and open spaces and facilities at allotment sites of £0.4m in 2017/18 and £2.6m over three years, and

- A range of works to the Council's asset to ensure service delivery including mechanical, electrical and DDA works of £3.2m in 2017/18 and £4.8m over the three years.

10.2.3 The capital programme utilises all known available capital funding sources over this period to include prudential borrowing, capital grants and contributions and capital receipts.

10.2.4 As part of the 2016/17 Local Government Finance Settlement, Government announced greater flexibility for Council's in how they make use of capital receipts between 1st April 2016 to 31st March 2019 and later updated its statutory guidance on the 'Flexible Use of Capital Receipts' in March 2016. During this period capital receipts can be used to fund the revenue costs of transformational projects which are designed to generate ongoing revenue savings in the delivery of public services and /or to transform service delivery in a way that reduces costs or demand for services in the future.

10.2.5 In the Efficiency Plan published by the Council in September 2016, the Council did not anticipate the use of capital receipts in this way during 2016/17 financial year. However, given the size and scale of the transformation programme outlined in this report, the Council now intends to exercise the facility to use capital receipts in this flexible manner. A list of the transformation projects is provided in Annex I.

10.3 Treasury Management and Prudential Indicators

10.3.1 The salient points of the report are:

- Both investment and long term borrowing rates are expected to increase slowly from their current levels.
- New borrowing undertaken will be taken to support the Capital Programme requirements with £3.6m of debt maturing in 2017/18.
- Cash balances are expected to decrease from an average level of £93m in 2016/17 to £43m in 2017/18 reflecting the advance payment to Greater Manchester Pension Fund of employer contributions and application of capital funding.

The Council's prudential indicators have been updated to reflect the activities currently forecasted to take place.

MEDIUM TERM FINANCIAL OUTLOOK - BASE BUDGET ASSUMPTIONS

Base Budget Assumptions	2017/18 £m	2018/19 £m	2019/20 £m
Service Expenditure			
Pay: Inflation	1.0%	1.0%	1.0%
	£0.59	£0.59	£0.59
Pay: Pension Inflation	0.5%	0.0%	0.0%
	£0.26	£0.00	£0.00
Pay: Increments & Pension Auto-Enrolment	£0.33	£0.34	£0.06
Pay: Living Wage	£1.55	£1.82	£1.73
General Inflation: Prices	0.0%	2.0%	2.0%
	£0.00	£0.29	£0.29
Contractual Obligations: Inflation Specific e.g. energy	£2.00	£2.02	£1.99
Levies: Waste (GMWDA) Levy Increase (*)	£0.70	£0.70	£0.70
Demographics: Children	£3.00	£0.50	£0.50
	Adults	£4.04	£1.50
Treasury Management			
Investment Rates	0.67%	0.67%	1.04%
Debt Rates	3.50%	3.50%	3.50%
Funding			
Council Tax rate increase (Adult Social Care)	3.00%	3.00%	0.00%
Council Tax rate increase (Relevant Basic Amount)	1.99%	1.99%	1.99%
Council Tax base increase	1.41%	0.50%	0.50%
Reduction in Settlement Funding Assessment	(12.49)%	(7.87)%	(8.27)%
	£(7.03)	£(3.88)	£(3.76)

* Excludes the effect of the large increase due to investment which has been managed at a GM level by a proposed reduction of the same amount in the transport levy, net nil impact.

2017/18 Movements Between Draft Budget (Nov 2016) & Final (Feb 2017)

MOVEMENTS	2017/18	2018/19	2019/20
Budget Gap at Draft Budget (Nov16)	2,022	9,145	4,825
Pension increase - set at 0.5% increase	(262)	(516)	(519)
2016 Autumn Statement: National Living Wage Assumptions	(600)	0	0
General Inflation Freeze 2017/18	(284)	0	0
Demographics: Additional Children's	1,800	0	0
Demographics: Additional Adults	2,542	0	0
Adjustment to Dedicated Schools Grant Recharge	300	300	300
Local Flood Grant	(7)	0	(1)
New Homes Bonus Grant	737	(586)	70
Education Services Grant	(306)	305	0
Local Services Support Grant	17	0	0
Improved Better Care Fund	19	(57)	36
Adult Social Care Support Grant - one-off 2017/18	(950)	950	0
Council Tax Reduction for Family Annexes Grant 2016-17	4	0	0
Public Health Grant Reduction -2.5%/-2.6%/-2.6%	(7)	(2)	(3)
Increase to Borrowing Costs due to Capitalisation of the cost of Transformational Activity	100	100	100
GMPF 16/17 Advance Savings – Unachievable/Re-phased	180	0	0
Revised Approach to Application of MRP Policy	505	0	0
Reduction in Treasury Management Investment Interest	99	126	(520)
Home to School Transport 16-17 Savings - Unachievable	250	0	0
Reversal £25k Insurance Amey Saving	25	0	0
Growth to Budgets re: Reduction in Vacancy Factors	0	568	0
Legal Services Restructure Cost	52	0	0
Audit Work on the new Highways Database	5	0	0
Reduction in savings on Members Allowances	25	0	0
COST PRESSURES & INVESTMENT UPDATES	4,244	1,188	(537)
Estimated Reshaping Savings - Shortfall	123	0	0
Estimated Reablement – phase 2 - Shortfall	146	0	0
Budget Savings Revision	82	0	0
Voluntary plus Compulsory Unpaid Leave Reversal	0	500	0
Removal of maintenance to individual bowling clubs saving	18	0	0
Accommodation Recharge to GMP	(60)	0	0
Sale Waterside - Sub-Letting Income	(50)	(50)	0
GMPF Advance Payment (3yr 1st April 2017) & Allowance for Early Retirements	(1,150)	0	350
Reduction to Training Budget	(40)	0	0
Reduction to Redundancy Provision	(400)	0	0
Reduction in Contingency	(400)	0	0

SAVINGS & INCOME PROPOSALS UPDATES	(1,731)	450	350
Assumed Increase in Council Tax Base 1.4% (Previously 0.5%)	(764)	(11)	(12)
Provisional Baseline Funding (Retained Rates)	(25)	(92)	(130)
Removal BR Growth Carlton Power Station	0	2,000	0
Change in Tariff Payment	(250)	0	0
FUNDING UPDATES	(1,039)	1,897	(142)
Re-Profiling of Adult Social Care Precept (3%+3%+0%)	(845)	(928)	1,800
Assumed Increase in Council Tax Base 1.4% (Previously 0.5%)	(20)	(75)	(112)
Council Tax Support Saving – Incl. Within Assumed Increase in Council Tax Base of 1.4%	160	40	40
BR Assumptions (Multiplier, Reliefs, appeals prov'n)	(1,820)	(190)	(196)
BR Assumptions (Renewable Energy)	5	(2)	(3)
S31 BR Compensation Grant	(1,718)	(51)	(58)
Removal of Contribution from 2014/15 BR Levy Reserve	(8)	0	0
GM Pool BR Growth Levy & Rebate	2,383	80	85
One-off Use of Council Tax Collection Fund Surplus in 17/18 - Above Already Assumed £300k	(1,750)	1,750	0
One-off BR Levy re 15/16 surplus	375	(375)	
ADDITIONAL FUNDING	(3,238)	249	1,556
ADDITIONAL USE OF BUDGET SUPPORT RESERVE	(258)	258	0
Final Budget Gap After Proposals (Feb17)	0	13,187	6,052

Business Rates 'No Detriment' Calculation

2017/18	50% £	100% PILOT £
Gross Rates Payable	176,946,312	176,946,312
Transitional Adjustments and Mandatory & Discretionary Reliefs	(11,641,921)	(11,641,921)
NET RATES PAYABLE	165,304,391	165,304,391
Accounting Adjustments (Appeals & BDP) & Cost of Collection	(13,126,195)	(13,126,195)
NNDR Income	152,178,196	152,178,196
Local Share	74,567,316	150,656,414
Tariff	(34,987,985)	(77,399,401)
Retained Business Rates	39,579,331	73,257,013
Baseline Funding Level	34,009,719	62,004,124
Growth	5,569,611	11,252,888
SAICA Renewable Energy	72,696	72,696
Section 31 Compensation Grants	2,198,071	4,339,102
GM Pool Levy	(3,574,168)	0
GM Pool Levy Rebate at 33%	1,191,389	0
Growth/(Decline) to Baseline	5,457,600	15,664,686
GM Pilot 'No Detriment' Over Payment	0	(10,207,086)
NO DETRIMENT GROWTH/(DECLINE) TO BASELINE	5,457,600	5,457,600

100% Business Rates Retention GM Pilot Budget Changes

100% BR RETENTION GM PILOT	2017/18 £'000
NET BUDGET	148,107
Removal of Public Health Grant	12,718
COST PRESSURES & INVESTMENT UPDATES	12,718
PROPOSED NET BUDGET	160,825
FUNDING & USE OF RESERVES	(148,107)
Removal of Revenue Support Grant	15,276
99% Business Rates Local Share	(70,405)
Change in Tariff Payment	42,411
99% BR assumptions (Multiplier, Reliefs, 4.29% appeals prov'n)	(5,683)
99% S31 BR Compensation Grants	(2,141)
Removal GM Pool BR Growth Levy & Rebate	(2,383)
Insertion of GM Pilot Benefit 'No Detriment' Over Payment	10,207
FUNDING UPDATES	(12,718)
PROPOSED FUNDING & USE OF RESERVES	(160,825)

Creating a national beacon for sports, leisure and activity for all making Trafford a destination of choice

Report	Port-folio	Service Area	Description of Saving	Category of Saving	2017/18 £000's	2018/19 £000's	2019/20 £000's	Impact of Saving (e.g. service, equality, other)
Nov-16	C&P	Sale Waterside Arts Centre	Business development	Income	(100)	(100)	0	As part of the agreed 3 year business plan develop existing and new areas of business (e.g. weddings and conferences) and reduce reliance on Council funding.
Nov-16	T&R	Leisure	Franchise income Trafford leisure	Income	0	(100)	(100)	Following the decision to invest in our leisure centres, additional revenue will be generated by the leisure company based on increased take up of services.
Feb-17	C&P	Sale Waterside Arts Centre	Business development	Income	(50)	(50)	0	Continuation of developing new areas of business (sub-letting income)
					(150)	(250)	(100)	

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Accelerate housing and economic growth

Report	Port-folio	Service Area	Description of Saving	Category of Saving	2017/18 £000's	2018/19 £000's	2019/20 £000's	Impact of Saving (e.g. service, equality, other)
Nov-16	EGEI	Planning	Additional income from planning application fees	Income	(70)	0	0	The Planning Service has been offering a "premium" pre-planning advice service since February 2016 which has had a positive response from developers, particularly where there are time constraints. This is generating additional income in 2016/17 already which is expected to continue in 2017/18. Other fees will also be reviewed to ensure cost recovery is achieved.
					(70)	0	0	

Redesigning Services

Report	Port-folio	Service Area	Description of Saving	Category of Saving	2017/18 £000's	2018/19 £000's	2019/20 £000's	Impact of Saving (e.g. service, equality, other)
Nov-16	EGEI	Parking	Parking fees	Income	(702)	0	0	<p>Currently the parking fees in Trafford are 30 mins – 20p, 2hrs - 50p, 3hrs - £1, 4hrs - £2, day - £4 (£3 on street). It is proposed to revise charges to 30 mins – 70p, 2hrs - £1.50, 3hrs - £2.50, 4hrs - £3.50, day - £7 (£6 on street). Estimated additional income from this proposal is £667k</p> <p>It is also proposed to introduce charges at seven off-street car parks which are currently free all day: Lacy Street (Stretford), Flixton Road (Urmston), Manor Avenue (Urmston), Hampson Street (Sale Moor), Balmoral Road (Altrincham), Atkinson Road (Urmston), James Street (Sale Moor), The proposal is for 2 hrs free with over 2 hrs £1 giving estimated additional income of £35k.</p>
Nov-16	ASS&CW	Care Management	Reablement – phase 2	Efficiency	(800)	0	0	<p>Savings will be achieved by implementing the next phase of the previously consulted on changes to the service by commissioning a rapid, intensive support service which has been shown to deliver improved independence at a lower cost, from the market of care providers (called Stabilise and Make Safe). The internal service will no longer be provided but residents will have an improved level of access to the new service.</p>

Nov-16	EGEI	One Trafford Partnership – Property Management	Property repairs and maintenance savings from improved management information	Efficiency	(89)	0	0	Implementation of new facilities management system during 2016/17 will allow property repairs and maintenance works to be better prioritised and reduce costs accordingly.
Nov-16	EGEI	One Trafford Partnership – Property Management	Reduction in energy and water consumption in Council buildings	Efficiency	(80)	0	0	Further work will be carried out to drive energy efficiency programmes across all Trafford owned buildings.
Nov-16	T&R	Transformation Team	Capitalisation of costs	Efficiency	(170)	0	0	Use of capital investment funding for Transformation project costs which deliver sustainable savings for the Council.
Nov-16	F	Terms and Conditions	Staffing	Policy Choice	(500)	500	0	Extension of the voluntary and mandatory leave scheme
Nov-16	F	Provisions	Provisions and Contingency	Policy Choice	(200)	0	0	Review of provisions and contingencies
Nov-16	F	Treasury Management	PFI Contract	Efficiency	(50)	(50)	0	Anticipated savings in the unitary service payment on the Sale Waterside PFI agreement
Nov-16	F	Insurance	Insurance Premiums	Efficiency	(50)	0	0	Reduction due to lower than anticipated insurance premiums and level of self-insured provision due to a lower claim payments.
Nov-16	F	Base Budget Review	Budget Revisions	Efficiency	(250)	0	0	Review and removal of on-going budget underspends.
Feb-17	F	Treasury & Pensions	GM Pension Fund Saving	Efficiency	(1,150)	0	350	Savings from the Council making an advance upfront payment to the GM Pension Fund in respect of 2017/20 pension contributions
Feb-17	F	Provisions	Provisions and Contingency	Policy Choice	(400)	0	0	The provision budget held within Council Wide to cover potential costs of redundancy has been reduced by £400k as sufficient accumulated resource is held in reserve to cover over 2 years of potential redundancy costs

Feb-17	F	Contingencies	Provisions and Contingency	Policy Choice	(400)	0	0	Reduction in the contingency budget to cover potential slippage in prior year budget savings
Feb-17	EGEI	Accommodation	GMP Recharge	Income	(60)	0	0	The shared service collaboration with GMP went operational during 2016/17 and is based at Trafford Town Hall.
Feb-17	T&R	Training	Budget Reduction	Efficiency	(40)	0	0	The corporate training budget currently £249k in 2016/17. The introduction of the Apprentice Levy and the ability to access this to support staff training allows for this reduction in the budget.
					(4,941)	450	350	

One Trafford - Being Responsible, Being Bold, Being Healthy

Page Report	Port-folio	Service Area	Description of Saving	Category of Saving	2017/18 £000's	2018/19 £000's	2019/20 £000's	Impact of Saving (e.g. service, equality, other)	
62	Nov-16	EGEI	One Trafford Partnership – Waste Management	Income from kerbside green waste collection	Income	(430)	(75)	(395)	Introduce partial cost recovery for the collection of green waste from the kerbside (a voluntary opt-in service). Estimated income generation after costs over three years is £900K. Food waste will still be collected weekly without additional charge as part of the universal council offering.
	Nov-16	T&R	School Crossing Patrols	Traded Service	Income	(350)	0	0	Alternative funding sources to be identified for schools crossing patrols
	Nov-16	EGEI	One Trafford Partnership – Waste Management	#BeResponsible – Right Stuff, Right Bin	Policy Choice	(151)	(232)	(261)	A range of measures proposed to encourage recycling and reduce waste disposal costs. There will be no change to collection frequencies but a stricter approach to ensuring only non-recyclable items are included in the general (grey) waste bin. Estimated saving is £644k over three years after costs.
					(931)	(307)	(656)		

Optimising technology to improve lives and productivity

Report	Port-folio	Service Area	Description of Saving	Category of Saving	2017/18 £000's	2018/19 £000's	2019/20 £000's	Impact of Saving (e.g. service, equality, other)
Nov-16	C&P	CCTV	Business development	Income	(10)	(10)	(15)	Savings are from re-procurement of cameras, reduced maintenance costs and staff relocation through collaboration with Salford.
Nov-16	E&I	Street lighting	LED roll out – energy saving	Efficiency	(100)	0	0	Use of a Central Management System to control LED lighting (dimming and trimming). The roll out is scheduled between April 2016 and September 2017 and the total full year saving already included in the MTFP is £1.150m before financing costs (estimated at £500k).
Nov-16	F	Finance – Exchequer Services	Business scanning	Efficiency	(100)	(28)	0	Business efficiency savings from enhanced use of scanning technology.
Nov-16	F	Finance – Exchequer Services	On-line integrated Council Tax forms	Efficiency	(42)	0	0	Business efficiency savings from improved use of on-line technology in the administration of Council Tax.
					(252)	(38)	(15)	

2017/18 Subjective Budget Analysis

2017/18	CFW (£000's)	EGEI (£000's)	T&R (£000's)	Council- wide (£000's)	Funding & Reserves (£000's)	Total (£000's)
Net Budget Brought Forward	76,727	31,941	17,042	20,987		146,697
Cost Pressures:						
Pay	789	70	320	(6)		1,173
Living Wage	1,424	50	74	0		1,548
Inflationary	0	0	0	0		0
Contractual Obligations	1,165	789	50	0		2,004
Levies	0	8,147	0	(7,449)		698
Demographic	7,042	0	0	1		7,043
Grants, Legislative & Service Transfers	12,632	0	113	2,262		15,007
Loss of Income	0	105	0	0		105
Treasury Management *	0	0	0	1,474		1,474
Other	182	(553)	354	660		643
Total Cost Pressures	23,234	8,608	911	(3,058)		29,695
Approved Budget Updates (Feb 2016):						
Income Generation	0	(200)	(230)	0		(430)
Savings Proposals *	(8,793)	0	0	0		(8,793)
Total Approved Budget Proposals	(8,793)	(200)	(230)	0		(9,223)
New Budget Updates (Nov 2016):						
Income Generation	0	(1,202)	(460)	0		(1,662)
Savings Proposals	(998)	(458)	(688)	(438)		(2,582)
Total New Budget Proposals	(998)	(1,660)	(1,148)	(438)		(4,244)
New Budget Updates (Feb 2017):						
Income Generation	0	(110)	0	0		(110)
Savings Proposals	0	0	(40)	(1,950)		(1,990)
Total New Budget Proposals	0	(110)	(40)	(1,950)		(2,100)
PROPOSED NET BUDGET	90,170	38,579	16,535	15,541	0	160,825
Funding:						
Council Tax					(84,418)	(84,418)
Business Rates: Local Share					(139,403)	(139,403)
Business Rates: Tariff Payment					77,399	77,399
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot					(4,300)	(4,300)
Prior Year Collection Fund (Surplus)/Deficit & GM Pool Levy/Rebate					(300)	(300)
Total Funding					(151,022)	(151,022)
Additional Funding:						
Council Tax - 2% Adult Social Care Increase					(2,533)	(2,533)
Council Tax - 1.99% General Increase					(1,679)	(1,679)
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot					(1,158)	(1,158)
Prior Year Collection Fund (Surplus)/Deficit & GM Pool Levy/Rebate					(1,375)	(1,375)
Additional Funding Total					(6,745)	(6,745)
PROPOSED FUNDING					(157,767)	(157,767)
Additional Use of Reserves:						
Budget Support Reserve					(3,058)	(3,058)
Additional Use of Reserves Total					(3,058)	(3,058)
USE OF RESERVES					(3,058)	(3,058)
BUDGET GAP						0

2017/18 Objective (Service) Budget Analysis

DIRECTORATE	SERVICE EXPENDITURE ANALYSIS	Net Budget 2016/17 (£'000)	Proposed Net Budget 2017/18 (£'000)
Children's Service	Children with Complex and Additional Needs	1,400	1,678
Children's Service	Commissioning	1,668	1,761
Children's Service	Children's Social Services	18,896	20,439
Children's Service	Education and Early Years' Service	5,156	5,490
Children's Service	Early Help Delivery Model	793	746
Children's Service	Multi Agency Referral & Assessment Services	1,625	1,610
Children's Service	Youth Offending Service	259	235
Children's Service	Sub-Total	29,796	31,960
Adults Service	Client Costs	38,660	39,160
Adults Service	Better Care Fund & Other Income	(5,324)	(6,275)
Adults Service	Social Support	429	438
Adults Service	Assistive Equipment and Technology	1,043	990
Adults Service	Social Care Activities - Care Management	10,686	9,822
Adults Service	Commissioned Contracts	793	825
Adults Service	Commissioning and service delivery	1,081	1,071
Adults Service	Public Health	(436)	12,178
Adults Service (incl. Public Health)	Sub-Total	46,931	58,210
EGEI - Environmental, Technical & Property Services	One Trafford Partnership	13,182	13,620
EGEI - Environmental, Technical & Property Services	Street Lighting Energy	1,400	730
EGEI - Environmental, Technical & Property Services	Media Advertising	(668)	(868)
EGEI - Environmental, Technical & Property Services	Waste Disposal Levy	14,909	22,536
EGEI - Environmental, Technical & Property Services	Strategic Management	493	470
EGEI - Economic Growth & Planning	Economic Growth & Planning	1,691	1,757
EGEI - Economic Growth & Planning	Public Protection & Enforcement	787	836
EGEI - Economic Growth & Planning	Parking Services	(732)	(1,404)
EGEI - Economic Growth & Planning	Strategic Management & Support Services	880	902
Economic Growth, Environment & Infrastructure	Sub-Total	31,941	38,579
Transformation and Resources	Legal & Democratic Services	2,491	2,787
Transformation and Resources	Access Trafford	2,725	2,766
Transformation and Resources	ICT Services	2,256	2,330
Transformation and Resources	Communications	212	214
Transformation and Resources	Finance Services	4,517	4,255
Transformation and Resources	Partnerships and Communities	1,670	1,710
Transformation and Resources	Culture and Sport incl. Waterside Arts Centre	655	562
Transformation and Resources	Human Resources	2,164	2,137

Transformation and Resources	Executive	421	441
Transformation and Resources	Transformation	170	0
Transformation and Resources	School Crossing Patrols	371	29
Transformation and Resources	Bereavement Services	(800)	(836)
Transformation and Resources	Catering & Cleaning Traded Services	189	140
Transformation and Resources	Sub-Total	17,042	16,535
TOTAL SERVICE BUDGETS		125,710	145,284
Council Wide Service	Transport Levy	16,104	8,873
Council Wide Service	Flood Defence	142	140
Council Wide Service	Coroner's & Mortuary	584	584
Council Wide Service	AGMA/ Other	1,016	801
Council Wide Service	Contingencies, Provisions & Corporate Savings	4,043	2,640
Council Wide Service	Interest Receivable (incl. Airport Dividend)	(3,786)	(3,215)
Council Wide Service	Loan Debt (principal and interest)	6,009	6,912
Council Wide Service	Insurance	870	820
Council Wide Service	Members Expenses	858	859
Council Wide Service	Other Centrally held budgets	1,204	1,197
Council Wide Service	Central Grants	(6,058)	(4,071)
COUNCIL-WIDE BUDGETS		20,987	15,541
PROPOSED NET BUDGET		146,697	160,825

**REPORT of the CHIEF FINANCE OFFICER
to the COUNCIL 22 FEBRUARY 2017
ROBUSTNESS of the 2017/18 PROPOSED BUDGET ESTIMATES
(S25-26 LGA 2003)**

1. INTRODUCTION

- 1.1 The Local Government Act 2003 requires the Chief Finance Officer to report independently to the Council their own opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26).
- 1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.
- 1.3 A summary of this report providing the general opinion is included within the main report at section 7.

2. BACKGROUND

- 2.1 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2016/17 budget monitoring process and planning process review have been addressed in the 2017/18 budget wherever appropriate.
- 2.2 The process has involved the Executive Portfolio Holders, members of the Corporate Leadership Team and other service management supported by Finance Managers.
- 2.3 All budget managers have been requested to agree their budget working papers and are therefore aware of their proposed budget for 2017/18, and the assumptions the budget is based on, which includes income targets.
- 2.4 With the support of the senior Finance staff within the Transformation & Resources directorate, I have undertaken a review of the Executive's budget proposals at varying levels of detail taking into account known factors that will have a significant bearing on the conduct of the Council's business in 2017/18 and the medium term. Importantly it includes discussion, information and assurances supplied by Directors and other senior staff.
- 2.5 At a detailed level budgets are based on forecasted activity and have been subject to appropriate challenge, sensitivity analysis and that they reasonably allow for a degree of error. Risks can be mitigated through a variety of management actions and the Corporate Leadership Team has ensured that in higher risk areas additional capacity and rigour has been put in place to ensure forecast savings are robust and are capable of being delivered during the year. Savings will continue to be monitored through the CLT Transformation Board as well as the established bi-monthly financial monitoring of all Council activity on an outturn basis from May each year.

2.6 I have also taken account of how the Council is likely to react if an adverse financial situation was to arise during the year. This helps in assessing the adequacy of reserves and it is felt that, despite an increasingly challenging financial environment, the minimum level of reserve can remain at the current level of £6m as a reasonable amount to cover for unforeseen circumstances not included in the detailed budget proposals.

2.7 The year ahead presents a number of financial challenges, and in particular I would draw Members' attention to areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required;

- The scale of savings required, in particular the CFW directorate, continues to be demanding on the capacity of managers and staff;
- The Council could face legal challenge in the decisions it makes, and whilst every effort has been made to guard against the likelihood of successful challenge, the costs of defending any such proceedings could be significant;
- The uncertainty that exists on demand led services, albeit a number of key "deep-dive" reviews have been undertaken in high risk budget areas;
- There is significant reliance on business rates growth to support its spending plans and there are still a large volume of unsettled business rate appeals where the Council carries a major risk, albeit a provision has been included in the accounts;
- There are ongoing consultations on the future of school funding which are currently being reviewed and will ultimately affect the overall level of funding schools receive from 2018/19.

3. OUTCOME OF REVIEW

3.1 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible. As part of the review of draft savings proposals, risk assessment and mitigating action a number of changes in assumptions were subsequently made, the salient ones are as follows:

- Increase budget provision within Children and Adults Social Care demography;
- The establishment of a Budget Support Reserve of £6.56m, to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term. A drawdown of £3.06m is required to support the budget in 2017/18 leaving £3.50m available for future years;
- Adjustment to the income from Business Rates to reflect the new 100% GM pilot;
- Increase in waste levy budget to reflect the updated forecasts from the Waste Disposal Authority and corresponding change to the transport levy;
- Council tax levy for social care;

4. CONCLUSION

- 4.1 This statement is not a guarantee that expenditure will be contained within each budget line as the nature of the Council's business means that some services will be placed under financial pressure at various times throughout the year. Therefore it is an assessment of the overall budget package and whether there is a reasonable expectation that the budget overall will not be breached.
- 4.2 On the basis of the above mentioned financial planning and monitoring processes together with the risk assessment of the budget, the Chief Finance Officer is able to report (in accordance with Section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget are robust and the level of reserves and balances are adequate and (in accordance with Section 26 of the Local Government Act 2003) the minimum level of general reserve be set at £6m.

Annex H

OUTLINE OF 2017/18 FUNDING FORMULA RECOMMENDED BY SCHOOL FUNDING FORUM

	Description	Amount per pupil		Pupil Units		Sub Total	Total
	Primary (Years R-6)	£2,684.56		20,547.00		£55,159,707	
	Key Stage 3 (Years 7-9)	£4,254.28		9,169.00		£39,007,517	£117,689,152
	Key Stage 4 (Years 10-11)	£4,254.28		5,529.00		£23,521,928	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
Deprivation	FSM6 %	£608.48	£749.52	3,451.92	2,760.52	£4,169,490	
	IDACI Band F	£0.00	£0.00	1,122.71	775.08	£0	
	IDACI Band E	£146.42	£242.79	1,449.80	1,003.69	£455,965	
	IDACI Band D	£192.98	£242.79	831.06	592.10	£304,134	£6,569,714
	IDACI Band C	£307.69	£422.40	795.78	480.75	£447,921	
	IDACI Band B	£422.39	£422.40	1,253.57	807.49	£870,579	
	IDACI Band A	£537.10	£512.20	350.62	260.27	£321,624	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
English as an Additional Language	EAL 3	£278.69	£557.39	2,361.67	236.41		£789,945
		Amount per pupil		Eligible proportion of primary and secondary NOR respectively			
Prior attainment	Low Attainment % new EFSP	£1,800.95		2,103.91		£3,789,045	
	Low Attainment % old FSP 78	£3,037.45		1,716.61		£5,214,127	£9,003,172
Lump Sum						£150,000.00	£12,900,000
Split Sites							£40,000
Rates							£1,160,304
Total Funding for Schools Block Formula (excluding MFG Funding Total)							£148,152,288

Minimum Funding Guarantee (MFG is set at -1.5% - funded from schools who gain from the formula)	£2,718,978
Total Funding For Schools Block Formula	£148,152,288
less de-delegation	-£854,579
less Education functions	-£250,000
Total Funding For Schools Block Formula less de-delegation	£147,047,708



Efficiency Plan 2017 / 2020



Foreword

Trafford Council is a high performing, low spending council providing excellent, value for money services. Trafford Council has risen to the challenge presented by the effects of the austerity agenda, rising demand levels and funding reductions over the years since 2010. During this period the Council has successfully delivered £113m of savings which has been delivered through a mixture of in-house efficiencies and the transformation of services and service delivery.

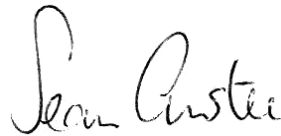
Trafford Council accepted the four multi-year funding settlement offer made by the Secretary of State for Communities and Local Government in September 2016.

The medium term minimum funding guarantee enables the council to make longer term transformational and growth plans both within our organisation and in collaboration with our partners.

The production of this efficiency plan is to provide an annual update, since the acceptance of that offer.



Theresa Grant
Chief Executive
Trafford Council



Councillor Sean Anstee
Leader of Trafford Council

Introduction and Purpose of document

The Efficiency Plan was initially developed so that Trafford Council could qualify for the four multi-year funding settlement from Government for the period 2016/17 to 2019/20

The four year settlement was essential to the medium-term financial stability of the Council, as it guaranteed no changes to the minimum level of grant that was announced for Trafford in the 2015 autumn statement. The figures for each type of grant covered by the settlement can be found in the table below:

	<i>2016/17</i> <i>£'000</i>	<i>2017/18</i> <i>£'000</i>	<i>2018/19</i> <i>£'000</i>	<i>2019/20</i> <i>£'000</i>
<i>Revenue Support Grant</i>	22,989	15,276	10,303	5,299
<i>Transitional Grant</i>	465	458	0	0
<i>Rural Services Delivery Grant</i>	0	0	0	0
Total	23,454	15,734	10,303	5,299

This plan not only provides an update on the financial position and commitment to deliver these plans but to enable the Council to benefit from the flexibility in the use of capital receipts.

This plan has been developed with reference to the Council's Medium Term Financial Strategy (MTFS), as detailed in the February 2017 Budget Report to Council and includes three main sections:

1. Our approach to delivering efficiencies in order to meet the savings gap
2. New flexibilities in the use of capital receipts
3. Council's Prudential Indicators

This plan will be reviewed and updated at least annually as part of the budget setting process.

Section 1 – Our Approach

Budget Forecasts 2017/18 to 2019/20	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Net Budget Requirement b/fwd	146,697	146,697	163,674	173,694
Cost Pressures & Investment:-				
Pay		1,173	933	653
Living Wage		1,548	1,822	1,729
Inflationary		0	288	293
Contractual Obligations		2,004	2,015	1,992
Levies		698	703	703
Demographic		7,043	2,000	2,000
Grants, Legislative & Service Transfers		2,289	1,105	(1,973)
Loss of Income		105	0	0
Treasury Management		1,474	99	(420)
Other		643	1,055	250
Total Cost Pressures & Investment	0	163,674	173,694	178,921
Funding:-				
Council Tax	83,547	84,418	84,840	85,264
RSG	22,989	15,276	10,303	5,299
Business Rates: Local Share	77,838	68,998	71,218	73,751
Business Rates: Tariff Payment	(44,509)	(34,988)	(36,114)	(37,398)
Business Rates: Assumptions, Growth, S31 Grants, GM Pilot	4,982	4,300	4,300	4,300
Prior Year: Collection Fund Surplus/ (Deficit) & GM Pool (Levy)/Rebate		300	0	0
General Reserve	1,850	0	0	0
Total Funding & Use of Reserves	146,697	138,304	134,547	131,216
Cumulative Revised Funding Gap	0	25,370	39,147	47,705
Annual Revised Funding Gap	0	25,370	13,777	8,558

Size of the Challenge

The Council's Medium Term Financial Strategy (MTFS) is detailed in the February 2017 Budget Report to Council. The MTFS is a rolling document which is updated as changes in conditions/assumptions are known, in recent months the most notable change is the demographic pressures being experienced in spending on Adults and Children's social care. The revised funding gap figures for 2017/18 to 2019/20 can be seen to the left:

2017/2020 Efficiency plan

For the years 2017 to 2020 the strategy is to deliver the efficiency savings required to close the financial gap through a major transformational agenda. This transformational programme will build on the foundations of the Reshaping Trafford programme which has already delivered large efficiency and transformational savings. A report on this programme and its progress was reported to the Accounts and Audit Committee in February 2017. This report can be found [here](#)

Trafford has a strong ethos of partnership working and our transformational changes will be delivered in conjunction with our partners as part of the Public Sector Reform agenda. The [Trafford partnership](#) is Trafford's Local Strategic Partnership and the Trafford Partnership Annual Report 2015-16 describes our collaborative approach to locality based planning and service delivery.

Greater Manchester is at the forefront of devolution and the greater integration of health and social care in order to increase efficiencies and improve services is a key aspect of these devolved responsibilities and powers. Trafford has developed a [Locality plan](#) which describes the transformational changes planned in conjunction with our health partners.

Increasing income by promoting economic growth and encouraging the establishment of new business and the building of new homes in Trafford is key to delivering our efficiency plan. Increased economic growth not only produces more income for the council in terms of council tax and business rates but also increases the employment and well-being of the Trafford population.

More detailed plans of the programme to be delivered in 2017/18 can be found [here](#) in the February 2017 Budget Report to Council, future years will be presented to the Executive and Council later in the year.

Summary of the Reduction in the Revised Funding Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revised Funding Gap	25,370	13,777	8,558
<i>Savings & Income Proposals</i>	<i>(15,567)</i>	<i>(395)</i>	<i>(421)</i>
<i>Additional Funding</i>	<i>(6,745)</i>	<i>(3,253)</i>	<i>(2,085)</i>
<i>Use of Budget Support Reserve</i>	<i>(3,058)</i>	<i>3,058</i>	<i>0</i>
Total Budget Gap (Feb 2017)	0	13,187	6,052

Section 2 Capital Receipts Flexibility

As part of the local government settlement for 2016/17 Government announced greater flexibility for Council's in how they make use of capital receipts from 1st April 2016 to 31st March 2019 and updated its statutory guidance on the 'Flexible Use of Capital Receipts' in March 2016. Councils were previously only allowed to spend such money on further capital projects but now capital receipts can be used to fund the revenue costs of transformation projects which are designed to generate ongoing revenue savings in the delivery of public services and /or to transform service delivery in a way that reduces costs or demand for services in the future.

The February 2016 Budget Report and the related Treasury Management Strategy did not anticipate the use of capital receipts in this way during 2016/17 financial year. However, given the size and scale of the transformation programme outlined above, the Council now intends to take up the facility to use capital receipts in this flexible manner to fund the cost of reconfiguration, restructuring and rationalisation savings, estimated usage is anticipated to be £1.8m per annum.

This transformational activity will assist in delivering the savings on a range of schemes to include those detailed below:-

TRANSFORMATIONAL PROJECTS	2017/18	2018/19	2019/20
Reshaping Care-Managing the Council funded cost of care through increasing client independence	(5,110)	(250)	0
Reshaping Children's services	(2,349)	0	0
Reablement – phase 2	(800)	0	0
Ascot House - alternative uses of the site	(380)	0	0
Rapid Response - review the Rapid Response service	(211)	0	0
#BeResponsible – Right Stuff, Right Bin	(151)	(232)	(261)
Aids and adaptations redesign	(150)	0	0
Business scanning	(100)	(28)	0
Property repairs and maintenance savings from improved management information	(89)	0	0
Reduction in energy and water consumption in Council buildings	(80)	0	0
On-line integrated Council Tax forms	(42)	0	0
Direct Payments – review the direct payments service	(35)	0	0
Service structure and role remodelling across the CFW workforce	(30)	0	0
Pathways - review the provision of day care services to clients with learning disabilities	(28)	0	0
Business development	(10)	(10)	(15)
TOTAL EXPECTED SAVINGS/SERVICE TRANSFORMATION	(9,565)	(520)	(276)

Further intended use of any capital receipts in this way for remaining years will be included in updates to this plan and will be presented to Full Council in due course.

Section 3 Prudential indicators

The Treasury Management Strategy sets out the prudential indicators for 2017/18. The report is available [here](#)

These indicators are designed to ensure that the Council's capital borrowing is affordable and does not place undue burden on the Council's revenue budget or Council Tax Payers. Each year the reporting requirements are that the Accounts and Audit Committee together with the Executive and Full Council should receive the following reports:

- Annual treasury strategy for the year ahead
- Mid-year update report
- Annual outturn report describing the activity undertaken.

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TRAFFORD COUNCIL

Report to: The Executive
Date: 22 February 2017
Report for: Information
Report of: The Executive Member for Transformation and Resources

Report Title

Budget 2017/18 – Consultation Process and Feedback.

Purpose of Report

The purpose of the report is to set out the approach taken to the budget consultation for 2017/18 and provide a summary of the feedback received through the various methods.

Recommendations

It is recommended that the Executive notes:

- The consultation opportunities made available to the public for the budget proposals.
- The methodology and approach used for the consultation process.
- The feedback received from the consultation process.
- The next steps to be undertaken.
- The Equality Impact Assessments in relation to the budget proposals and the Public Sector Equality duty.

Contact person for access to background papers and further information:

Name: Dianne Geary Extension: x1821

Finance Officer Clearance (type in initials) NB... ..

Legal Officer Clearance (type in initials) DA... ..

CORPORATE DIRECTOR'S SIGNATURE

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

Implications:

Relationship to Policy Framework / Corporate Priorities	This report relates to the following Corporate Priorities. <ul style="list-style-type: none"> – Low Council Tax and Value for Money. – Economic Growth and Development. – Services focused on the most vulnerable people. – Reshaping Trafford Council.
Financial	No direct implications. The budget report provides the detail of the financial implications.
Legal Implications:	Any legal implications are as set out in the main body of the report.
Equality/Diversity Implications	The equality implications are as set out in the report and in the Equality Impact Assessments which have been published within this report.
Sustainability Implications	No direct implications.
Staffing / E-Government / Asset Management Implications	No direct implications for E-Government. Staffing – the budget proposals will have a direct impact upon staff. Given the number of staff affected, statutory processes have been followed, in line with collective consultation requirements. In addition, upon implementation of the proposals, consultation will be undertaken at a local level, in line with Council procedures.
Risk Management Implications	No direct implications.
Public Health Implications	No direct implications.
Health and Safety Implications	No direct implications as proposals are in accordance with national guidelines.

1. BACKGROUND

- 1.1 This report details the consultation process in relation to the Council's budget proposals for the 2017/18 financial year, provides a summary of the feedback received and sets out the recommendations sought.
- 1.2 The process was designed to inform the public of the journey so far, the budget process for 2017/18 and the requirement to save a further £42.09m over the next three years; with £22.17m required for 2017/18. It was also designed to consult the public about how those savings could be achieved.
- 1.3 It was agreed by the Executive that there would be two public consultation events, each webcast live, and an online survey. Both methods would promote the approach, 'Taking the Trafford Pound Further'. Greater emphasis was placed on the use of social media for the duration of the consultation and residents, businesses and staff had the opportunity to complete the online survey.
- 1.4 The proposals which impact on the public included:
 - Increasing Council Tax
 - Increasing car parking fees and charges – both on street and in specific car parks
 - Charging for the kerbside collection of green/garden waste
 - #Be Responsible – Right Stuff, Right Bin
 - Transferring the maintenance of bowling greens to individual bowling clubs
 - Enabling School Crossing Patrols to become a traded service
- 1.5 To help shape the proposals, the overall strategy identified key interventions which have been themed as follows:
 - Make Trafford a Destination of Choice (Tourism, visitor attraction, economic growth)
 - Accelerate housing and economic growth
 - Supporting communities and businesses to work together to design services, help themselves and each other
 - Working together for Trafford
 - Creating a national beacon for sports, leisure and activity for all
 - Optimising technology to improve lives and productivity
 - Developing a wider education and skills offer that better connects people to jobs
 - Mersey Valley becomes a significant visitor attraction that connects the North to the South of the Borough
- 1.6 In addition to the proposals relating to the public, there was also a proposal affecting the workforce. This proposal related to the existing temporary

arrangement that requires staff to take three days mandatory unpaid leave. The revised proposal recommended one and half day's mandatory unpaid leave for 2017/18. Formal staff consultation commenced on the 7 November following the issue of a S.188 notice to the recognised trade unions. Consultation concluded on 3 January 2017.

2. APPROACH TO PUBLIC AND STAKEHOLDER CONSULTATION

- 2.1 The aim of the budget consultation was to inform residents and businesses of the amount needing to be saved next year and over the next three years, the proposals under consideration and to gather responses from stakeholders.
- 2.2 The public consultation was staged over two events, one in the north of the borough, at Trafford Town Hall on Wednesday 23rd November and one in the south of the borough at Altrincham Town Hall on Saturday 3rd December. Discussions were recorded via the webcast with 113 viewing the 23rd November webcast and 35 viewing the 3rd December webcast.
- 2.3 Staff information and consultation on the proposals ran in parallel with the public consultations.

3. COMMUNICATIONS

- 3.1 Key budget messages were delivered through the following communications channels to promote the budget proposals and encourage participation:-

3.1. Website Communications

- 3.1.1. A dedicated website 'Trafford Council Budget 2017/18' open to all residents and interested parties was available from November onwards to promote the consultation. The 'Taking the Trafford Pound Further' page outlined the various ways in which people could be updated and get involved:
 - How we spend our money now – see the breakdown;
 - Have your say – look at the budget information and complete the on-line survey. This section included a message from the Leader and an overview of the proposals; and
 - Follow the conversation – respond to what people are saying
- 3.1.2. The budget consultation website was signposted from the home page of the Council's website for the duration. The website received a total of 3,807 page views with 2,222 of these being unique visitors to the site.
- 3.1.3. The Provisional Local Government Finance Settlement 2017/18 issued on 15th December confirmed that Councils could raise Council Tax to contribute towards the cost of adult social care in 2017/18 by 3%, with a further 3% in 2018/19 and 0% 2019/2020. Previously it had been agreed that the precept be raised by 2% for the next three years. A decision will be taken by the

current administration on the preferred option. As the Council did not consult on this question as part of its initial proposals, an online poll was launched asking whether residents agreed with the proposals.

3.2. Media Communications

3.2.1. A media briefing took place to ensure the local press were fully aware of the proposals. The attendees were taken through a presentation which outlined the budget situation, the budget proposals and the approach to consultation followed by a question and answer session.

3.2.2. This briefing resulted in coverage in a number of local newspapers and the main Manchester evening paper. The Leader of the Council was also interviewed by BBC Radio Manchester and Key 103 about the proposals and ITV also interviewed the Executive Member for Finance.

3.2.3. Two press enquiries have also been received throughout the consultation process. The response to each reiterated how people could give their feedback.

3.3. Publicity

3.3.1. The public events and the opportunities and methods to provide feedback were promoted as follows:

- Five weeks editorial in the Messenger
- Four press releases since August to a huge mailing list
- Leaflets printed and sent to Leisure Centres, Libraries, Community Centres
- Flyers circulated to Trafford Schools
- Meeting with Head Teachers Group
- Daily feed via Twitter and Facebook to targeted groups e.g. Housing Trust
- On-line survey for staff via the intranet
- Council and public website link on home page
- The website, which was mobile-enabled for easy viewing via a number of devices, contained a summary of all the proposals and a link to the budget report. It also promoted the opportunities to register for the forums and provide feedback
- Posters have been displayed in local libraries, leisure centres, and local businesses where possible and flyers were also produced and circulated to allow people to take information away with them. In addition, questionnaires were available at the events. All of these items contained a link to the Council's dedicated budget website
- The Council were made aware of groups and organisations who communicated the message such as Friends of Parks groups
- All Councillors were made aware of the consultation activity
- Both consultation events were webcast and available on the website for views post meeting

- The Council also promoted the consultation process through its partners with the partnership team circulating the press releases to the four Locality Partnerships (totalling 450 community people)
- Reminders and updates were included on the staff intranet page

4. PUBLIC AND STAKEHOLDER CONSULTATION

4.1. Consultation support materials

- 4.1.1. An information sheet branded as 'Taking the Trafford Pound Further- Have your Say' was a two page summary document given to all those who attended the consultation meetings. This document summarised all of the proposals and sign-posted people and invited feedback via the online survey was available at the consultation events.
- 4.1.2. A short film setting the context of the budget and 'Taking the Trafford Pound Further,' pushed the message that the council's budget is not just about spending cuts. It is also about what it has achieved, despite the financial constraints it has been operating under and how it is going to continue providing high quality and cost effective services through careful financial management. This was shown at the public consultation meetings and was also available to view on the dedicated website. The film can be seen by following this link; <http://www.trafford.gov.uk/the-budget-2017-18/Taking-the-Trafford-Pound-Further-201718.aspx>
- 4.1.3. A PowerPoint presentation was shown at each event and also made available for the media and business partners giving details of the proposals.
- 4.1.4. Two open public forum meetings were held in the north and south of the borough, which were both webcast live. A total of 72 residents attended the two events. Whilst this is a disappointing level of attendance, the quality of participation and discussion was judged to be high. Access to the webcasting facilities were made available for both events via the website. In addition, a pc was set up at Sale Waterside for the general public to watch the webcast live from this venue. The webcasting maximised the opportunities for residents to either watch or attend the event.

The webcast can be seen by following this link: <http://trafford.public-tv/core/portal/home>

4.2. Survey and Feedback Cards

- 4.2.1. To gather feedback and responses an online survey was produced following a similar format to last years survey to help stimulate debate, and elicit views on the proposals. Additional feedback cards were distributed at events and made available to interested parties. Respondents could reply Strongly Agree, Agree, Disagree, Strongly Disagree or Don't Know to each proposal.

4.2.2. There were free text boxes for respondents to provide any comments on the proposals or to suggest other ways in which the savings could be achieved.

4.2.3. All participants were encouraged to complete feedback cards and the survey. A total of 298 surveys were completed, 7 emails and 5 feedback cards received.

4.3. Business Breakfast

4.3.1. A Business Breakfast event took place on 1 December 2016 to inform local businesses of the Council's budget proposals. There are 2,292 businesses on the Council's business database and all were sent invitations to the event. It was also promoted on the Council's website, Twitter, through the GM Chamber and through Altrincham Forward. A total of 18 delegates representing 11 businesses and third sector organisations attended the event.

4.4. Approach to Staff Consultation

4.4.1. The statutory consultation process was aligned to the budget consultation process for 2017/18. In this respect, formal collective consultation commenced on 7th November 2016, with the issue of a S.188 notice to the recognised trade unions. The consultation concluded on 3rd January 2017.

4.4.2. During this period, there were four formal collective consultation meetings involving the Acting Director of HR, the lead Elected Members for employment matters, senior managers and trade union officials. The purpose of these meetings was to discuss the proposal and receive feedback, with the aim of trying to reach a collective agreement.

4.4.3. Running parallel with the collective consultation process, the Council also engaged directly with employees on an individual basis. Individual letters were issued to all staff in scope for the mandatory leave proposal, communications were posted on the intranet via the 6-boxes and the weekly update. The aim of this individual consultation was to seek feedback from staff on the proposal and also to obtain voluntary sign up to the extension, where possible.

4.4.4. A staff briefing took place in relation to School Crossing Patrols and a related meeting was also held with Head teachers from across the borough.

4.4.5. Staff were also informed of the public process and events and they were encouraged to give their views.

5. SCRUTINY

5.1. Two Task and Finish Groups of Scrutiny Members were held in December 2016 to review the proposals. Scrutiny comments were submitted to the Executive on 23 January 2017 and their comments are reflected in the budget report.

- 5.2. The Budget Scrutiny report identifies that Scrutiny Members feel that there are three key, crosscutting areas where the Executive needs to satisfy itself of the robustness of the proposals. These are:
- £2m budget gap
 - Risk assessments (savings delivery risk)
 - Ensuring that forward projections for demand led services are robust
- 5.3. Scrutiny Members have also identified a number of specific areas of the proposals where they felt more information was required on how these savings would be achieved and managed. These include:
- Parking Fees
 - School Crossing Patrols
 - Waste Management
 - Grounds Maintenance (Bowling Greens)

The budget scrutiny report is available via the following link:

<https://democratic.trafford.gov.uk/ieDecisionDetails.aspx?ID=591>

6. OUTCOMES OF THE PUBLIC CONSULTATION

6.1. Introduction

- 6.1.1. It was planned that the consultation would stimulate conversation and interest with residents regarding areas where savings may be made and also to obtain their views across a range of matters including a rise in Council Tax.
- 6.1.2. The responses have been analysed and this report provides the feedback in an objective manner. This section summarises the key feedback from the consultation process. All comments will be taken into consideration when reviewing the proposals.
- 6.1.3. The details and graphical representation of the results are included as Appendix 1 of this budget outcomes report.

6.2. Council Tax

- 6.2.1. At the time of the initial consultation it was proposed to increase Council Tax by 3.99% for 2017/18 – 2% for the social care ‘precept’ to be earmarked for adult social care expenditure and 1.99% general increase. This equates to 86.5 pence per week (£44.98 per annum) increase for a Band D property.
- 6.2.2. Overall there was a majority in favour of raising Council Tax. Of those who took part the largest response, 55.9%, was from those who strongly agreed/agreed with the proposal; 31.2% strongly disagreed/disagreed and 12.2% of survey respondents neither agreed nor disagreed with the proposal. Less than 1% answered ‘don’t know’.

- 6.2.3. Comments received were mixed; 102 comments were in favour of raising Council Tax and 69 comments against a rise. The most common reason mentioned by those who were against a rise was affordability.
- 6.2.4. The Local Government Settlement in December 2016 gave Councils the opportunity to “front load” the Adult Social Care precept element of Council Tax Increases. The following question was added to the Council Website on 22nd December 2016 until 8th January 2017 “Do you think the Council should take advantage of the opportunity to increase the social care precept, from 2% to 3% for the next two years?” There were 347 responses to the question with 56% agreeing to the 3% social care precept for the next two years.
- 6.2.5. Therefore the feedback from the public consultations has been reviewed and it is recommended to increase Council Tax to 3% +1.99% in 2017/18; 3% + 1.99% in 2018/19; and then 1.99% in 2019/20. For a band D property in Trafford for 2017/18 this equates to an increase of £1 .08 per week (£56.25 per annum).

6.3. Car Parking Fees and Charges

- 6.3.1. The proposal is to increase current fees and introduce new fees for Trafford’s chargeable on street and off street parking.
- 6.3.2. For on street parking charges the majority were opposed to increasing the fees with 60.6% in the categories strongly disagreed/ disagreed with the proposal. A further 26.1% strongly agreed/agreed and 13% of survey respondents neither agreed nor disagreed with the proposal. Less than 1% answered ‘don’t know’. Overall there were 28 comments in favour of increasing car parking fees and charges and 104 comments opposing the increase.
- 6.3.3. For off street parking in certain car parks across the borough most people were in favour of the proposed increases. Fees for off street parking were largely acceptable with 52.8% from those that strongly agreed/agreed and 28.2% who strongly disagreed/ disagreed with the proposal. 17.3% of respondents neither agreed or disagreed with the proposal and under 2% answered ‘don’t know’. There were 70 comments in favour of increasing car parking fees and 61 comments opposing the increases.
- 6.3.4. Having reviewed the feedback from the public consultation it is recommended that the proposal for on and off street car parking fees and charges are implemented without change.

6.4. Kerbside Green Waste Collection

- 6.4.1. The proposal is to introduce an ‘opt in’ partial cost recovery charge of £40 (£35 for online sign up) charge for green waste collections.

- 6.4.2. The majority of respondents were opposed to the proposal. Many thought it would increase instances of fly tipping and would be difficult to implement.
- 6.4.3. Of those who responded, 82.2% were opposed to the proposal with 9.7% in agreement. Only 16 comments in favour of the proposal were received and 190 comments against. A total of 8% of respondents neither agreed or disagreed or didn't know.
- 6.4.4. Having reviewed the feedback from the public consultation it is recommended that the proposal is implemented without change and a detailed implementation plan will be drawn up.

6.5. #Be Responsible – Right Stuff, Right Bin

- 6.5.1. The proposal is to take a stricter approach to ensure only non-recyclables are included in the general waste bins.
- 6.5.2. Overall people were in favour of this proposal with 53.3% in favour and 34.3% opposed. 12.4% of respondents neither agreed or disagreed or didn't know. Overall 78 comments were received in support of the proposal and 83 comments against.
- 6.5.3. The feedback from the public consultation has been reviewed and therefore it is recommended that the proposal to take a stricter approach to recycling is implemented without change.

6.6. Transferring of Maintenance to Individual Bowling Clubs

- 6.6.1. The proposal is for the Council to pay individual bowling clubs a fixed amount to undertake their own green maintenance. This arrangement already operates successfully at one club and the proposal is to roll this out across the Borough. This would provide clubs with a fixed fee for undertaking this maintenance (£2,000).
- 6.6.2. There was a small majority in agreement with this proposal. Overall 35.7% of respondents were in favour of this proposal with 25.4% against. However a significant number, 29.5% neither agreed nor disagreed with the proposal. There were 35 comments received in favour of the proposal and 62 against.
- 6.6.3. Following the feedback from the consultation it has been decided to include the bowling clubs alongside other sports as part of the wider playing pitch strategy and leisure review and therefore this proposal is deferred in its current form.

6.7. School Crossing Patrols

- 6.7.1. The proposal is for School Crossing Patrols to become a traded service – which would allow schools and/or community groups to purchase the service.

- 6.7.2. The majority of respondents disagreed with this proposal. Their concerns were around child safety and whether schools could afford to take on this responsibility.
- 6.7.3. Overall 70.5% strongly disagreed/disagreed with the proposal and 14.1% strongly agreed/agreed. 15.5% neither agreed or disagreed or responded 'don't know'. Of the comments received, 19 were in favour of the proposal and 157 against.
- 6.7.4. Feedback was also received directly from Head Teachers, school staff, parents, business managers and Governors stating that School Crossing Patrols are necessary due to the high volume of traffic and dangerous road junctions. They also thought that by removing School Crossing Patrols the Council would put Children's lives at risk.
- 6.7.5. Having carefully considered the feedback from the public consultation it is recommended that we move to a second phase of consultation prior to the implementation of any change to current arrangements.
- 6.7.6. There have been four petitions received by the Council in relation to the School Crossing Patrol proposals contained within the 2016/17 draft budget as outlined below:
- The online petition has 1326 signatures
 - The paper petition has 1772 signatures
 - Third petition with 249 signatures
 - A change.org petition handed in by a Councillor which had 1018 signatures

6.8. Other suggestions and comments

- 6.8.1. There were 128 comments in addition to those in the categories above and were varied. These included the following topics:
- Reduce the number of councillors
 - Make further council efficiencies by reducing back office staff
 - Make better use of buildings i.e. income generate or sell
 - Reduce energy consumption in public buildings
 - Dim / turn off street lights at night
 - Move staff pension schemes
 - Review the One Trafford Partnership
 - Review tree planting scheme
 - Review Leisure Centre spend

7. OUTCOME OF STAFF CONSULTATION

- 7.1. A report detailing the outcome of staff consultation on the proposal to implement 1.5 days mandatory leave for a further temporary period of 12 months, April 2017 to March 2018 was presented to the Employment Committee on 16 January 2017.
- 7.2. With regard to individual consultation, out of the 1,181 employees directly impacted by the proposal, feedback was received from 7 staff. This represents 0.6% of staff affected. Trade Union feedback was also received and the general view from staff and Trade Unions was that it was an unfair measure which represented a pay cut, that staff already struggled to take leave due to work demands and that taking additional leave increases that pressure and creates a work backlog.
- 7.3. In addition to seeking feedback on the proposal, employees were also invited to voluntarily sign up to the arrangement, should it be agreed. As at 4th January 2017, 47% of affected staff had signed up.
- 7.4. This revised proposal was approved by Employment Committee, subject to a further review towards the end of 2017. Further to the decision by the Employment Committee, individual communications have been issued to all affected staff. These communications encourage staff to voluntarily sign up to the extension to the mandatory unpaid leave provision so that associated salary deductions can be made over a 12 month period. Where there is no voluntary acceptance, notices of dismissal and re-engagement will be issued to relevant staff early in February, in line with legal requirements.

8. THE PUBLIC SECTOR EQUALITY DUTY

- 8.1. The Equality Act 2010 requires public authorities to comply with the public sector equality duty. The public sector equality duty requires public authorities to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies.
- 8.2. People who are protected under the Equality Act 2010, have certain protected characteristics. The characteristics that are protected in relation to the public sector equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.3. Public authorities, when carrying out its functions, must therefore have due regard to:
 - 8.3.1 The elimination of unlawful discrimination;
 - 8.3.2 The advancement of equality of opportunity between people who have protected characteristics and those that do not; and
 - 8.3.3 The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.

- 8.4. An Equality Impact Assessment (EIA) is a practical tool which may be used to identify discrimination as it is a process designed to ensure that a policy, scheme or project does not discriminate or disadvantage people. An EIA can be used to identify potential impacts of decisions and also, any mitigating measures. Where relevant and to further assist the Council in its evaluation of the proposals, a number of EIAs were undertaken as part of the evaluation process.
- 8.5. The EIAs were available to officers evaluating the consultation responses and are included in Appendix 3. Any potential impacts have been identified through the EIA and consultation process. Where any potential impact has been identified consideration has been given to whether measures can be taken to mitigate against such impacts. Mitigation measures are set out within the body of the relevant EIA or are reflected, where appropriate, in modifications to the proposals.
- 8.6. In considering the report the Executive is also required to have regard to the Public Sector Equality Duty. In order to satisfy this duty the Executive must consider the potential impacts identified in the EIAs and the consultation feedback which are included in the report.

9. NEXT STEPS

- 9.1 A report setting out the outcome of the staff consultation has been presented to the Employment Committee with a recommendation for a one year extension as noted at 9.7. This will be presented to the Executive for information. There has also been a staff communication advising them of the outcome of consultation and Employment Committee's decision.
- 9.2 The consultation responses and public sector equality duty requirements, including the EIAs have been considered as part of the decision making process and have therefore informed the budget report, which is a separate document.
- 9.3 A review of the consultation process will be undertaken in order to improve any future consultation exercises.

10 RECOMMENDATIONS

- 10.1 It is recommended that the Executive note:
 - The extensive consultation opportunities available to the public for the budget proposals.
 - The methodology and approach used for the consultation process.
 - The next steps to be undertaken.
 - The final proposals and consultation outcomes.
 - The Equality Impact Assessments in relation to the budget proposals and the Public Sector Equality duty.

Appendix1: Public Consultation Report Summary

1. RESPONSES

1.1 Overall figures

Trafford provided multiple channels and opportunities for members of the public, businesses and other stakeholders to respond over the consultation period. The six proposals were used to structure the discussions at the public events and to shape the online survey. In addition to these proposals the consultation asked whether people had any other suggestions to enable the Council to make the necessary savings of £22m for 2017/18. The numbers participating were:

- 72 people attended the public events
- 298 people completed the online survey (13 through paper copies)
- 5 feedback cards were completed
- 7 emails were received

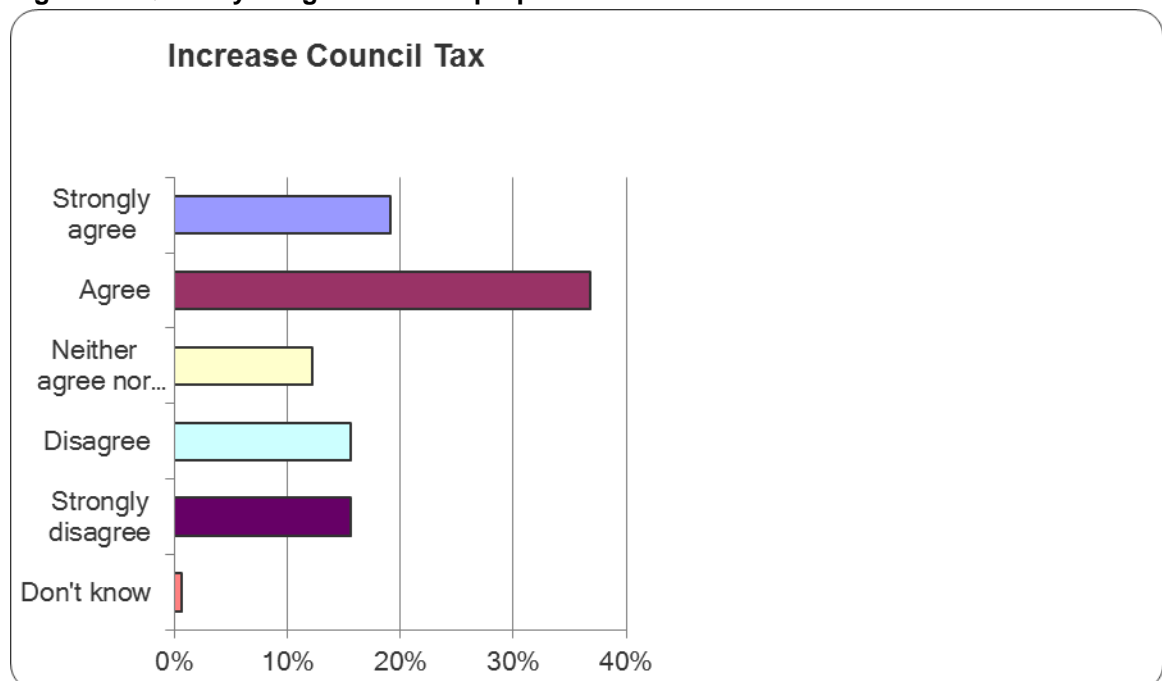
1.2 Analysis

The quantitative feedback from each proposal is below;

1.2.1 Increasing Council Tax

As Figure 1 shows, the largest response, 55.9%, was from those who strongly agreed/ agreed with the proposal, 31.2% strongly disagreed/disagreed and 12.2% of survey respondents neither agreed nor disagreed with the proposal. Less than 1% answered 'don't know'.

Figure 1 - Q1: Do you agree with the proposal to increase Council Tax?



The chart below gives the numbers for each response as well as the percentage. A total of 10 people did not answer this question and there were 186 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	19.1%	55
Agree	36.8%	106
Neither agree nor disagree	12.2%	35
Disagree	15.6%	45
Strongly disagree	15.6%	45
Don't know	0.7%	2
Please say why you answered as you did and/or add any other suggestions or ideas you have.		186
<i>answered question</i>		288
<i>skipped question</i>		10

In addition to the online survey, one comment was received via the feedback forms at the public consultation events. The comments have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	102
Disagree	69
Neutral	16
Total	187

For – an increase in Council Tax

Overall there were 102 comments in favour of raising Council Tax;

“Willing to contribute more to keep services going”

“If it's the only way of finding the money for social care then we will have to pay the increase”

“In my view the increase should be much greater than this. It is important that we maintain and improve services and safety.”

Against – an increase in Council Tax rises

There were 69 comments made against a rise. The most common reason mentioned by those who were against a rise was affordability;

“Wages have not risen so why should my Council Tax rise.”

“My income is small and would not cover the above charges. I do not qualify for any help towards this, so it would have to come out of my food bill”

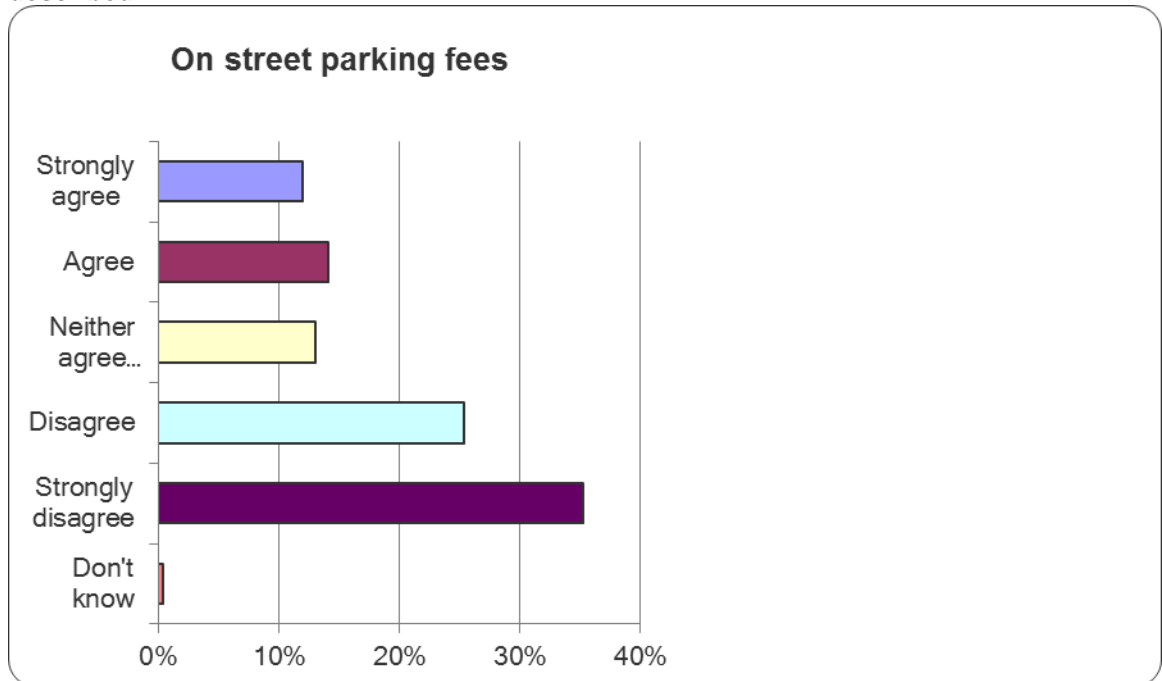
“We are already struggling financially so this will hit working families harder.”

One suggestion around Council Tax was to conduct an exercise to re-band properties across the borough which could generate more revenue.

1.2.2 Increasing car parking fees and charges – on street.

As Figure 2 shows, the biggest response, 60.6%, was from those who strongly disagreed/ disagreed with the proposal, a further 26.1% who strongly agreed/agreed and 13% of survey respondents who neither agreed nor disagreed with the proposal. Less than 1% answered ‘don’t know’.

Figure 2 – Q2: Do you agree with the proposal to increase on street parking fees as described?



The chart below gives the numbers for each response as well as the percentage. A total of 14 people did not answer this question.

Answer Options	Response Percent	Response Count
Strongly agree	12.0%	34
Agree	14.1%	40
Neither agree nor disagree	13.0%	37
Disagree	25.4%	72
Strongly disagree	35.2%	100
Don't know	0.4%	1
<i>answered question</i>		284
<i>skipped question</i>		14

There were 150 online comments around the proposal. The comments received have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	28
Disagree	104
Neutral	18
Total	150

For - increasing on street car parking fees and charges

Overall there were 28 comments in favour of increasing car parking fees and charges. Of those many thought it was a reasonable increase;

“You always have to pay to park and it's a small amount of money”

“I think charges for parking on certain streets is a good idea. Many people park in the streets instead of in car parks so they don't have to pay especially on streets near to Metro Stations.”

Against – increasing on street car parking fees and charges

There were 104 comments against increasing on street car parking fees and charges;

“This will affect businesses. Some years ago when car parking charges were increased in Altrincham, there was a decline in the number of shoppers and visitors”

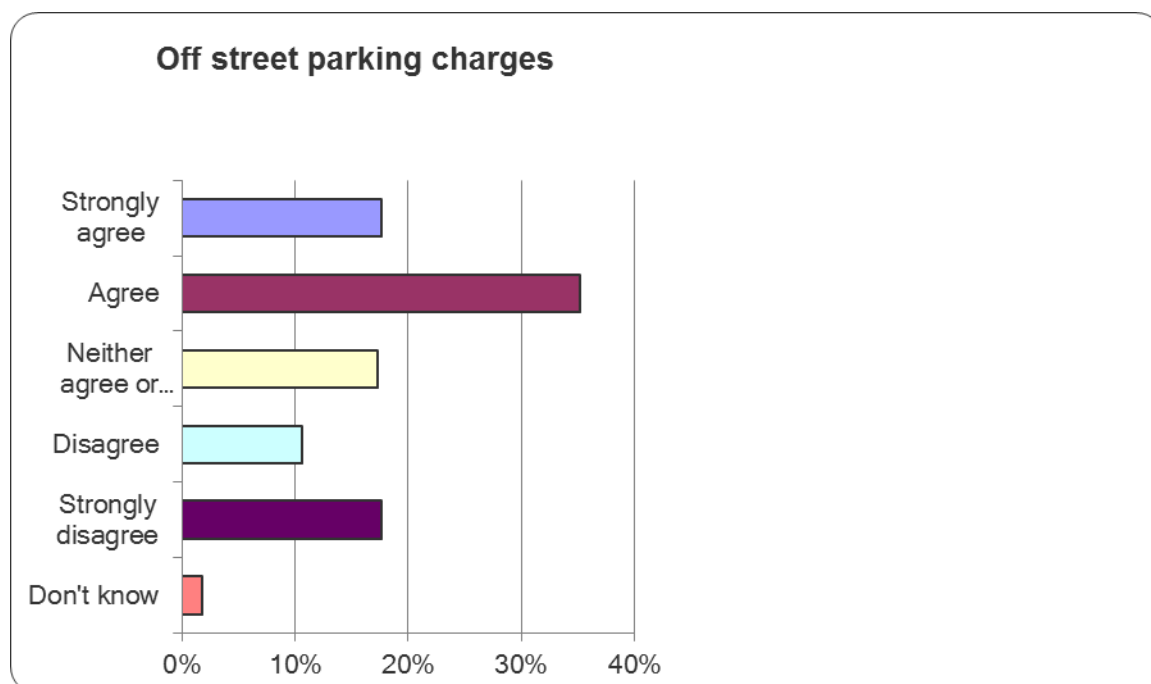
“If anything you need to cancel the street parking charges. You would need less traffic wardens, less admin and less court costs. You have empty shops that do not attract customer because there is no footfall. Less not more”

A common theme against the increase in charging was that it would deter people from shopping locally and may increase the use of places where there was free parking such as the Trafford Centre.

1.2.3 Increasing car parking fees and charges – in specific car parks

As Figure 3 shows, the biggest response, 52.8%, strongly agreed/agreed with the proposal and a further 28.2%, strongly disagreed/ disagreed with the proposal. 17.3% of survey respondents neither agreed nor disagreed and 1.8% answered 'don't know'.

Figure 3 – Q3: Do you agree with the proposal to introduce off street car parking charges as described?



The chart below gives the numbers for each response as well as the percentage. A total of 14 people did not answer this question and there were 153 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	17.6%	50
Agree	35.2%	100
Neither agree or disagree	17.3%	49
Disagree	10.6%	30
Strongly disagree	17.6%	50
Don't know	1.8%	5
Please say why you answered as you did and/or add any other suggestions or ideas you have.		153
<i>answered question</i>		284
<i>skipped question</i>		14

The comments received have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	70
Disagree	61
Neutral	22
Total	153

For - increasing car parking fees and charges – off street

Overall there were 70 comments in favour of increasing off street fees and charges and many appreciated that there would still be a period of free parking;

“I think it is very good that people can have a two hour free period and then have to pay. It encourages people to visit and allows a flow of people as places are not blocked by long stay parkers.”

“Charging for off street parking is acceptable and to be honest I don't really know why this isn't happening already?”

Against - increasing car parking fees and charges – off street

There were 61 comments against the proposal. Again, people were concerned that town centres would suffer as people moved to shopping areas where parking was free;

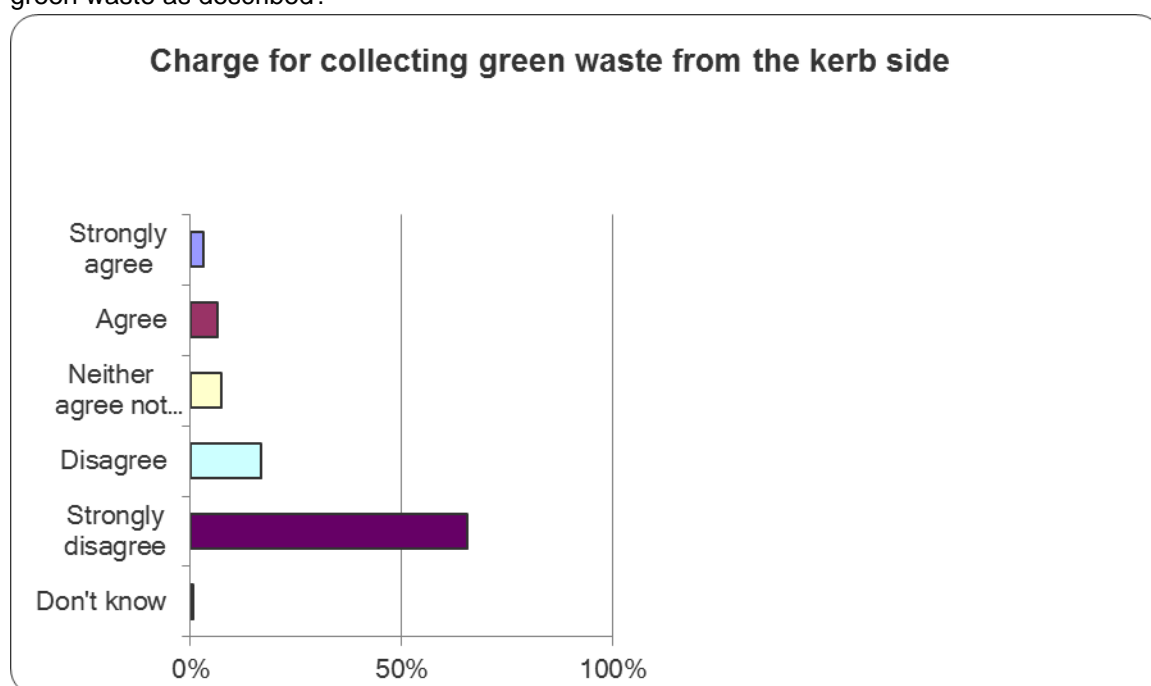
“Car parking is free at shopping centres and we need to encourage more people to shop locally”

“Since parking charges were introduced to the car park in Warrener Street, Sale Moor, the usage has greatly reduced. However "all day parking" has greatly increased in the surrounding streets, creating congestion. This would only get worse if charging were introduced to the 2 remaining free car parks in Sale Moor. Presumably it would have the same impact in the other areas proposed”

1.2.4 Charging for the kerbside collection of green/garden waste

As Figure 4 shows, by far the largest response, 82.2%, was from those who strongly disagreed/ disagreed with the proposal. 9.7% strongly agreed/agreed. A total of 8% responded that they neither agreed or disagreed/‘don't know’.

Figure 4 – Q4: Do you agree with the proposal to introduce a charge for the collection of green waste as described?



The chart below gives the numbers for each response as well as the percentage. A total of 11 people did not answer this question and there were 216 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	3.1%	9
Agree	6.6%	19
Neither agree not disagree	7.3%	21
Disagree	16.7%	48
Strongly disagree	65.5%	188
Don't know	0.7%	2
Please say why you answered as you did and/or add any other suggestions or ideas you have.		216
<i>answered question</i>		287
<i>skipped question</i>		11

In addition to the online survey, three comments were received via the feedback forms at the public consultation events. The comments have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	16
Disagree	190
Neutral	13
Total	219

For – charging for the collection of green waste

Overall there were 16 comments in favour of charging for the collection of green waste. These were around the charge being reasonable;

“Seems reasonable”

“Garden refuse collection has been designated an opt-in chargeable service by other councils, and I can support this: flat and apartment dwellers are no longer subsidising collections from people with gardens.”

“Providing food waste caddys are provided to homes, would be okay to charge for collection of larger garden waste bins”

Against – charging for the collection of green waste

There were 190 comments against charging for the collection of green waste. A number of themes emerged against the proposal; that it might encourage more fly tipping, concerns around how it would be administered and charging for a service that people considered was part of their Council Tax payment;

“It is unacceptable to expect residents to pay an additional premium for the collection of green waste, especially when you are proposing a general Council Tax increase”

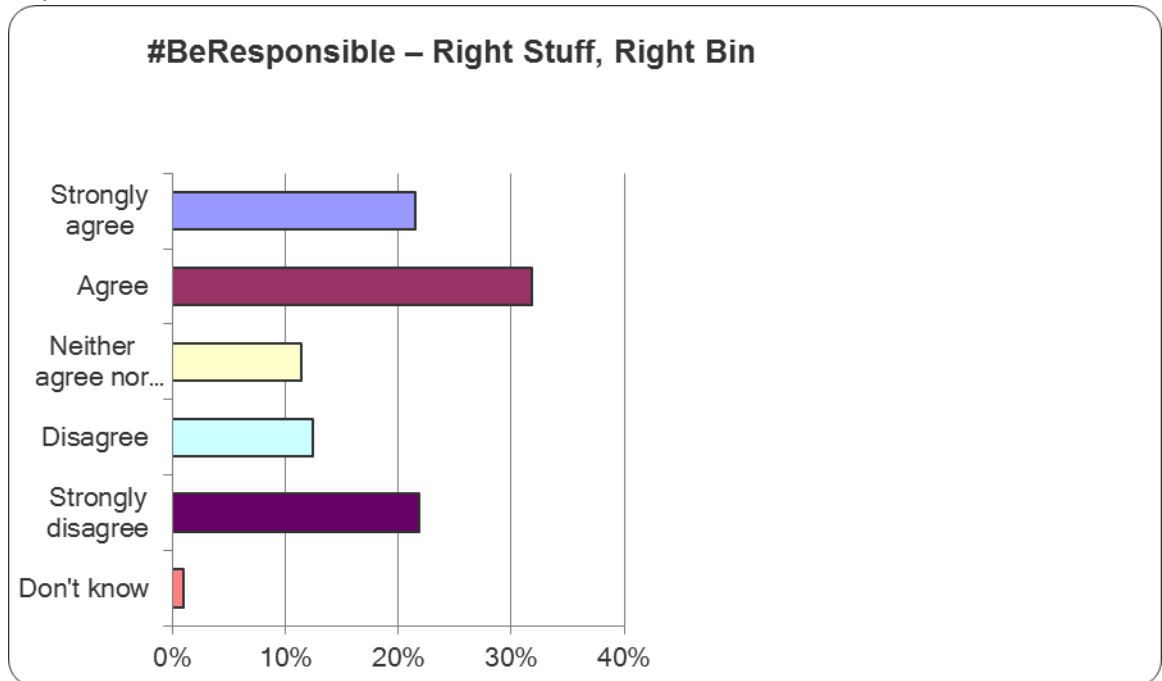
“Think it will discourage many people from recycling and would also increase fly tipping”

“Concerns as to how Amey would manage knowing which bins to empty that have paid for garden waste collection. If you pay for it how do you stop other people putting there's in your bin?”

1.2.5 #Be Responsible – Right Stuff, Right Bin

As Figure 5 shows, the largest response, 53.3%, was from those who strongly agreed/agreed with the proposal. 34.3% strongly disagreed/disagreed. A total of 12.4% responded that they neither agreed or disagreed or didn't know.

Figure 5 – Q5: Do you agree with the proposal to encourage recycling and reduce waste disposal costs as described?



The chart below gives the numbers for each response as well as the percentage. A total of 9 people did not answer this question and there were 182 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	21.5%	62
Agree	31.8%	92
Neither agree nor disagree	11.4%	33
Disagree	12.5%	36
Strongly disagree	21.8%	63
Don't know	1.0%	3
Please say why you answered as you did and/or add any other suggestions or ideas you have.		182
<i>answered question</i>		289
<i>skipped question</i>		9

The comments have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	78
Disagree	83
Neutral	21
Total	182

For – #Be Responsible – Right Stuff, Right Bin

Overall there were 78 comments in favour of increasing the #Be Responsible proposal. For those who agreed with the proposal the main reason was around encouraging everyone to recycle;

“Totally agree. Far too many of my neighbours are way too casual about recycling, Refuse to empty bins if they are filled incorrectly and impose fines on repeat offenders”

“Agreed. All should know by now what bins are put in what.... how long have we been doing it now?”

“Our household recycles, so why should others ignore request from council. We only have one planet, let's look after it.”

Against – #Be Responsible – Right Stuff, Right Bin

Of the 83 who opposed the proposal many thought it would be difficult and costly to implement and was not setting the right tone to encourage recycling;

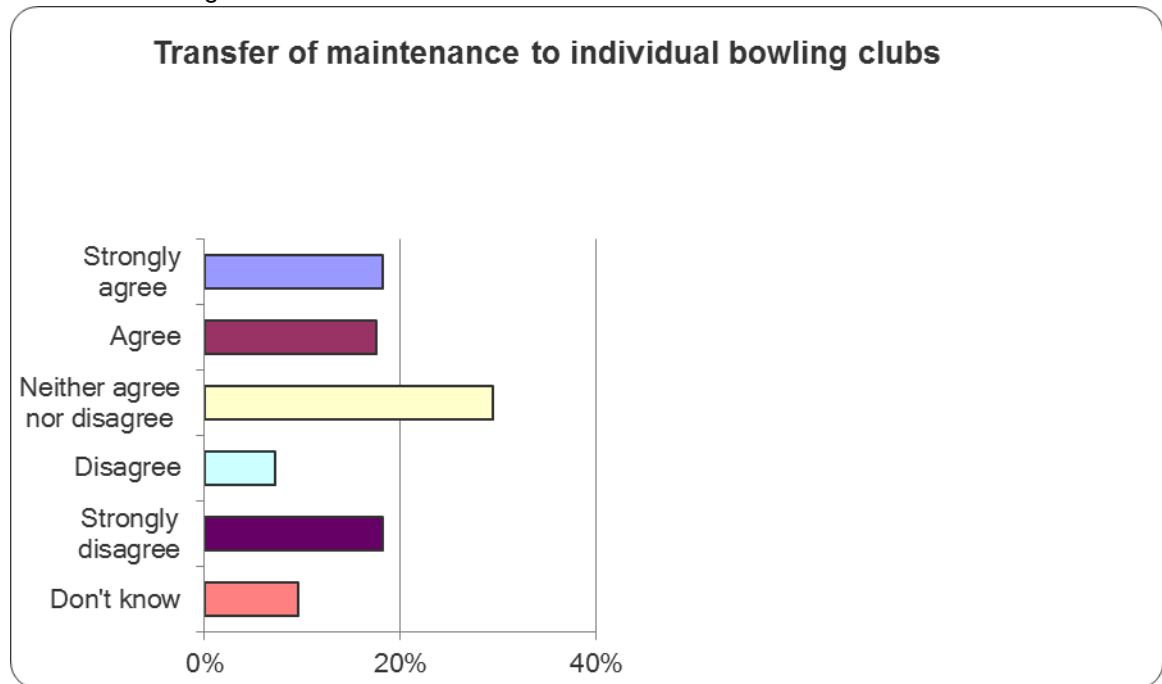
“This is a ridiculous idea and expensive to implement. It creates work for the people emptying the bins and means that some kind of notice has to be produced and policed. I don't think being punitive from the outset is the best way to get people on board! There are better ways of encouraging people to recycle but starting out with a punitive measure will just get peoples backs up! Spend the money on going into schools to educate. The children will soon get the message home.”

“The council need to outline under this proposal how are refuse collectors going to review the waste collected prior to issuing a fine before this can even be considered. How would anyone know if the wrong items are in the wrong bin, are they going to be checking in every wheelie bin and every bin bag? How will they identify confidentially which households are those where vulnerable adults live alone or have conditions which mean recycling is not practical or possible?!!!”

1.2.6 Transferring the maintenance of bowling greens to individual bowling clubs

From Figure 6 it can be seen that 35.7%, strongly agreed/agreed with the proposal and 25.4% strongly disagreed/disagreed. However a substantial percentage, 29.5%, neither agreed nor disagreed with the proposal.

Figure 6 – Q6: Do you agree with the proposal to transfer maintenance of bowling greens to individual bowling clubs as described?



The chart below gives the numbers for each response as well as the percentage. A total of 6 people did not answer this question and there were 134 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	18.2%	53
Agree	17.5%	51
Neither agree nor disagree	29.5%	86
Disagree	7.2%	21
Strongly disagree	18.2%	53
Don't know	9.6%	28
Please say why you answered as you did and/or add any other suggestions or ideas you have.		134
answered question		292
skipped question		6

In addition to the online survey, one comment was received via email. The comments have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	35
Disagree	62
Neutral	38
Total	135

For – Transferring maintenance to bowling clubs

Overall there were 35 comments in favour of transferring maintenance of bowling greens to bowling clubs proposal. For those who agreed with the proposal the main reason was that it was not unreasonable for bowling clubs to contribute to the maintenance of the greens;

“It makes sense for individual bowling clubs to be responsible for their own greens.”

“Allowing a small business a chance!”

“I don't think the council should pay for this at all the individual clubs and members should pay.”

Against – Transferring maintenance to bowling clubs

There were 62 comments against the proposal as they thought it would be difficult for members of the clubs to administer and may have a detrimental impact on those who were trying to engage in a hobby and keep themselves fit;

“It is not certain that any alternative arrangements put in place by users would maintain the greens satisfactorily and they could deteriorate. This would be a shame as they enhance many of our parks and provide an important outdoor leisure facility, available to all. In addition, the proposed savings from the proposal are small and do not seem worth the disruption they would create.”

“The average age of bowlers I would guess is approx.75 years- do you in all honesty expect elderly men and women to take on this responsibility? The council states that it is committed to public health initiatives- how does this stand up when the park greens will ultimately close due to the unworkable proposal, resulting in the older but active generation unable to enjoy gentle exercise during the very short summer months.”

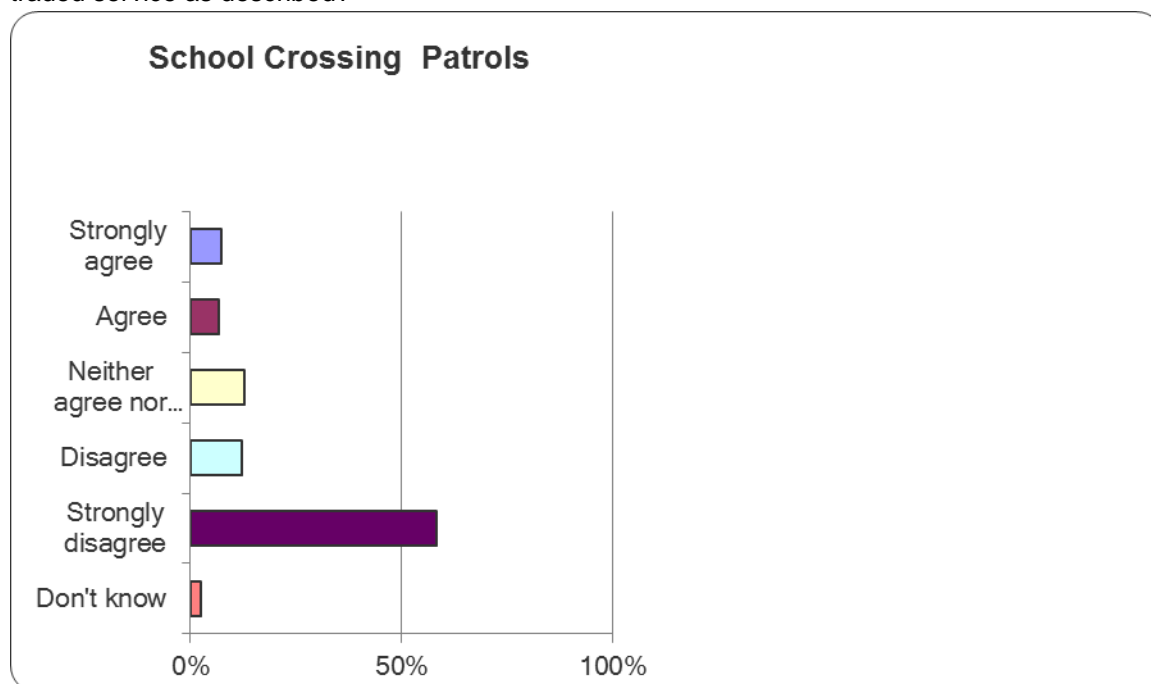
One alternative suggestion was that Friends Groups could assist with the maintenance;

“What if the bowling club doesn't want to take on the responsibility, will there be an opportunity for other interested parties to step in - for example the friends group for the park in which the bowls club is situated? As the founder of the friends group for my local park I know that our bowls club are all very old now and may not be able or interested in taking on this responsibility. As the friends group we may be able to step in to taking this on and could make good use of the funding as well.”

1.2.7 Enabling School Crossing Patrols to become a traded service

From Figure 7 it can be seen that 70.5%, strongly disagreed/disagreed with the proposal and 14.1% strongly agreed/agreed. A total of 15.5% neither agreed nor disagreed or didn't know.

Figure 7 – Q7: Do you agree with the proposal to enable school crossing patrols to become a traded service as described?



The chart below gives the numbers for each response as well as the percentage. A total of 13 people did not answer this question and there were 285 online comments around the proposal.

Answer Options	Response Percent	Response Count
Strongly agree	7.4%	21
Agree	6.7%	19
Neither agree nor disagree	13.0%	37
Disagree	12.3%	35
Strongly disagree	58.2%	166
Don't know	2.5%	7
Please say why you answered as you did and/or add any other suggestions or ideas you have.		195
<i>answered question</i>		285
<i>skipped question</i>		13

In addition to the online survey, four comments were received via email and at the public consultation events. The comments have been broken down into those who agreed/ disagreed/ neutral.

Comments

Category	Number
Agree	19
Disagree	157
Neutral	23
Total	199

For – Enabling school crossing patrols to become a traded service

Overall there were 19 comments in favour of school crossing patrols becoming a traded service. For those who agreed with the proposal the main reason was that parents and schools could be asked to contribute;

“As long as safety is maintained and savings are made.”

“Some crossing patrols are a waste of money and are totally unnecessary where there is already a crossing in place. Children are trained from an early age to use them. Traffic chaos is often the result of a crossing warden. They stop traffic for nearly each individual child instead of waiting for a larger group to gather. This results in more congestion and frustration for motorists”

“Parents could all contribute”

Against – Enabling school crossing patrols to become a traded service

Overall there were 157 comments against this proposal. Those opposed had concerns around the safety of children and whether schools would be able to afford the cost;

“School budgets are so low that they will not be able to afford to purchase this device and it will fizzle out.”

“These patrols must continue to have the Council's support. The roads in Trafford are incredibly dangerous for young people and old; crossing patrols are an important step in young peoples' development of awareness of those dangers. Schools need to spend their funds on educating children, and communities simply cannot afford this extra cost.”

“Safety of children is paramount. Saving money on crossing patrols can't be that big of a saving. These kids need help from drivers that do not respect the pedestrians or rules of the road. It only takes 1 bad driver or an accident and the consequences are huge.”

Other school crossing patrol suggestions

One suggestion was to fine people who parked irresponsively and put that money towards paying for the school crossing patrols;

“Most problems are crested by thoughtless parents parking irresponsibly. More fines from this would raise revenue to fund safer crossings.”

Comments were also received via the change.org petition. There were 1018 supporters of the petition and comments largely reflected the broad areas of disagreement in the survey i.e. safety and whether schools could meet the cost.

An inbox was set up ‘SCPatrol Consultation 2017/18’ in which staff, Head Teachers, parents, business managers, and chair of governors could voice their opinions on the proposal. 29 members of the public and 14 SCP staff voiced their opinions relating to risks and costs.

Of those who responded 44% believe that school crossing patrols are necessary due to high volume of traffic and dangerous road junctions. The same percentage of respondents also thought removing school crossing patrols the council would put childrens' lives at risk.

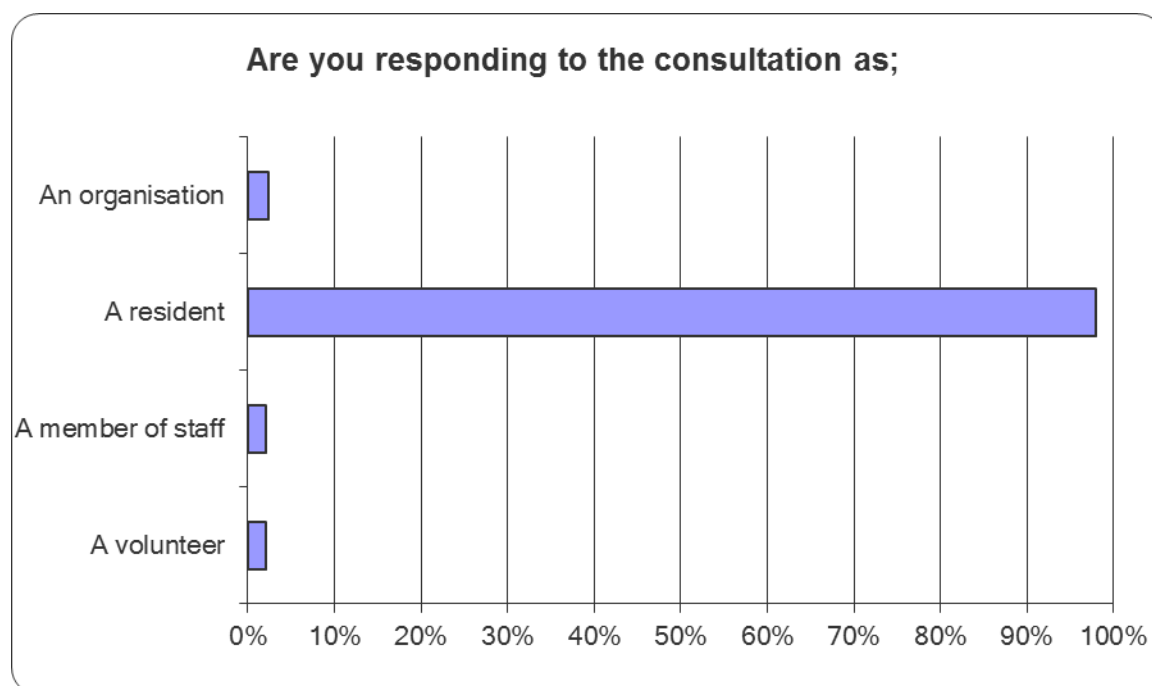
1.3 Demographic data

The survey also asked respondents to provide some personal information to understand the demographic details of those completing the survey.

1.3.1 Postcode

Postcode	Number
M15	1
M16	27
M31	3
M32	30
M33	106
M41	53
WA13	1
WA14	25
WA15	32
Skipped question	20
Total	298

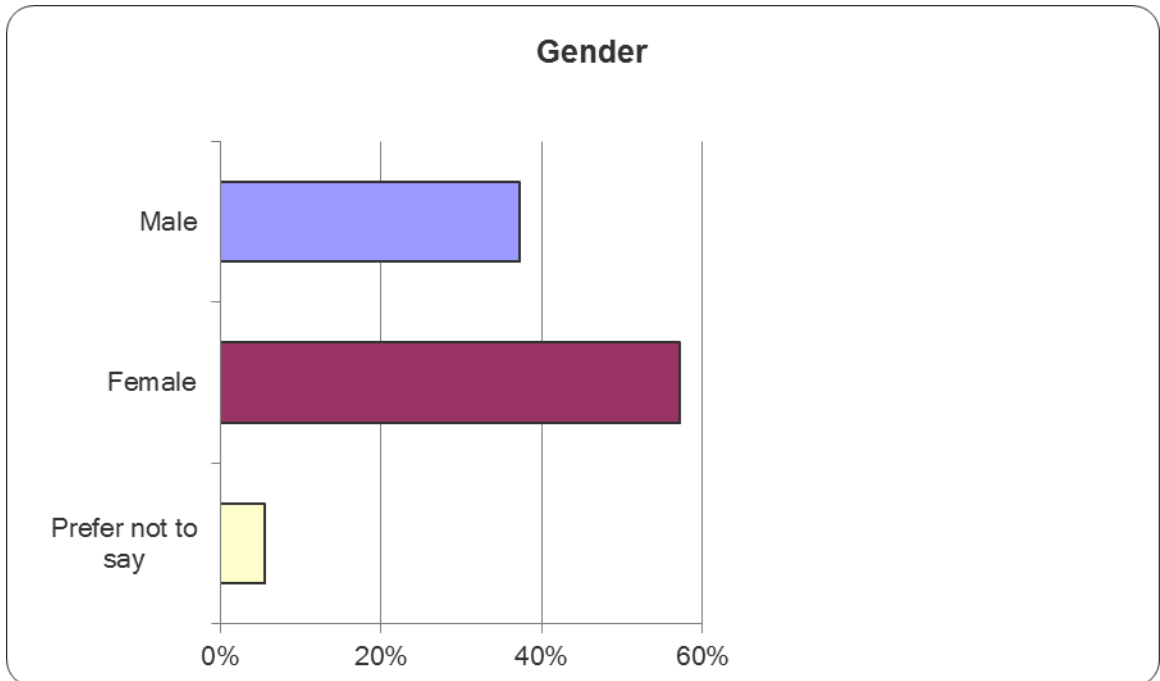
1.3.2 Are you responding as;



Answer Options	Response Percent	Response Count
An organisation	2.4%	7
A resident	97.9%	284
A member of staff	2.1%	6
A volunteer	2.1%	6

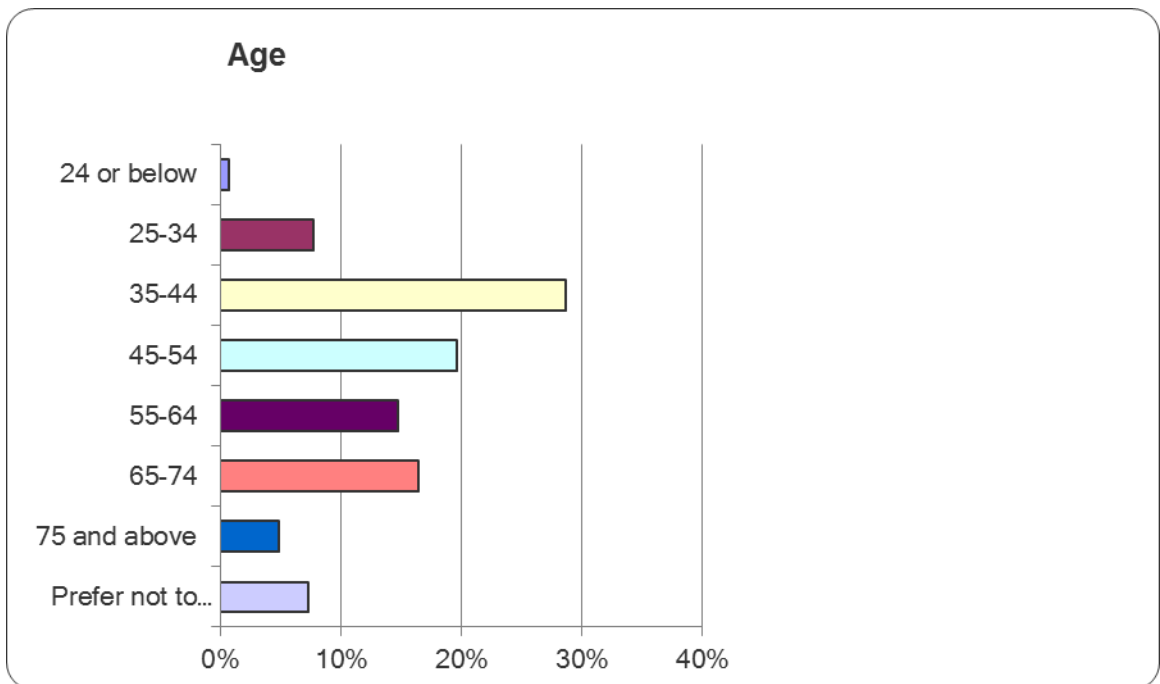
<i>answered question</i>	303
<i>skipped question</i>	8

1.3.3 Gender



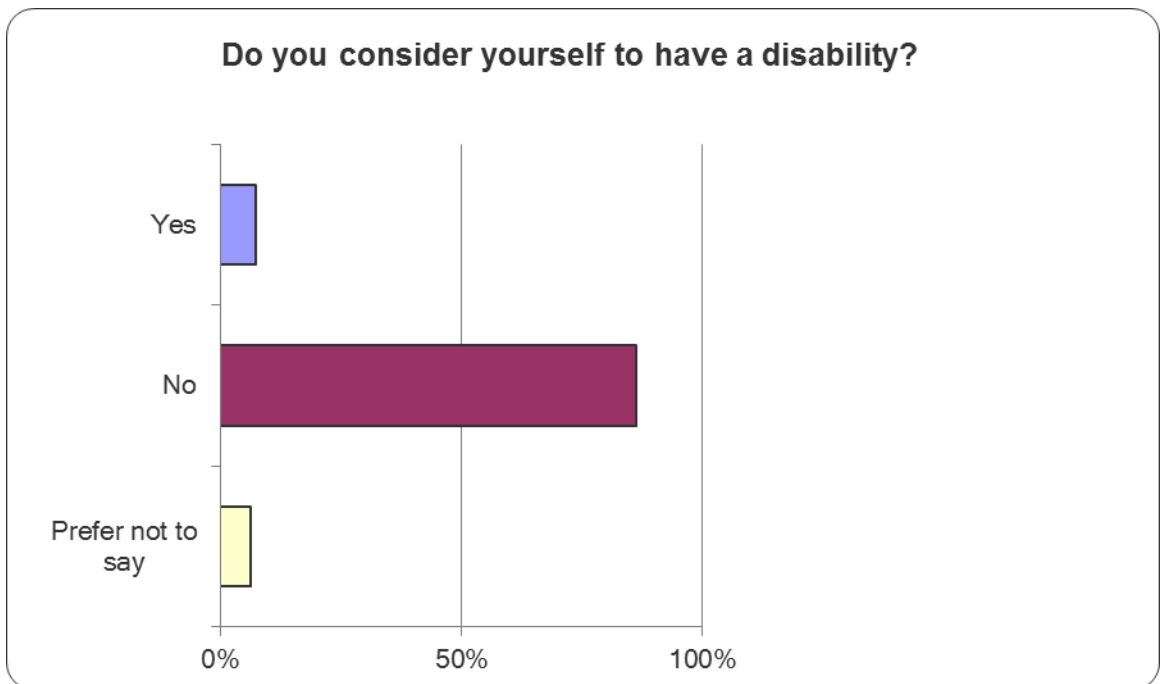
Answer Options	Response Percent	Response Count
Male	37.3%	107
Female	57.1%	164
Prefer not to say	5.6%	16
<i>answered question</i>		287
<i>skipped question</i>		11

1.3.4 Age



Answer Options	Response Percent	Response Count
24 or below	0.7%	2
25-34	7.7%	22
35-44	28.7%	82
45-54	19.6%	56
55-64	14.7%	42
65-74	16.4%	47
75 and above	4.9%	14
Prefer not to say	7.3%	21
<i>answered question</i>		286
<i>skipped question</i>		12

1.3.5 Disability



Answer Options	Response Percent	Response Count
Yes	7.4%	21
No	86.3%	246
Prefer not to say	6.3%	18
<i>answered question</i>		285
<i>skipped question</i>		13

1.3.6 Ethnicity

Answer Options	Response Percent	Response Count
White British	81.1%	228
White Irish	3.2%	9
Other White	2.1%	6
Indian	0.4%	1
Pakistani	0.7%	2
Bangladeshi	0.0%	0
Other Asian	0.0%	0
Black African	0.0%	0
Black Caribbean	0.0%	0
Other Black	0.0%	0
White Asian	0.4%	1
White & Black African	0.0%	0
White & Black Caribbean	0.0%	0
Other Mixed	0.4%	1
Chinese	0.0%	0
Prefer not to say	11.7%	33
Other (please specify)		9
<i>answered question</i>		281
<i>skipped question</i>		17

Appendix 2: Equality Impact Assessments

2.1 Kerbside green waste

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A. Summary Details		
1	Title of EIA:	Green Waste Subscription Service
2	Person responsible for the assessment:	Tara Dumas
3	Contact details:	Tara.dumas@trafford.gov.uk
4	Section & Directorate:	EGEI Environmental Services
5	Name and roles of other officers involved in the EIA, if applicable:	Simon Davis (Libraries Support Officer) consulted.
B. Policy or Function		
1	Is this EIA for a policy or function?	Policy <input type="checkbox"/> Function <input checked="" type="checkbox"/>
2	Is this EIA for a new or existing policy or function?	New <input type="checkbox"/> Existing <input type="checkbox"/> Change to an existing policy or function <input checked="" type="checkbox"/>
3	What is the main purpose of the policy/function?	In order to be able to continue to offer a kerbside collection of garden waste, the Council is considering levying a charge to households for the service of £40 (£35 for households signing up online).
4	Is the policy/function associated with any other policies of the Authority?	There are a number of services that the Council has a right to charge for, in order to recover costs of services that it has to deliver including bulky waste collections and charges for waste containers (residual bins). Fees will be set annually as part of the procedures for the annual fees and charges review.

5	Do any written procedures exist to enable delivery of this policy/function?	The proposal to charge would require a new process map to be developed to implement the garden waste subscription service.
6	Are there elements of common practice not clearly defined within the written procedures? If yes, please state.	n/a
7	Who are the main stakeholders of the policy? How are they expected to benefit?	Approximately 75,000 households would be affected by the proposals. Households can continue to benefit from the convenience of a kerbside recycling service for garden waste if they wish to pay for the service.
8	How will the policy/function (or change/improvement), be implemented?	Households can opt into the kerbside garden waste subscription service. They will be notified via the Council Tax mail shot and directly via stickers affixed to the green waste bin. Households that subscribe for the service will be issued with a permit for their bin.
9	What factors could contribute or detract from achieving these outcomes for service users?	Some households may not wish to pay for the service .
10	Is the responsibility for the proposed policy or function shared with another department or authority or organisation? If so, please state?	The One Trafford Partnership will be responsible for managing the subscription service on behalf of the Council. It will be necessary to work closely with ICT to ensure that subscribers can pay for the service on line as well as through the contact centre.

C. Data Collection

1	Do you have monitoring data on the number of people (from different equality groups) who are using or are potentially impacted upon by your policy/ function?	No
2	Please specify monitoring information you have available and attach relevant information*	We currently offer a universal service for the collection of garden waste affecting all demographics to around 75,000 households.
3	If monitoring has NOT been undertaken, will it be done in the future or do you have access to relevant monitoring data?	No it is not practical to carry out monitoring. All protected equality characteristics will be affected but it is unlikely to affect any one particular group disproportionately due to the universal spread.

****Your monitoring information should be compared to the current available census data to see whether a proportionate number of people are taking up your service***

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D. Consultation & Involvement		
1	Are you using information from any previous consultations and/or local/national consultations, research or practical guidance that will assist you in completing this EIA?	Over 40% of LA's now charge for the collection of garden waste. This EIA has been prepared after consulting with other North West districts on their experiences and issues arising from introducing charges.
2	Please list any consultations planned, methods used and groups you plan to target. (If applicable)	Part of the Council's formal budget consultation with the public on the 23rd November and 6th December 2016. It is not intended to target any specific groups.
3	**What barriers, if any, exist to effective consultation with these groups and how will you overcome them?	n/a

*****It is important to consider all available information that could help determine whether the policy/ function could have any potential adverse impact. Please attach examples of available research and consultation reports***

**E: The Impact – Identify the potential impact of the policy/function on different equality target groups
The potential impact could be negative, positive or neutral. If you have assessed negative potential impact for any of the target groups you will also need to assess whether that negative potential impact is high, medium or low**

	Positive	Negative (please specify if High, Medium or Low)	Neutral	Reason
Gender – both men and women, and transgender;			x	Currently a universal service
Pregnant women & women on maternity leave			x	
Gender Reassignment			x	
Marriage & Civil Partnership			x	
Race- include race, nationality & ethnicity (NB: the experiences may be different for different groups)			x	
Disability – physical, sensory & mental impairments		X low		Depending on the disability, some residents may not be able to take their waste to a household waste recycling centre by car – a service available to all residents.
Age Group - specify eg; older, younger etc)		x low		Some elderly people may no longer drive, limiting their ability to take their waste to a household waste recycling centre. Equally, many young people may not be able to afford a car .
Sexual Orientation – Heterosexual, Lesbian, Gay Men, Bisexual people			x	
Religious/Faith groups (specify)			x	

As a result of completing the above what is the potential negative impact of your policy?

High ⑤

Medium ⑤

Low x

Neutral ⑤

F. Could you minimise or remove any negative potential impact? If yes, explain how.

Race:	n/a
Gender, including pregnancy & maternity, gender reassignment, marriage & civil partnership	n/a
Disability:	Residents who do not want to pay for the collection of garden waste can opt to take it to their nearest Household Waste Recycling Centre free of charge. Transportation to the HWRC's may not be available for some disabled people or young/ elderly people. Home composting waste is another option and the proposal includes an ongoing budget to supply subsidised home compost bins to those households that would like one. In addition, the budget can be made available to provide support to residents that want to learn how to home compost. It is also recognised that affordability may be an issue for these two groups more than any other. The Council proposes that the charge is reduced from £40 to £35 for any household that signs up online for the service, as the Council will save approximately £5 per year in administration costs for each household that uses this cheaper channel. Support will be offered to any resident that needs it, with regards to accessing a computer and needing help to sign up online.
Age:	
Sexual Orientation:	n/a
Religious/Faith groups:	n/a
Also consider the following:	

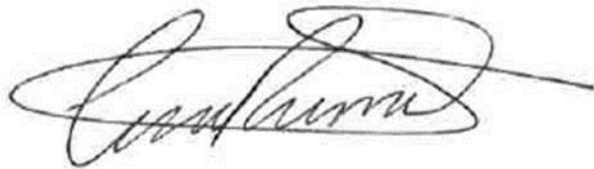
1	If there is an adverse impact, can it be justified on the grounds of promoting equality of opportunity for a particular equality group or for another legitimate reason?	The home compost subsidy will be available to everybody.
2	Could the policy have an adverse impact on relations between different groups?	No
3	If there is no evidence that the policy <i>promotes</i> equal opportunity, could it be adapted so that it does? If yes, how?	The service and discounts will be available to everybody.

G. EIA Action Plan

Recommendation	Key activity	When	Officer Responsible	Progress milestones
£5 reduction offered to any households that sign up online to keep the charge as low as possible and ensure it is affordable to as many households as possible.	<p>Promotion of discount to all households. All residents attempting to sign up via the contact centre will be reminded about the option to save £5 by signing up online at the point of call.</p> <p>Promotion of Council access to online services actively promoted by via contact centre and in literature (via libraries and “learn to Surf”</p>	April 2017 onwards	Tara Dumas	<p>Feb 2017: Online form created and tested</p> <p>March 2017: Initial promotional material delivered to all households with gardens</p> <p>March 2017: Call Centre Script and automated messaging prepared/ approved</p>

	courses offered FOC to Trafford residents.			
All subscribers entitled to an assisted waste collection if they are unable to present their waste green bin out on the kerbside (Continuation of existing policy)	Continuation of existing policy. New requests for assistance to be agreed subject to current policy criteria being met (Residents to apply for the scheme)	Ongoing	One Trafford Partnership (Mary Flanagan)	April 2017 onwards as subscribers join the service. Ensure existing assisted collection database transferred to subscription service.
Council to endorse and actively promote the sharing of bins between neighbours to reduce cost for those households that may have less need for the service (smaller gardens)	Promotion of bin sharing on marketing material and website Q and A's. Contact Centre Staff to promote this option if residents raise concerns over affordability.	March 2017 onwards	Tara Dumas One Trafford Partnership Contact Centre	In place by March 2017.

Please ensure that all actions identified are included in the attached action plan and in your service plan.



Signed
Lead Officer Tara Dumas
Date 16th December 2016

Signed
Service Head
Date

2.2 # Be Responsible - Right Bin, Right Stuff

A. Summary Details		
1	Title of EIA:	#BeResponsible – Right Stuff Right Bin campaign
2	Person responsible for the assessment:	Tara Dumas
3	Contact details:	Tara.dumas@trafford.gov.uk
4	Section & Directorate:	EGEI Environmental Services
5	Name and roles of other officers involved in the EIA, if applicable:	One Trafford Partnership representatives
B. Policy or Function		
1	Is this EIA for a policy or function?	Policy <input checked="" type="checkbox"/> Function <input type="checkbox"/>
2	Is this EIA for a new or existing policy or function?	New <input type="checkbox"/> Existing <input type="checkbox"/> Change to an existing policy or function <input checked="" type="checkbox"/>
3	What is the main purpose of the policy/function?	The Right Bin Right Stuff campaign will invest officer time and resources to promote recycling to all residents. Research has indicated that many households do not take part in food waste recycling, and many households that are recycling could recycle more than they do. Trafford is the highest performing metropolitan LA for recycling and has a kerbside collection system in place far in advance of most districts across the country that gives households every opportunity to recycle much of their waste. In order to get more people to recycle more we are proposing to offer all residents a chance to replenish any recycling containers they no longer have (including kitchen

		<p>caddies, kerbside caddies and green, blue and black wheeled bins free of charge. It is estimated that this will cost the Council approximately £200K. After a 3 month amnesty a charge for replacing recycling bins will be implemented. The amnesty and charge will be promoted in the Council tax mail out so everyone will be aware of it. Households will be encouraged to take ownership of their bins by numbering them, and the campaign will provide a numbering service to households in terraced areas where bins are more likely to go missing or get mixed up.</p> <p>At the same time all households will be serviced with a Section 56 Notice (EPA 1990) which spells out how residents should present their rubbish for collection (which items should be in which bin). After this, if a resident places recycling in the grey bin, or rubbish in the recycling bins that is not meant to be there, we have the right not to empty the bin until such time that the resident corrects it.</p> <p>Whilst the legislation allows the Council to issue a fixed penalty for putting out the wrong rubbish in the wrong bin, The Council will only issue penalties to households that repeatedly fail to recycle and are causing issues within their local environment (Such as waste escaping , bins being left out that become a health hazard)</p>
4	Is the policy/function associated with any other policies of the Authority?	Existing Waste Collection Policy Existing Bin Charging Policy
5	Do any written procedures exist to enable delivery of this policy/function?	The proposal would require a new process map to be developed to compliment a number of existing procedures the Council has in place to uphold the Waste Collection Policy. Charging for waste receptacles is already undertaken.
6	Are there elements of common practice not clearly defined within the written procedures? If yes, please state.	Yes. The One Trafford Partnership already operate a procedure that rejects recycling bins if they contain residual waste not suitable for recycling. A similar procedure with regards to notification to residents will be adopted.
7	Who are the main stakeholders of the policy?	All households will be affected by the proposals. The proposals seek to

	How are they expected to benefit?	divert more waste for recycling which result in significant savings that can help support other key services for Trafford residents.
8	How will the policy/function (or change/ improvement), be implemented?	Households will be notified via the Council Tax mail shot (They will all be served an official notice to their properties, supported by explanatory communications leaflet) and directly via stickers affixed to their bins. Households needing further support to comply with the new policy will be visited by advisors, or households can request a visit.
9	What factors could contribute or detract from achieving these outcomes for service users?	Non-compliance by households could impact on the amount of savings realised from this policy so the Right Stuff Right Bin Campaign is designed to promote compliance. Costs associated with the campaign are built into the savings proposal.
10	Is the responsibility for the proposed policy or function shared with another department or authority or organisation? If so, please state?	The One Trafford Partnership will be responsible for managing the campaign. The Council will also work closely with the Greater Manchester Waste Authority and Environmental Improvements team, who all have a joint aim of encouraging pro-recycling behaviours.

C. Data Collection

1	Do you have monitoring data on the number of people (from different equality groups) who are using or are potentially impacted upon by your policy/ function?	No
2	Please specify monitoring information you have available and attach relevant information*	We currently offer a universal service for the collection of waste. Waste composition data has been used to determine how much of each type of waste in the grey bin could have been recycled and this has been broken down into Acorn Groups (5 house types that often show distinct different recycling behaviours).
3	If monitoring has NOT been undertaken, will it be done in the future or do you have access to relevant monitoring data?	No it is not practical to carry out monitoring. All protected equality characteristics will be affected but it is unlikely to affect any one particular group disproportionately due to the universal spread.



D. Consultation & Involvement		
1	Are you using information from any previous consultations and/or local/national consultations, research or practical guidance that will assist you in completing this EIA?	7 London Districts have implemented compulsory recycling schemes and many districts have implemented charges for all waste containers. A number of EIA's in existence have been reviewed to inform this process.
2	Please list any consultations planned, methods used and groups you plan to target. (If applicable)	Part of the Council's formal budget consultation with the public on the 23rd November and 6th December 2016. It is not intended to target any specific groups.
3	**What barriers, if any, exist to effective consultation with these groups and how will you overcome them?	n/a

E: The Impact – Identify the potential impact of the policy/function on different equality target groups

The potential impact could be negative, positive or neutral. If you have assessed negative potential impact for any of the target groups you will also need to assess whether that negative potential impact is high, medium or low

	Positive	Negative (please specify if High, Medium or Low)	Neutral	Reason
Gender – both men and women, and transgender;			x	Currently a universal service
Pregnant women & women on maternity leave			x	
Gender Reassignment			x	
Marriage & Civil Partnership			x	

Race- include race, nationality & ethnicity (NB: the experiences may be different for different groups)		x		Possibility of Language barriers
Disability – physical, sensory & mental impairments		x		Some disabilities may make it more challenging for some individuals to recycle some waste streams, for example a visual impairment could make it more likely that items are sometimes placed in the wrong bin accidentally.
Age Group - specify eg; older, younger etc)		x		Conditions more common in elderly people such as Dementia could mean that individuals have limited abilities with regards to recycling.
Sexual Orientation – Heterosexual, Lesbian, Gay Men, Bisexual people			x	
Religious/Faith groups (specify)			x	

As a result of completing the above what is the potential negative impact of your policy?

High ⑤

Medium ⑤

Low x

Neutral ⑤

F. Could you minimise or remove any negative potential impact? If yes, explain how.	
Race:	It is extremely important that the changes to the Council’s policy on what waste we can and cannot collect is understood so there will be a need to ensure communications material transcends language barriers and/or is available in a range of languages.
Gender, including pregnancy & maternity,	n/a

gender reassignment, marriage & civil partnership		
Disability:		Residents who have their waste bins rejected will be required to sort their waste before the next collection so we can take it. It may be more difficult for elderly or infirm residents to do this as removing waste from the bin can be difficult. Some residents may not be able to sort all their waste due to their condition (dementia, visual impairment). Therefore carers and residents would be encouraged to contact us so we can exempt them from the mandatory recycling requirement. (The current assisted collections application form can be adapted to enable this). In addition, the assisted bin collection service will continue for residents who require this. Also households needing further support to comply with the new policy will be visited by advisors, or households can request a visit.
Age:		
Sexual Orientation:		n/a
Religious/Faith groups:		n/a
Also consider the following:		
1	If there is an adverse impact, can it be justified on the grounds of promoting equality of opportunity for a particular equality group or for another legitimate reason?	n/a
2	Could the policy have an adverse impact on relations between different groups?	No
3	If there is no evidence that the policy <i>promotes</i> equal opportunity, could it be adapted so that it does? If yes, how?	The change in policy provides an amnesty for households to replace any missing recycling containers free of charge. Whilst they are free at the moment, this is not widely promoted so many people simply do not have them, assuming there may be a charge to preplace them. The budget option provides enhanced resources to communicate

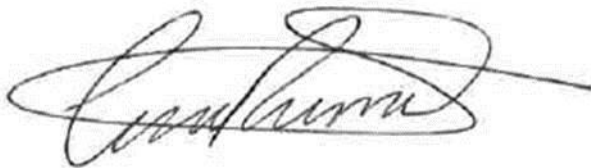
		recycling messages to all households. It would not be possible to fund this campaign unless we introduce a mandatory recycling policy.
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G. EIA Action Plan

Recommendation	Key activity	When	Officer Responsible	Progress milestones
Raise awareness of policy change to households where is English is not the first language.	Targeted additional campaign in areas where there are concentrated populations of where is it is likely that English is not the first language in the household.	April 2017 onwards	Mark Dale Sheridan Hilton (One Trafford Partnership)	<p>Feb/March 2017: Identification of target areas and community leaders for additional consultation/ awareness raising</p> <p>April 2017 Timetable for awareness activities and events promoted (to last 3-6 months)</p> <p>Feb/March: Prepare selected communications material in range of languages (Section 46 Notice) to be available online.</p>

				Feb/March – Prepare general communications material following WRAP guidelines on overcoming language barriers through pictorial information (Good practice guidance available)
Exempt vulnerable occupants from enforcement processes	<p>Engage with stakeholders (e.g. age concern, dementia society, to help determine criteria and process for exemption</p> <p>Marketing comms to actively encourage carers and families to apply for exemption where needed.</p>	Jan to Feb 2016	<p>Sheridan Hilton (One Trafford Partnership)</p> <p>Tara Dumas</p>	Policy with exemption criteria agreed by Cabinet March/ April 2016
Residents to be helped kerbside to sort rejected waste bins to minimise fly tipping and reliance on household waste recycling centres that are not as accessible for residents without own transport (often young, elderly or infirm).	<p>Comprehensive and simple instructional information pack to be left with all residents where residual waste bins have been rejected.</p> <p>Packs to include translucent additional waste sacks that can be put out next collection, So residents needing to separate out their</p>		<p>Sheridan Hilton (One Trafford Partnership)</p> <p>Tara Dumas</p>	

	waste have enough capacity. The bags will be branded, authorising the waste to be placed at the side of the bin.			
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Signed

Lead Officer

Date 15th December 2016

Signed

Service Head

Date

2.3 Proposed increase of parking charges

A. Summary Details		
1	Title of EIA:	Proposed Increase of Parking Charges 2017/18
2	Person responsible for the assessment:	Iain Veitch
3	Contact details:	0161 912 4174
4	Section & Directorate:	Regulatory Services - Economic Growth, Environment and Infrastructure
5	Name and roles of other officers involved in the EIA, if applicable:	Nicola Henry
B. Policy or Function		
1	Is this EIA for a policy or function?	Policy <input type="checkbox"/> Function <input type="checkbox"/>
2	Is this EIA for a new or existing policy or function?	New <input type="checkbox"/> Existing <input type="checkbox"/> Change to an existing policy or function <input type="checkbox"/>
3	What is the main purpose of the policy/function?	The proposal is to increase current fees and introduce new fees for Trafford's chargeable on street and off street parking. The proposal is to increase current fees and introduce new fees across the borough.
4	Is the policy/function associated with any other policies of the Authority?	A measure to provide an increase in parking revenue for the Council to manage high levels of parking and associated increasing operating costs.
5	Do any written procedures exist to enable delivery of this policy/function?	No
6	Are there elements of common practice not	N/A

	clearly defined within the written procedures? If yes, please state.	
7	Who are the main stakeholders of the policy? How are they expected to benefit?	N/A
8	How will the policy/function (or change/ improvement), be implemented?	The Council carried out consultations with the public at organised events to review the range of Council Budget proposals for 2017/18. Additionally, a Business Breakfast and website consultation was held. All proposed increases will be implemented on 1 April 2017.
9	What factors could contribute or detract from achieving these outcomes for service users?	None proposed
10	Is the responsibility for the proposed policy or function shared with another department or authority or organisation? If so, please state?	No

C. Data Collection

1	What monitoring data do you have on the number of people (from different equality groups) who are using or are potentially impacted upon by your policy/ function?	None required
2	Please specify monitoring information you have available and attach relevant information*	None required
3	If monitoring has NOT been undertaken, will it be done in the future or do you have access to relevant monitoring data?	None required

**Your monitoring information should be compared to the current available census data to see whether a proportionate number of people are taking up your service*

D. Consultation & Involvement		
1	Are you using information from any previous consultations and/or local/national consultations, research or practical guidance that will assist you in completing this EIA?	No
2	Please list any consultations planned, methods used and groups you plan to target. (If applicable)	<p>The Council carried out consultations with the public at organised events to review the range of Council Budget proposals for 2017/18. The public consultation meetings were staged over two events, one in the north of the borough, at Trafford Town Hall on Wednesday 23rd November and one in the south of the borough at Altrincham Town Hall on Saturday 3rd December. Discussions were recorded via the webcast which are available to view on line via the Council website. Paper copies of the online survey were available at the event.</p> <p>The online public consultation ran for a suitable period of time during November and December with the option to complete an online survey.</p> <p>Additionally, a Business Breakfast meeting and website consultation was held.</p>
3	**What barriers, if any, exist to effective consultation with these groups and how will you overcome them?	<p>A British Sign Language interpreter attended one of the events.</p> <p>Strategic partners and user groups were contacted and given a suitable period of time to submit responses.</p>

*****It is important to consider all available information that could help determine whether the policy/ function could have any potential adverse impact. Please attach examples of available research and consultation reports***

E: The Impact – Identify the potential impact of the policy/function on different equality target groups

The potential impact could be negative, positive or neutral. If you have assessed negative potential impact for any of the target groups you will also need to assess whether that negative potential impact is high, medium or low

	Positive	Negative (please specify if High, Medium or Low)	Neutral	Reason
Gender – both men and women, and transgender;			<input checked="" type="checkbox"/>	N/A
Pregnant women & women on maternity leave			<input checked="" type="checkbox"/>	N/A
Gender Reassignment			<input checked="" type="checkbox"/>	N/A
Marriage & Civil Partnership			<input checked="" type="checkbox"/>	N/A
Race- include race, nationality & ethnicity (NB: the experiences may be different for different groups)			<input checked="" type="checkbox"/>	N/A
Disability – physical, sensory & mental impairments			<input checked="" type="checkbox"/>	No impact – disabled drivers are entitled to free parking.
Age Group - specify eg; older, younger etc)			<input checked="" type="checkbox"/>	N/A
Sexual Orientation – Heterosexual, Lesbian, Gay Men, Bisexual people			<input checked="" type="checkbox"/>	N/A
Religious/Faith groups (specify)			<input checked="" type="checkbox"/>	N/A

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As a result of completing the above what is the potential negative impact of your policy?

High

Medium

Low

F. Could you minimise or remove any negative potential impact? If yes, explain how.

Race:		N/A
Gender, including pregnancy & maternity, gender reassignment, marriage & civil partnership		N/A
Disability:		Disabled drivers are eligible for free parking
Age:		N/A
Sexual Orientation:		N/A
Religious/Faith groups:		N/A
Also consider the following:		
1	If there is an adverse impact, can it be justified on the grounds of promoting equality of opportunity for a particular equality group or for another legitimate reason?	No
2	Could the policy have an adverse impact on relations between different groups?	No
3	If there is no evidence that the policy <i>promotes</i> equal opportunity, could it be adapted so that it does? If yes, how?	No

G. EIA Action Plan

Recommendation	Key activity	When	Officer Responsible	Links to other Plans eg; Sustainable Community Strategy, Corporate Plan, Business Plan,	Progress milestones	Progress

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Please ensure that all actions identified are included in the attached action plan and in your service plan.



Signed

Lead Officer Nicola Henry
Date 10/02/17



Signed

Service Head
Date 10/02/17

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TRAFFORD COUNCIL

Report to: Executive
Date: 22 February 2017
Report for: Decision
Report of: Executive Member for Finance and the Chief Finance Officer

Report Title

Executive's Response to Scrutiny Committee's Recommendations to the Budget Proposals for 2017/18

Summary

At the Executive meeting on the 23rd January 2017 a report was presented by the Scrutiny Committee chair, setting out their comments and findings from the review of the Executive's draft budget proposals for 2017/18.

The Executive values the contribution that the Scrutiny Committee makes to the budget process and is committed to working with Scrutiny Committee during the forthcoming year as part of their planned work programme.

Recommendation(s)

That the Executives response to Scrutiny be approved.

Contact person for access to background papers and further information:

Name: Nikki Bishop
Extension: 4238

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	The Scrutiny review of the budget is a requirement of the budget policy framework. It is relevant to all corporate priorities.
Financial	There are none arising from this report.
Legal Implications:	The Scrutiny review of the budget is a requirement of the Council's constitution.
Equality/Diversity Implications	None arising from this report
Sustainability Implications	None arising from this report
Resource Implications e.g. Staffing / ICT / Assets	None arising from this report
Risk Management Implications	None arising from this report
Health & Wellbeing Implications	None arising from this report
Health and Safety Implications	None arising from this report

Background

1. The Executive published its draft budget proposals for 2017/18 on 15th November 2016. In accordance with the Council's constitution the Scrutiny Committee reviewed the proposals in December and produced a report on its findings in January 2017. This was formally reported to the Executive on 23rd January.
2. The Executive acknowledges the areas raised in the Scrutiny Committee report and welcomes the opportunity of working with the Scrutiny Committee on its planned work programme during the coming financial year.
3. Initial comments and observations of the Executive in response to some of the matters raised by Scrutiny are included in the attached annex.

Other Options

Not applicable

Consultation

The report is in response to the consultation carried out by the Scrutiny Committee.

Reasons for Recommendation

The report is in response to the consultation carried out by the Scrutiny Committee.

Key Decision: No

Finance Officer Clearance (type in initials) NB.....

Legal Officer Clearance (type in initials) JLF.....



CORPORATE DIRECTOR'S SIGNATURE

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

BUDGET SCRUTINY ACTION PLAN

Issue	Scrutiny Recommendation	Executive Response
<p>Budget Scrutiny Process – Scrutiny Members felt that they were too limited in their ability to ask questions around Children, Families and Wellbeing issues and that the draft budget proposals did not contain enough detail about the whole budget.</p>	<p>Scrutiny will be reviewing the Budget Scrutiny process ahead of next year and will provide the Executive with their recommendations once the review has been undertaken.</p>	<p>The Executive note this position.</p>
<p>£2m budget gap - Members are concerned at the perceived lack of plans in place to address the £2m budget gap.</p>	<p>Scrutiny would like more detailed information on how the Executive intends to address the £2m budget gap.</p>	<p>Details on how the remaining budget gap has been addressed have been included in the report on the Executive’s Revenue Budget Proposals.</p>
<p>Risk assessments - Members felt that the risk assessments presented at the working group sessions lacked detail and did not fill them with confidence.</p>	<p>Members would like more information about the methodology used to complete these risk assessments and are eager to see clearer and more thorough risk assessments (including mitigation strategies) when they become available.</p>	<p>A risk assessment on the deliverability of each saving proposal has been issued to Scrutiny at the time of their meeting. As projects progress a more detailed review on the risks associated with the specific delivery of each project will be undertaken.</p>
<p>Ensure that forward projections for demand led services are robust - Scrutiny feels there is little scope to absorb overspends given the position on reserves, and are particularly concerned with the position the Council finds itself on an annual basis with an overspend in Children’s Services.</p>	<p>Scrutiny would like assurances that the upward trajectory in the demand for child placements (as well as other services) is factored in to any future budget projections made for demand led services.</p>	<p>A full review of the demand pressures particularly in social care have been undertaken between the draft and final budget stages and the results of this review have been taken into account in the latest budget proposals. The Executives Revenue Budget Proposals now incorporate an additional £4.6m for adults and children’s social care budgets.</p> <p>In addition, a review of reserves has been</p>

		undertaken with a new reserve established to provide an element of resilience in later years.
Parking Fees - Members are concerned about how the significant percentage rise in parking fees might impact town centre footfall.	Scrutiny would like further information on the methodology used to arrive at these projections, and recommend that the 30 minute parking fee be reduced from 70p to 50p.	<p>The financial modelling for this proposal takes into account locations, existing demand and the potential impact of the change in prices. This produces various options and car parking projections for the Executive to consider.</p> <p>The proposed charging structure as presented takes account of projected take up, turnover of parking spaces and income and therefore the proposal is to retain the existing proposal.</p>
School Crossing Patrols - Members remain concerned about risk associated with the proposals on School Crossing Patrols.	Scrutiny would like to be kept apprised of any progress made in the search for new funding streams to cover school crossing patrols. Scrutiny also recommends that the Executive recognise the reputational risk associated with this proposal.	<p>A second phase of consultation will be undertaken prior to the implementation of any change to current arrangements. Scrutiny will be advised on the outcome of the further round of consultation.</p> <p>Whilst the savings for this proposal remain in the budget proposal for 2017/18, in the event that they cannot be delivered following the second round of budget consultation then the impact will need to be met from the Council Wide Contingency Budget as an interim solution.</p>
Waste Management - Members felt that there was more work to be done around the changes to green waste collection.	Scrutiny recommends that a management plan be developed before the proposal is implemented.	An Implementation plan including the operational details has been developed and will be in place before the proposal is implemented.

<p>Grounds Maintenance (Bowling Greens) - Scrutiny feels that they need more clarity on these proposals.</p>	<p>Scrutiny has requested that further information on the bowling green fees, and recommends that other sports are considered as part of the review. Scrutiny would also like for the community asset framework review conducted in 2013 be revisited.</p>	<p>This proposal has been deferred in its current form. The bowling clubs will be reviewed alongside other sports as part of the wider playing pitch strategy and leisure review that is currently on-going.</p>
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TRAFFORD COUNCIL

Report to: Executive and Council

Date: 22 February 2017

Report for: Decision

Report of: The Executive Member for Finance and the Chief Finance Officer

Report Title

CAPITAL PROGRAMME & PRUDENTIAL INDICATORS 2017/20

Summary

This report consists of two main areas for the Executive to consider:

Capital Programme – This report highlights the Council's investment plans for the next three years taking into account the estimated resources to be made available from Government as well as the Council's own resources. The level of resources forecasted to be available for capital investment purposes during the period 2017/20 is £107.27m.

New schemes with a value of £40.01m are recommended for approval (Appendix 1). If agreed this would result in a Capital Programme for 2017/20 totalling £109.16m (Appendix 2). This equates to £1.89m of over-programming over the three year programme and will be reviewed each year to ensure actual capital resources are not overcommitted.

Prudential Indicators – the Council is required to set indicators in accordance with the CIPFA Prudential Code which are designed to support and record decisions taken on affordability, sustainability and professional good practice and these are outlined at Appendix 3.

Recommendations

That the Executive:-

- 1) approve the Capital Programme as detailed in the report;
- 2) recommends the Council to approve the Capital Programme in the sum of £109.16m for the period 2017/20;
- 3) recommends the Council to approve £25.04m of additional prudential borrowing to support revenue generating investment opportunities as detailed in Paragraph 15;
- 4) recommends the Council approve the flexible use of capital receipts strategy as set out in Paragraph 13; and
- 5) recommends the Council to approve the Prudential Indicators as set out at Appendix 3 of this report.

Contact person for access to background papers and further information:

Name: Graeme Bentley

Extension: 4336

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial Implications	Planned capital expenditure over the next three year period will be contained within available capital resources.
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 2017/20.
Risk Management Implications	Assumptions have been made on Land Sale Programme and the level of receipts to be generated in 2019/20. An annual review will be undertaken of the future Land Sale Programme and in the event that there is a shortfall in resources to finance the Capital Programme adjustments will be made to our expenditure plans.
Health and Safety Implications	A number of schemes are being undertaken in 2017/20 on the grounds of health and safety.

INTRODUCTION

1. Annually the Council sets a three year Capital Programme and the purpose of this report is to :
 - review the decisions taken in February 2016 with regard to the 2016/17 and 2017/18 budgets in light of any new priorities and bids for capital support
 - to amend 2017/18 and 2018/19 budgets for any updated central government grant allocations
 - propose an indicative 2017/20 Capital Programme taking into account the issues reported above and
 - ensure that there are adequate levels of resources available to finance the three year Capital Programme.
 - Update the prudential indicators for 2017/20.

STRATEGIC CONTEXT

2. The Council's strategy for capital investment is to :-
 - **Link capital investment to Council priorities** by ensuring resources are allocated to schemes using a transparent prioritisation process
 - **Achieve value for money from available capital resources** by using options appraisal techniques for all new projects and adopting the Council's Procurement Policies for managing capital projects.
 - **Ensure Council resources are used to their maximum potential** by ensuring that resources are employed to either generate additional revenue or reduce revenue liabilities.
 - **Develop an affordable Capital Programme by:-**
 - Adopting a robust budget preparation and challenge process

- Ensuring compliance with the CIPFA Prudential Code to ensure spending plans are prudent, affordable and sustainable.
 - Considering the full extent of revenue implications in the Medium Term Financial Plan.
 - Optimising the level of capital receipts from asset disposals.
 - Maximising the use of external support towards capital projects.
- **Manage the Capital Programme effectively** with projects completed on time and within budget by:-
 - Effective budget monitoring and reporting, including milestone monitoring.
 - Effective project management methods.
 - Identifying and managing risks; and implementing measures to mitigate them.

CURRENT CAPITAL PROGRAMME 2016/19

3. The current forecasted expenditure for 2016/7 to 2018/19 is £98.14m with estimated resources available to support this programme of £98.73m, summarised below :-

Table 1 : 2016-19 Capital Programme & Resourcing	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000
Service Area				
Children, Families & Wellbeing	12,835	12,599	6,040	31,474
Economic Growth, Environment & Infrastructure	26,403	24,720	10,550	61,673
Transformation & Resources	3,184	1,461	350	4,995
Capital Programme total	42,422	38,780	16,940	98,142
Resourcing				
Capital Grants	15,446	15,997	7,390	38,833
External contributions	7,861	3,587	5,700	17,148
External Resources	23,307	19,584	13,090	55,981
Receipts – Land Sales Programme	12,188	6,817	1,567	20,572
Borrowing	11,008	8,140		19,148
LSVT VAT Income & reserves	1,944	988	100	3,032
Internal Resources	25,140	15,945	1,667	42,752
Resourcing total	48,447	35,529	14,757	98,733
Surplus / (Deficit)	6,025	(3,251)	(2,183)	591

4. As part of the budget process the Programme has been reviewed to ensure it continues to meet Council priorities and remains affordable within the level of resources available.
5. The 2016/17 programme of £42.42m includes the delivery of a number of key projects including:-
- School Places and condition works of £9.87m
 - Adult Social Care of £3.31m
 - Corporate buildings investment of £1.91m
 - Relocation of depot facilities of £4.02m
 - Town centre regeneration and investment of £4.10m
 - Highways improvements of £10.17m
 - Metrolink extension contribution of £5.00m
 - Parks and Open Space improvements of £0.91m
 - ICT investment of £2.66m

Capital Investment Resources 2017/20

External Resources

6. External resources available to support the Capital Programme are received from a number of sources. These include grants from central government departments and agencies, developer contributions in the form of S.106 agreements and contributions from bodies interested in specific projects. These resources can be very specific with little, if any, discretion on how they can be applied.
7. We have previously been notified, or have made assumptions of our external **grant allocations** for 2017/18 and 2018/19 and whilst announcements on some allocations are still awaited a number of new grants have been received and assumptions have been made for additional grants in 2019/20.

Table 2 : Updated Level of Capital Grants	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
<i>Previously notified as per Table 1</i>				
• Schools Basic Need Grant	6,313	2,000		8,313
• Schools Devolved Formula	660	490		1,150
• Schools Maintenance	2,623	1,850		4,473
• Disabled Facilities	950	950		1,900
• Adult Social Care Grant	208			208
• Highways Structural Maintenance	2,069	2,100		4,169
• TfGM Grant	2,904			2,904
• TfGM Grant	270			270
Sub-Total	15,997	7,390		23,387
<i>New notifications/ Assumptions</i>				
• Early Years Capital	468			468
• Disabled Facilities	650	650	1,700	3,000
• Highways - Pot Hole Funding	175			175
• Highways Incentive Fund	174			174
• Schools Devolved Formula			390	390
• Schools Maintenance			1,850	1,850
• Highways Structural Maintenance			2,100	2,100
Sub-Total	1,467	650	6,040	8,157
Total	17,464	8,040	6,040	31,544

8. The majority of **external contributions** are received in the form of S.106 agreements and come with very strict requirements limiting the opportunity for discretionary application. The table below provides details of those already supporting the capital programme along with allocation of new contributions to support new proposals.

Table 3 : Updated Level of External contributions	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Current planned usage per Table 1	3,587	5,700		9,287
Contributions to be added :				
• S.106 – Metrolink extension			8,000	8,000
• S.106 – General (see Para 10)	61	1,259	1,802	3,122
• Contribution from Trafford Leisure (see Para 15)	1,000			1,000
Sub-Total	1,061	1,259	9,802	12,122
Total	4,648	6,959	9,802	21,409

9. The Council's contribution to the Metrolink extension is £20m and a significant amount of developer contributions have been identified to support this. An amount of £12m was already included in the capital programme, which has been profiled to match planned delivery. The final tranche of the contribution of £8m is expected to be made in 2019/20.
10. Excluding the requirements for the Metrolink contribution there are currently £3.12m of S.106 developer contributions that have been received but are not yet committed to projects. It is now proposed to add these to the capital programme to support investment in open space, affordable housing and highways in future years.

Table 4 : S.106 Contributions received	Total £'000
Open Space and Outdoor Sports	875
Red Rose Forest	506
Affordable Housing	1,046
Highways Infrastructure	344
Integrated Transport	351
Total available	3,122

Available Internal Resources – Capital Receipts

11. The restrictions on the ability to apply external resources to specific schemes means that only internal resources are available for application on discretionary investment. Internal resources mainly comprise capital receipts and prudential borrowing.
12. The table below gives the current position of capital receipts for 2016/17 to 2018/19 and the commitment against them along with an estimate for 2019/20 to give the value of receipts available to support any new investment. A proportion of the capital receipts are already allocated to a number of projects in the capital programme that are already committed leaving £13.08m available to support new investment. (Note – schemes currently uncommitted have been included again in this latest capital bidding round so their priority can be assessed against any new bids).

Table 5 : Capital Receipts	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Land Sale Programme					
Carried forward from 2015/16	6,854				6,854
Land Sales Programme	5,774	5,975	1,350	6,124	19,223
Less Costs and debt repayment	(440)	(1,858)	(283)	(484)	(3,065)
Net Land Sale Programme	12,188	4,117	1,067	5,640	23,012
Other Receipts					
Local Authority Mortgage Scheme repayment		1,500	500		2,000
Old Trafford Masterplan		1,200			1,200
Other Receipts Total		2,700	500		3,200
Total Receipts	12,188	6,817	1,567	5,640	26,212
Capital Programme requirement					
Committed	(6,163)	(6,173)	(800)		(13,136)
Uncommitted		(3,895)	(2,950)		(6,845)
Net Receipts	6,025	(3,251)	(2,183)	5,640	6,231

The value of available capital resources is £13.08m (£6.85m+£6.23m)

13. In March 2016 new statutory guidance was published by DCLG on the flexible use of capital receipts which allow authorities the ability to utilise capital receipts to finance the revenue costs of reform. Eligible expenditure includes funding the cost of service configuration, restructuring or rationalisation. It is proposed therefore to utilise receipts to assist in the delivery of the following transformational projects and savings that are required to bridge the budget gap in the MTFP:-

Table 6 : Transformational Projects	2017/18 £'000	2018/19 £'000	2019/20 £'000
Reshaping Care - Managing the Council funded cost of care through increasing client independence	(5,110)	(250)	
Reshaping Children's services	(2,349)		
Reablement – phase 2	(800)		
Ascot House - alternative uses of the site	(380)		
Rapid Response - review the service	(211)		
#BeResponsible – Right Stuff, Right Bin	(151)	(232)	(261)
Aids and adaptations redesign	(150)		
Business scanning	(100)	(28)	
Property repairs and maintenance savings from improved management information	(89)		
Reduction in energy and water consumption in Council buildings	(80)		
On-line integrated Council Tax forms	(42)		
Direct Payments – review the direct payments service	(35)		
Service structure and role remodelling across the CFW workforce	(30)		
Pathways - review the provision of day care services to clients with learning disabilities	(28)		

Business development	(10)	(10)	(15)
Total Expected Savings / Service Transformation	(9,565)	(520)	(276)

Available Internal Resources – Prudential Borrowing

14. The Council only undertakes prudential borrowing where it is prudent, affordable and sustainable. The current programme includes £8.14m in respect the LED Replacement Programme, support for the hotel development at Lancashire CCC and relocation of the depot facilities. It is expected that savings achieved in energy and running costs and returns from Lancashire CCC will be sufficient to repay the borrowing costs and provide for additional savings to the revenue budget.

15. Additional borrowing is required for a number of further proposals:-

- **Capital Investment Fund £20.0m** – to be used to support the acquisition of income generating assets which will yield future sustainable revenue streams for the Council and also cover any borrowing costs. As each investment proposition is considered a business case showing a detailed analysis of the capital and revenue implications and associated risk levels will be prepared. It is intended to establish a governance board to evaluate all proposals.
- **General Borrowing £1.8m** – It is intended to utilise the new policy on the flexible use of capital receipts to support the delivery of a number of transformational projects which are key to meeting the savings targets in the MTFP as detailed in Paragraph 13. Therefore additional borrowing is required to cover the reduced availability of receipts for new capital investment; budget provision is included in the MTFP to cover borrowing costs.
- **Leisure Strategy £2.7m** – On the 15 November 2016 the Executive gave in-principle approval to making a capital investment of £24.4m in the Council's leisure assets. The investment is made up of three phases of work for which Executive approval will be sought once detailed business cases are produced. The first phase involves the redevelopment of Urmston and Sale Leisure Centres at an estimated cost of £6.5m. It is intended to finance this investment through a mixture of capital receipts and borrowing, with any borrowing costs financed out of the additional revenue streams generated at the leisure centres. It is proposed to finance this as follows:-
 - Proposed 2017/20 Programme £2.8m
 - Contribution from Trafford Leisure £1.0m
 - Borrowing £2.7m
- **9/11 Market Street, Altrincham £239k** – A scheme to develop a currently un-occupied council owned property by splitting of the existing two story shop premises into a ground floor shop and potentially two first floor apartments. A potential rental income of £33k per annum is expected.
- **New Recycling Bins £300k** – in support of the “Be Responsible” and “Right Stuff Right Bin” initiatives new recycling bins are anticipated to be required. The borrowing, over a period of 10 years, will be financed from annual savings in recycling costs.

Table 7 : Updated Level of Prudential Borrowing	2017/18	2018/19	Total
	£'000	£'000	£'000
Current planned use as per Table 1	8,140		8,140
New borrowing			
• Capital Investment Fund	15,000	5,000	20,000
• Leisure Strategy	2,700		2,700
• General Borrowing	1,800		1,800
• 9/11 Market Street, Altrincham	239		239
• New recycling bins	300		300
Sub-Total	20,039	5,000	25,039
Total	28,179	5,000	33,179

16. The level of resources forecasted to be available for capital investment purposes during the period 2017/20 is £107.27 m comprising external resources totalling £52.95m and internal totalling £54.32m.

Capital Investment Bids Received

17. All service areas were requested to submit new capital bids for the three years from 2017/18. This has included re-bidding for schemes in the current 2017/19 programme where those schemes were uncommitted.

18. The value of bids received for 2017/20 total £23.52m and is significantly higher than the £13.08m of resources available (See Paragraph 12). The value of bids is clearly unaffordable within the available resource envelope and therefore an assessment of the bids was undertaken to identify key priority works.

19. The current strategy for determining how capital projects are prioritised is as follows:-

- Schemes of a mandatory / contractual nature
- Invest to save schemes and schemes generating additional income
- Schemes that protect the asset base
- Schemes that meet Council priorities

20. All bids have been assessed under these priorities given the limited resources available. Appendix 1 provides a proposed list of new schemes with a value of £14.97m recommended for addition to the 2017/20 capital investment programme to be financed from discretionary capital resources. The inclusion of these schemes would result in an over-programming of £1.89m. This level of over-programming over the three year programme will be monitored and reviewed against forecasted levels of capital resources on a regular basis to ensure that the planned capital investment remains affordable.

21. Appendix 1 also summarises new prudential borrowing to support capital expenditure to a value of £25.04m as detailed in Paragraph 15.

2017/20 INDICATIVE PROGRAMME

22. The value of the indicative three year Capital Programme is £109.16m and a summary shown in the table below. At this stage the figures for 2017/18 are known in detail, whereas the resource position for 2018/19 and 2019/20 is less certain, which means that the planned activity for those two years is at a lower level than in 2017/18, but may increase as resources are confirmed.

Table 8: Capital Programme and funding 2017/20	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget Total
	£000	£000	£000	£000
Protecting the Asset Base	14,520	4,137	4,480	23,137
Supporting Service Provision	29,243	11,990	2,987	44,220
Supporting the Local Economy	10,081	2,500	1,700	14,281
Investing in New Technology	2,067	1,180	750	3,997
Investing in Major Infrastructure	9,824	5,700	8,000	23,524
Total Investment	65,735	25,507	17,917	109,159
Grants	17,464	8,040	6,040	31,544
External Contributions	4,648	6,959	9,802	21,409
Prudential Borrowing	28,179	5,000		33,179
LSVT VAT & reserves	988	100		1,088
Capital Receipts (note)	12,842	1,567	5,640	20,049
Total Funding	64,121	21,666	21,482	107,269

Note – the 2017/18 figure comprises surplus from 2016/17 of £6.02m and estimate for 2017/18 of £6.82m as per Table 5.

PRUDENTIAL INDICATORS

23. The Council is required to set indicators that are designed to support and record decisions taken on affordability and sustainability. There is also a requirement to impose *limits* on the Council's treasury management activities to ensure decisions are made in accordance with professional good practice and risks are appropriate (These are included in the Treasury Management Strategy Report). The Chief Finance Officer will monitor these and report on them at appropriate times. The Council can revise these indicators and limits at any time.

24. All the indicators take account of the proposals in this report and a list of Prudential Indicators is included at Appendix 3.

RECOMMENDATIONS

25. That the Executive:-

- approve the Capital Programme as detailed in the report;
- recommends the Council to approve the Capital Programme in the sum of £109.16m for the period 2017/20;
- recommends the Council to approve £25.04m of additional prudential borrowing to support revenue generating investment opportunities as detailed in Paragraph 15;
- recommends the Council approve the flexible use of capital receipts strategy as set out in Paragraph 13; and
- recommends the Council to approve the Prudential Indicators as set out at Appendix 3 of this report.

Other Options

The Executive could decide to use capital receipts to repay debt which would generate revenue savings on the Medium Term Financial Plan. Based on the level of receipts available this could save approximately £0.5m in 2017/18. However, the proposed application of the capital receipts are to schemes with mandatory requirements, schemes to protect the long-term viability of the Council's assets and to transformational projects under the new capital receipts flexibility; enabling efficient and effective service delivery and avoiding potential increases in maintenance costs in future years, the benefits of which are greater than just using the receipts to repay debt.

Consultation

Consultation has taken place with budget holders, responsible officers and professional services to ascertain the new projects to be put forward for inclusion in the Capital Investment Programme for 2017/20. Consultation with the public and user-groups will follow, where appropriate, once the programme is set and specific proposals within the budget allocations are developed.

Reasons for the Recommendation

The Authority is regularly assessed on the performance of its Capital Programme and how delivery matches corporate policies and proposed spending plans. To reflect budgets in line with revised expectations will assist in evidencing that compliance with the above is being met.

Finance Officer Clearance (type in initials)GB.....

Legal Officer Clearance (type in initials)MJ.....

CORPORATE DIRECTOR'S SIGNATURE



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

2017/20 CAPITAL PROGRAMME : NEW START PROPOSALS	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Schemes of a Mandatory / Contractual Nature				
Schools – Additional Places Works (Gorse Hill Primary School)	500	2,000		2,500
Education of Vulnerable Children – Secure Standard Statutory Automated Data Collection Dashboard	27			27
Sub-total	527	2,000		2,527
Invest to save schemes				
Schools - Transport Operation System	16			16
Adult Social Care - Assistive Technology/Technology Innovation	650	650	650	1,950
Leisure Strategy – Increasing Physical Activity	2,800			2,800
Car Parks – Pay & Display Machines	35			35
Waste – Tri Bin : “Recycling on the Go”	261			261
Waterside Arts Centre - Refurbishments	96	103		199
Sale Waterside - Fixed Furniture and Equipment	86			86
ICT – SAP Development / Replacement	300	300		600
Sub-total	4,244	1,053	650	5,947
Schemes that protect the asset base				
Public Building Repairs		800	800	1,600
Parks Infrastructure	150	150	150	450
Play Areas : Structural Maintenance	100	75	75	250
ICT : Network resilience for Waterside and Trafford Town Hall	70			70
ICT : Network resilience for Internet Service /Connectivity	22			22
ICT : Network core switch replacement	15			15
ICT : Mobile / Wifi printing solution	5			5
ICT : SIEM Implementation (Security Incident & Event Management)	38			38
ICT : VPN - Upgrade / Replace Remote Access Solution	32			32
ICT : Software Asset Management Licence Tool	40			40

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
ICT : Perimeter Firewall & Web Filtering solutions	80			80
ICT : Multiprotocol Label Switching (MPLS) Replacement Site Links		30		30
Sub-total	552	1,055	1,025	2,632
Council Priorities				
Parking provision in Altrincham Town Centre	125			125
Land Assembly Costs – Claremont Centre, Sale	240			240
CCTV – New camera sites & wireless network	388			388
ICT : System Centre Configuration Manager Upgrade	260			260
ICT : Windows 10 - Implementation & Rollout		200	100	300
Sub-total	1,013	200	100	1,313
Other Priorities				
Integrated Transport Plan Works	100	300	300	700
Access Trafford (Contact Centre) - Redbox upgrade	47			47
Transformation Projects	1,800			1,800
Sub-total	1,947	300	300	2,547
TOTAL PROPOSALS	8,283	4,608	2,075	14,966

2017/20 CAPITAL PROGRAMME : PRUDENTIAL BORROWING FUNDED PROPOSALS	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Capital Investment Fund	15,000	5,000		20,000
Leisure Strategy - Increasing Physical Activity	2,700			2,700
General Borrowing - Public Building Repairs	850			850
General Borrowing - Highway Maintenance	750			750
General Borrowing - Integrated Transport	200			200
9/11 Market Street, Altrincham - Redevelopment	239			239
New Recycling Bins	300			300
TOTAL PROPOSALS	20,039	5,000	0	25,039

2017/2020 INDICATIVE CAPITAL PROGRAMME			
	2017/18	2018/19	2019/20
DESCRIPTION	£000	£000	£000
Children's			
Basic Need : School Places & Condition Issues	7,259	4,000	
Devolved Formula Capital	660	490	390
Capital Maintenance Grant	2,623	1,850	1,850
Early Years Capital Grant	468		
Education of Vulnerable Children – SSADCD	27		
Schools - Transport Operation System	16		
Capital Innovation Fund - U5s service provision	35		
Sub-total	11,088	6,340	2,240
Adults			
Ascot House, Sale - Adaptations	8		
Disabled Facility Grants	2,066	1,700	1,700
Assistive Technology/Technology Innovation	650	650	650
Agile Working Programme	200		
Sub-total	2,924	2,350	2,350
Economic Growth, Environment & Infrastructure			
Public Building Repairs	1,525	800	800
Broadheath Community Centre - Contribution	419		
Leisure Services Assets - Improvement Programme	177		
Corporate Landlord IT System - TRAMPS	55		
Relocation of Depot Facilities	1,000		
Lancashire CCC – Facilities development	102		
Lancashire CCC – New hotel development	2,400		
Capital investment Fund	15,000	5,000	
Altrincham - Library / Community Facility	1,763		
Altair Development, Altrincham	767	450	
Altrincham Town Centre – Public Realm	200		
Stretford Town Centre – Public Realm	1,000		
9/11 Market Street, Altrincham – Redevelopment	239		
Land assembly Opportunity - Claremont Centre, Sale	240		
Housing Growth Points	80		
Affordable Housing : S.106 Funded Programme		500	546

	2017/18	2018/19	2019/20
DESCRIPTION	£000	£000	£000
Integrated Transport Schemes	500	300	300
Congestion Performance Works	72		
Altrincham Interchange	75	700	
Integrated & Public Transport - S106 Funded Programme	401	150	201
Trans Pennine Trail – Urmston to Ashton-on-Mersey	95		
Altrincham Town Centre – Cycle Link	390		
Cycle City Ambition Grant	1,419		
Trafford Park Metrolink - S106 Contribution	2,000	5,000	8,000
Highways Structural Maintenance	2,753	2,100	2,100
Highways Incentive Funding	174		
Pot Hole Funding	175		
LED Replacement Programme (inc column replacement)	5,790		
A56 / West Timperley - Improvements	540		
Highways - S106 Funded Programme		144	200
Additional Burial Land	550		
Parks Infrastructure	150	150	150
Parks - S.106 Projects	100		
Park Gates - Replacement Programme	20		
Play Area Refurbishments	100	75	75
Parks & Open Space - S.106 Funded Programme	61	465	855
Air Quality	9		
Housing Standards / Empty Property Initiatives	50		
Assistance to Owner Occupiers	50		
Parking - Pay & Display Equipment	81		
Parking provision in Altrincham Town Centre	125		
New Recycling Bins	300		
Waste – Tri Bin : “Recycling on the Go”	261		
Sub-total	41,208	15,834	13,227
Transformation & Resources			
Timperley Sports Club - Artificial Pitch contribution		350	
Waterside Arts Centre - Building upgrade	121	103	
Sale Waterside – Fixed furniture & equipment	86		
Libraries - RFID self-serve kiosks	45		
CCTV - Upgrade to cameras, monitoring desk	468		
Old Trafford Extra Care - Contribution to library fit-out	58		
Trafford & GMP - New HR Shared Service Centre	120		
Access Trafford (Contact Centre) - Redbox upgrade	47		
Leisure Strategy - "Increasing Physical Activity"	6,500		

	2017/18	2018/19	2019/20
DESCRIPTION	£000	£000	£000
Transformation Programmes	1,800		
CRM Upgrade	88		
Web / Customer Strategy	320		
ICT - SAP Development / Replacement	300	300	
Network resilience for Waterside and Trafford Town Hall	70		
Network resilience for Internet Service /Connectivity	22		
Network core switch replacement	15		
System Centre Configuration Manager Upgrade	260		
Windows 10 - Implementation & Rollout		200	100
Mobile / Wifi printing solution	5		
SIEM Implementation	38		
VPN - Upgrade / Replace Remote Access Solution	32		
Software Asset Management Licence Tool	40		
Perimeter Firewall & Web Filtering solutions	80		
Multiprotocol Label Switching - Replacement Site Links		30	
Sub-total	10,515	983	100
TOTAL	65,735	25,507	17,917

Prudential Indicators – Estimates 2017/20

Capital Prudential Indicators	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Capital Expenditure	42.4	65.7	25.5	17.9
Capital expenditure - the table above shows the estimated capital expenditure to be incurred for 2015/16 and the following three years.				
Capital Financing Requirement as at 31 March	144.7	168.8	170.4	167.3
Capital Financing Requirement (CFR) - this reflects the estimated need to borrow for capital investment (i.e. the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).				
Financing Cost to Net Revenue Stream	4.5%	6.5%	5.9%	5.5%
Financing costs to net revenue stream - this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council's net revenue stream. The reason for the increase from 2017/18 onwards is a result of the Council's new MRP policy and decisions on additional borrowing to support capital investment.				
Incremental Impact on Band D Council Tax (£)	0.00	0.00	0.00	0.00
Incremental impact on band D council tax – reflects the incremental impact on the Council Tax arising from new borrowing undertaken in order to finance the capital investment decisions taken by the Council during the budget cycle. The figures above reflect that any additional borrowing is supported by revenue savings or external support.				

All the prudential indicators are monitored on a regular basis. If the situation arises that any of the prudential indicators appear that they will be breached for a sustained period, then this will be reported to the Council at the earliest opportunity.

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TRAFFORD COUNCIL

Report to: Accounts & Audit Committee
Executive & Council Meetings
Date: 7 February 2017
22 February 2017
Report for: Decision
Report of: The Executive Member for Finance and Chief Finance Officer

Report Title

TREASURY MANAGEMENT STRATEGY 2017/18 – 2019/20

Summary

This report outlines the:-

- strategy to be followed during this period for investments and borrowing,
- outlook for interest rates,
- management of associated risks,
- policy to be adopted on Minimum Revenue Provision (MRP) and
- Prudential Indicators.

Recommendations

That the Accounts & Audit Committee & Executive recommend to Council for approval the:

- policy on debt strategy as set out in section 3;
- investment strategy as set out in section 5;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3.

Contact person for access to background papers and further information:

Name: Graham Perkins
Extension: 4017

Background papers: None

Relationship to Policy Framework / Corporate Priorities	Value for Money
Financial	The treasury management strategy will aim to maximise investment interest whilst minimising risk to the Council. The Council's debt position will be administered effectively and any new loans taken will be in-line with the Medium Term Financial Plan provision.
Legal Implications:	Actions being taken are in accordance with legislation, Department of Communities & Local Government (DCLG) guidance, Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code of Practice.
Equality/Diversity Implications	Any equality and diversity implications are as set out in this report
Sustainability Implications	Not applicable
Staffing/E-Government/Asset Management Implications	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 risks 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 and Safety Implications	Not applicable

Summary

The purpose of this report outlines the expected treasury management activities for the forthcoming three years and has been prepared in accordance with the Council's Financial Procedure Rules. Additional treasury management reports are produced during the course of the year reporting actual activity for the preceding year and a mid-year update.

Economic position (Appendix 2)

The World economic situation continues to be fragile and with several significant influences expected in 2017, Brexit exit terms to commence, Presidential elections in Holland, France & Germany and a new US President, the outlook is forecasted not to change from this position.

During 2016 the main economic headlines were:

- The UK's economy remains one of the strongest of the G7 nations, MPC cut the Bank Rate from 0.50% to 0.25% and at the same time increased quantitative easing by £60bn. Unemployment remained at 4.8% in October, its lowest level since July 2005;
- Italian & some German banks remain under capitalised and Spain has joined Greece in having to introduce highly unpopular austerity cuts;
- After a sluggish start to the year, the US continues to report strong positive growth and its unemployment rate fell to 4.6%, its lowest level since August 2007;
- China's reported the same quarterly growth rate for the first 3 quarters in 2016 of 6.7% leading some commentators to strongly suggest that figures are being massaged.
- Japan's growth rate remained fragile and deflation remains a major issue.

Debt (Section 3)

Borrowing interest rates are forecasted to continue at low levels during the next 12 months with only minor increases expected during this period. Any new external borrowing will be taken in order to (a) assist finance the Council's capital borrowing requirement as outlined in the 2017/20 Capital Programme report and (b) commence to address the current underborrowed position, with all associated costs being contained within the the Council's Medium Term Financial Plan.

Debt restructuring exercises will only be undertaken in order to produce revenue savings or lower overall treasury risk.

Investments (See Section 5 and Appendix 3)

The main objective surrounding the Council's investment criteria remains unchanged from that previously adopted of security of capital first, liquidity of its cash flows and finally yields.

The Council is required to agree the lending criteria, which is primarily determined by credit ratings issued by the 3 major credit rating agencies as detailed at Appendix 3.

Prudential Indicators and limits (Section 7 and Appendix 3)

The Council is required to approve a set of Prudential Indicators and limits which ensure the Council's capital expenditure plans and borrowing remain robust, prudent, affordable and sustainable. These are detailed at Appendix 3 for Member approval.

1. Background

- 1.1 The Council is required to operate a balanced budget, which means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 Another function of this service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans. On occasion any existing loans may be restructured to meet Council risk or cost objectives.
- 1.3 CIPFA defines treasury management 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."*
- 1.4 All transactions undertaken as part of the treasury management operation will comply with all the statutory requirements together with the DCLG Guidance, CIPFA Treasury Management Code of Practice which the Council has adopted. A brief outline of these has been provided at Appendix 1.
- 1.5 Members are required to receive, a minimum of 3 reports annually as follows;
- **Prudential and treasury indicators and treasury strategy** (February, this report) - The first, and most important report covers:
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time) and
 - the treasury management strategies (how the investments and borrowings are to be organised) including treasury indicators.
 - **A mid-year treasury management report** – (November) - This will update members with the progress of the treasury management position, amending prudential indicators as necessary, and whether any policies require revision.
 - **An annual treasury report** – This provides details of actual treasury operations undertaken in the previous year.
- 1.6 The above 3 reports are required to be adequately scrutinised before being recommended to the Council and this role is undertaken by the Accounts & Audit Committee.
- 1.7 The Council uses Capita Asset Services as its treasury management advisors who provide a range of services on all treasury matters from the supply of credit ratings to technical support. The Council recognises that there is value in employing external providers for this service in order to acquire access to specialist skills and resources and the provision of this service is subject to regular review.

- 1.8 Whilst the advisors provide support to the internal treasury management team, the Council recognises that the final decision on all treasury management matters remains with the organisation at all times.
- 1.9 The Council acknowledges the importance of ensuring that all members and staff involved in the treasury management function receive adequate training and are fully equipped to undertake the duties and responsibilities allocated to them.
- 1.10 In order to assist with this undertaking a member training event was provided on 30 January 2017 and access to further similar events when they occur will be made available. Officers will continue to attend courses / seminars presented by CIPFA, Advisors and any other suitable professional organisation, in accordance with Council policy on this issue.
- 1.11 Excluded from this report are the activities carried out by the Council's schools, which operate within separate criteria as stipulated by the Chief Finance Officer and in accordance with the Council's Financial Procedure Rules.

2. Economic & Interest Rate forecast

- 2.1 The general overall world economic position continues to remain in a delicate place and whilst both the UK & USA reported positive growth outturns for 2016, this has slowed during the latter part of the year in response to the decline of both China and India growth prospects, uncertainty around Brexit and the new presidency of the USA.
- 2.2 Further details on the major economic events which occurred during 2016 and forecasts for 2017/18 are outlined at Appendix 2 for reference.
- 2.3 Capita produces interest rate projections periodically throughout the year and the current forecasts, up to March 2020, are highlighted in the table below;

	2016-17 Forecast %	2017-18 Forecast %	2018-19 Forecast %	2019-20 Forecast %
Bank Rate	0.28	0.25	0.25	0.63
Investment Rates (LIBID)				
3 month	0.33	0.20	0.38	0.70
1 Year	0.66	0.65	0.78	1.15
PWLB Loan Rates				
5 Year	1.17	1.10	1.20	2.25
25 Year	2.51	2.40	2.50	3.55

- 2.4 Over the next few years, the Council will continue to adopt a cautious approach to its treasury management activities in response to the uncertain direction the world economic situation will take and this course of action is in accordance with the guidance from Capita, the Council's treasury management advisors.

3. Debt Strategy 2017/18 – 2019/20

- 3.1 The Council has the powers to borrow new funds from other local authorities or the the Government using the Public Works Loan Board, (PWLB), dedicated publicly funded companies set up solely to lend funds to the public sector e.g. Salix, the Municipal Bond Agency which is currently still in the process of being set up or

from financial institutions within the money market. All funds obtained will be taken in order to assist short term cash flow or finance longer term capital investment.

- 3.2 The table below shows the actual current levels of external debt, together with forward projections and compares this to the underlying capital borrowing need (the Capital Financing Requirement - CFR). In addition to this the Council's under-borrowing position is highlighted for reference.

	2016/17	2017/18	2018/19	2019/20
	Estimate £000	Estimate £000	Estimate £000	Estimate £000
Debt at 1 April	104,221	109,882	132,037	133,519
External Debt maturing	(3,747)	(3,624)	(3,518)	(4,160)
New External Debt	9,408	25,779	5,000	0
Debt at 31 March	109,882	132,037	133,519	129,359
Capital Financing Requirement at 31 March	144,664	168,800	170,384	167,284
Under borrowing at 31 March	34,782	36,763	36,865	37,925

- 3.3 It can be seen from the above table that the Council is currently maintaining an under-borrowed position arising from decisions taken previously not to finance capital spending from new external loans. Instead cash supporting the Council's reserves, balances and cash flow has been temporarily used to finance this requirement. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 3.4 The Chief Finance Officer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances within the 2017/18 treasury operations. Any new borrowing undertaken will be to (a) assist finance the Council's capital investment programme and (b) start to replace funds previously used to finance capital spend (underborrowed position) and will be subject to favourable interest rates and budget provision being available permitting this course of action.
- 3.5 The Council holds £59.7m of Market loans and of these £40m are held as variable rates of interest in the form of Lender's Option Borrower's Option (LOBO) loans. On this type of loan, the lender has the option to propose an increase in the interest rate at set dates and should this situation occur then the Council has the option to either accept the new rate or to repay the loan at no additional cost. Although the Chief Finance Officer understands that lenders are unlikely to exercise their option in the current low interest rate environment, there remains a possibility that this could occur. In accordance with the Chief Finance Officer's delegated authority, should an opportunity present itself to repay a LOBO loan at no cost, then this option will be taken and a decision made about whether it is prudent to take a replacement loan from the PWLB. The remainder of Market loans, £19m are held at fixed rates of interest.
- 3.6 In addition to the borrowing undertaken directly, the Council is also responsible for a further £0.7m which is administered by Tameside Borough Council. This follows the conversion in February 2010 of loans previously held on behalf of Manchester International Airport into an equity rated instrument.

- 3.7 As short term borrowing rates are cheaper than longer term fixed interest rates, there may be potential opportunities in the future to generate revenue savings by switching from long term debt to short term debt. However the cost of premiums incurred, due to early repayment, will also need to be taken into account before any restructuring is undertaken.
- 3.8 The Council retains the flexibility to borrow funds in advance of requirement should market conditions unexpectedly change i.e. anticipate a sharp rise in interest rates, and any decision to borrow in advance will ensure that funds are taken within forward approved Capital Financing Requirement estimates.
- 3.9 Any borrowing in advance of requirement taken by the Chief Finance Officer will be done in accordance with delegated powers and within the constraints stated below;
- no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period is to be obtained in this manner and
 - borrowing only up to a maximum 12 months in advance of need.
- 3.10 The Council's debt maturity profile as at 31 March 2017 is provided at Appendix 4 for reference which also shows, in accordance with the Code of Practice, the potential first date the lending banks could amend the rate of interest for the market loans.
- 3.11 In accordance with the Code of Practice, no new borrowing will be taken in order to lend out to solely make a profit.
- 3.12 The Council is required to approve;
- the above debt strategy and
 - as part of the Prudential Indicators and Limits requirement, the limits for external debt in accordance with the Local Government Act 2003, having regard to CIPFA's prudential code before the commencement of each financial year. These limits are detailed at Appendix 3 for Council approval.

4. Minimum Revenue Provision Strategy

- 4.1 The Council is required to set aside an amount each year for the repayment of debt (by reducing the CFR), through a revenue charge called the Minimum Revenue Provision (MRP). In addition, the Council is also allowed to undertake Voluntary Revenue Payments (VRP).
- 4.2 Previously within the Revenue Support Grant (RSG) there has been an element of contribution which was to finance MRP incurred on supported capital borrowing however due to austerity measures, this provision has been eroded. In response to this, the Council in 2015/16, reviewed the way it calculated its MRP for this element of debt and a more appropriately linked policy of using the average useful life of its assets was adopted and applied effective from 1 April 2015.
- 4.3 During 2016/17 further work has been undertaken to establish what the effect would be had this policy been adopted on this element of debt from 1 April 2007 and as a result it was established that the Council has, during the period 2007/08 to 2014/15, previously over-provided MRP by £9.93m.

- 4.4 The Council intends to phase the reduction of £9.93m to the annual MRP charge over the next four years with the unused MRP budget transferred to an earmarked reserve. This action will;
- ensure that a MRP provision on the Supported debt element within the CFR held during the period 2007/08 – 2014/15 is calculated using the same method as that applied in 2015/16;
 - enable debt to be written off quicker than previously permitted i.e. debt incurred in 2007/08 will now be completely written off by 2059/60 rather than 2064/65,
 - enable the local council tax payer to receive the benefit of this over-provision in today's cash values rather than at reduced value due the effects inflation will have on this over the next 50 years.
- 4.5 This action does not change the current MRP policy as approved by Council at its February 2016 meeting and no changes to this are proposed for 2017/18. Further detail on this aspect can be found on page 19 of this report.
- 4.6 Members are requested, as detailed at Appendix 3 to;
- approve the annual MRP statement and
 - note the revised approach to the existing MRP policy.

5. Investment Strategy

- 5.1 The Council undertakes investments, from income temporarily available which has been received in advance of spend and from its balances and reserves which it holds. This function is undertaken with regard to the DCLG's Guidance on Local Government Investments together with the revised CIPFA Treasury Management in Public Services Code of Practice.
- 5.2 The primary principle governing the Council's investment criteria is the security of its investments, followed by liquidity whilst ensuring that a reasonable level of return is also achieved. In addition to these main principles, the Council maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and subsequent monitoring of them. These areas are set out in more detail for reference within the Specified and Non-specified investment sections at Appendix 3.
- 5.3 Whilst counterparty risk appears to have eased, the markets are still subject to periods of extreme volatility and as a consequence, returns from deposits continue to remain historically low. Whilst every endeavour will be taken by the Council's in-house treasury management team to ensure that the Council receives a reasonable rate of return on its investments, recent history and market warnings will not be ignored when searching for that extra return to ease revenue budget pressures.
- 5.4 To ensure that investments are only placed with strong creditworthy institutions, a counterparty list is produced and maintained based on credit ratings from two of the three independent rating agencies (Fitch, Moody's and Standard and Poor's) and these must meet the minimum levels required by the Council as shown at Appendix 3.
- 5.5 This approach uses real time credit rating information provided by the Council's advisers Capita and enables an institution should they meet the minimum credit criteria required to be immediately included on to the list of approved institutions or removed if they no longer meet the minimum criteria.

- 5.6 Whilst investment risk will never completely be eliminated, it can be minimised and in order to reduce the risk of an institution defaulting, the Chief Finance Officer recommends that the Council continues with the current practice of institutions only being included on the Council's lending list which have a minimum credit rating as follows;
- Short Term – Fitch F1 or equivalent
 - Long Term – Fitch A- or equivalent.
- 5.7 A full explanation of the credit ratings determining the institutions which the Council will use can be found at Appendix 5.
- 5.8 Whilst Members are asked to approve these base criteria, the Chief Finance Officer may temporarily restrict further investment activity to those institutions considered of higher credit quality than the minimum criteria set out for approval should any exceptional market conditions be encountered.
- 5.9 The Council's in-house treasury management team further recognises that ratings are not the sole determinant of the quality of an institution and it is important to continually assess and monitor each institution in relation to the economic and political environments in which they operate. For this purpose, the Council will with the assistance of its advisers, monitor market opinions, financial press, equity & credit default swap prices and overlay this information on top of the credit ratings. This additional market information is detailed for Members' reference at Appendix 5.
- 5.10 In addition to the Council's list of high quality investment institutions, further factors will also be used in order to reduce any potential exposure of its investments including time and value limits as explained in more detail at Appendix 3 together with how much in total can be placed in non-UK institutions, Groups and Sectors which is shown in more detail at Appendix 5.
- 5.11 Investments will continue to be placed into three categories as follows;
- Short-term – cash required to meet known cash flow outgoings in the next month, plus a contingency to cover any unexpected transaction over the same period with bank call accounts, money market funds and certificates of deposits being the main methods used for this purpose.
 - Medium-term – cash required to manage the annual seasonal cash flow cycle covering the next 12 months and will generally be in the form of fixed term deposits and enhanced money market funds.
 - Long-term – cash not required to meet any forthcoming cash flow requirements which can be used primarily to generate investment income by using fixed or structured term deposits, certificates of deposits, government bonds or the Local Authority Property Investment fund, after taking into consideration the forecasted interest rate yield curve.
- 5.12 The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded and be limited to the Prudential Indicator detailed at Appendix 3.

- 5.13 The level of the Council's investments together with the average interest rate, as at 31 December 2016, is provided for reference at Appendix 6.
- 5.14 The Council is requested to approve;
- the adoption of the above Investment strategy and
 - the minimum criteria for providing a list of high quality investment institutions, instruments and limits to be applied as set out at Appendix 3.

6. Investment Risk Benchmarking

- 6.1 The CIPFA Code of Practice and DCLG Investment Guidance require that appropriate security and liquidity benchmarks are considered and reported to Members and these are explained in more detail in Appendix 5.
- 6.2 These benchmarks are simple guides to maximum risk (not limits) for use with cash deposits and so may be exceeded from time to time, depending on movements in interest rates and institution criteria. The purpose of the benchmark is to assist officers to monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported to Members, with supporting reasons in the Mid-Year or Annual Report. For reference these benchmarks proposed are;

- Security - each individual year the security benchmark is:

1 year investments	2 year investments	3 year investments
0.07%	0.02%	0.08%

Note - This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

- Liquidity – Weighted Average Life (WAL) - benchmark for 2017/18 is set at 6 months, with a maximum of 3 years for cash time deposits;
Liquid short term deposits - at least £10m is available within a week's notice.
- Yield - Internal returns are required to achieve above the 7 day London Interbank Deposit (LIBID) rate.

7. Prudential Indicators

- 7.1 A number of prudential indicators have been devised for the treasury management operation and these are designed to assist managing risk and reducing the impact of an adverse movement in interest rate. These indicators have been set at levels which do not prevent day to day activities being undertaken and at the same time ensure the Council's capital expenditure plans are prudent, affordable and sustainable.
- 7.2 Members are requested to approve the Prudential Indicators for Council's treasury management activities as detailed at Appendix 3.

8. Related Treasury Issues

- 8.1 Local Authority Mortgage Scheme. Under this scheme, which is designed for first time buyers to be able purchase a property in the area, the Council placed funds totalling £3m with Lloyds bank for a period of 5 years to match the 5 year life of the

indemnity. This scheme is now approaching its conclusion and these monies will be repaid back to the Council by Lloyds over the next 2 years.

- 8.2 Greater Manchester Pension fund. The Greater Manchester Pension Fund has been working with its local council partners concerning the prospect of councils making employer pension contributions of up to 3 years in advance into the Fund. As result of this action the Fund would be able to use these monies to generate a more favourable return which in turn will enable the Councils to receive a discount on the amount it is expected to pay over into the fund under this scheme. During 2017/18, the Council is expected to take advantage of this opportunity and make a payment for approximately £39m (net of discount of £2.5m) covering 3 years of employer pension contributions for the period 2017/18 to 2019/20.
- 8.3 Investment Properties. At its meeting on 19 December 2016, Members of the Executive approved a report which outlined proposals for a new approach to be adopted involving the acquisition of property which would generate an income stream. The Council's initial level of investment for this purpose would be approximately £20m.
- 8.4 Whilst the above 3 projects are policy related activities and therefore not deemed to be treasury management, their implementation will have an impact on the Council's cash flow as well as the investing and borrowing activities and it is this aspect which Members need to be aware of.

9. Recommendations

That the Accounts & Audit Committee and Executive recommend to Council the key elements of this report for approval which are as follows;-

- policy on debt strategy as set out in section 3;
- investment strategy as set out in section 5;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), The Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3.

Other Options

This report has been produced in order to comply with Financial Procedure Rules and relevant legislation. It provides a plan of action for the period 2017/18 to 2019/20, which is flexible enough to take account of changes in financial markets. There are an almost infinite number of other options that the Council could consider as part of its treasury management activities. However, this report outlines a coherent and prudent approach which is recommended by the Chief Financial Officer to the Council.

Consultation

Advice has been obtained from Capita, the Council's external advisors.

Reasons for Recommendation

The Financial Procedure Rules, incorporating the requirements of the revised CIPFA Prudential Code and the CIPFA Treasury Management Code requires that the annual strategy report is provided to the Council as an essential control over

treasury management activities. In it the Council approves the parameters under which officers will operate. In addition The Local Government Act 2003 requires that the Council approves an annual borrowing limit (the Authorised Limit) and DCLG Guidance an annual investment strategy (setting out the limits to investment activities) prior to the commencement of each financial year.

Key Decision

This will be a key decision likely to be taken in: February 2017

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

Finance Officer Clearance ...NB...

Legal Officer Clearance ...MRJ.

Director's Signature



Joanne Hyde

STATUTORY FRAMEWORK

Local Government Act 2003

In accordance with the Local Government Act 2003 (and supporting regulations and guidance) each Council must before the commencement of each financial year, produce a report fulfilling three key requirements as stipulated below;

- The debt strategy in accordance with the CIPFA Code of Practice on Treasury Management (section 3);
- The investment strategy in accordance with the DCLG investment guidance (section 5);
- The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix 3).

CIPFA Code of Practice

The Council's treasury activities are strictly regulated by statutory requirements in conjunction with a professional code of practice (the CIPFA Treasury Management Code of Practice). This Council adopted the Code of Practice on Treasury Management on 24 April 2002 and followed recommended practices by considering an annual Treasury Management Strategy before the commencement of each financial year. These Codes are revised from time to time and the Council complies with any revisions.

Investment Guidance

DCLG issued Investment Guidance in March 2010 and this forms the structure of the Council's policy below:

- The strategic guidelines for decision making on investments, particularly non-specified investments;
- Specified investments that the Council will use. These are high security (no guidelines are given defining what this should consist of and each individual Council is required to state what this should be i.e. high credit ratings), high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time;
- The principles to be used to determine the maximum periods for which funds can be committed.

MAIN ECONOMIC HEADLINES DURING 2016**UK -**

- Annualised Gross Domestic Product (GDP) growth rates continues to be one of the strongest of the G7 countries at 2.2% y/y up to end of September 2016, this compares to 1.8% for 2015;
- Consumer Price Index (CPI) opened the year at 1.2% in January 2016 peaking at 1.5% before falling back to 1.2% in November 2016;
- Monetary Policy Committee (MPC) at its meeting 4 August 2016 reduced the Bank Rate from 0.50%, where it had been since March 2009, to 0.25%, its lowest level and increased the level of Quantitative Easing levels from £375bn to £435bn;
- The level of unemployment rate continues to fall from 5.1% in January 2016 to 4.8% in October, the lowest levels since July 2005;
- The outcome of the Brexit referendum delivered a leave result from which the Government must notify the European Council of its intention to leave in accordance with Article 50 of the Treaty on European Union which it plans to do by March 2017 after which there will be a 2 year negotiation leading to exit.

Eurozone –

- GDP continues to remain weak at 1.7% y/y up to the end of September 2016, which compares to 1.5% for 2015;
- CPI rose marginally during 2016 starting at 0.3% in January 2016 rising to 1.1% in December 2016;
- Unemployment rate fell from 10.4% in January 2016 to 9.8% in October 2016;
- Greece continues to cause a concern for the EU due to its reluctance to implement key reforms in order to make it more efficient and pay its way and following 2 inconclusive general elections in 2015 & 2016, Spain is also having to implement a package of highly unpopular austerity cuts required by the EU;
- Italian & some German banks remain under capitalised and this could become a major issue as national governments are forbidden by EU legislation from providing state aid to bail out any bank at risk;
- European Central Bank in March 2016 extended its €1.1 trillion programme of quantitative easing originally intended to run to September 2016 to December 2017 and cut its central policy rate from 0.05% to 0.00%.

US –

- GDP despite being sluggish for the first part of the year at 1.1%, however as a result of strong growth, quarter 3 ending September 2016 saw a rebound to 3.5% y/y;
- Following December 2015 there was an increase by the Federal Reserve in Bank rate from 0.25% to 0.50%. It was widely expected further increases would occur during 2016 however as a result of weak International growth

and the Brexit outcome, this increase was delayed until December 2016 when the Bank rate was increased from 0.50% to 0.75%;

- Unemployment levels continue to fall from 4.9% in January 2016 to 4.6% in November 2016, its lowest level since August 2007;
- CPI fell from its starting position at 2.2% in January, to 1.7% in November 2016;
- US remains the best positioned of the major world economies to make solid economic progress.

Other –

- China's Growth rate continues to slow from 6.8% in 2015 to 6.7% and this in turn impacts on those countries dependent on exporting raw material to it.
- Japan's economic growth remains fragile and deflation continues to remain a problem.

MAIN ECONOMIC FORECASTS FOR 2017

To be able to produce accurate economic forecasts is extremely difficult to do as so many external influences have an impact on them particularly Brexit and subsequent terms of exit, EU presidential elections scheduled for Holland, France & Germany and a new President in the US. Despite all of this forecasters are currently predicting the following levels of activity;

Indicator	UK	Eurozone	US	China
Growth Domestic Product	1.7%	1.4%	2.5%	6.6%
Consumer Price Index	1.9%	1.0%	2.3%	1.8%
Unemployment Rate	4.9%	9.8%	5.3%	4.3%
Bank Rate	0.25%	0.00%	1.25%	4.10%

Source - Trading Economics

ELEMENTS FOR COUNCIL APPROVAL
(including Prudential and Treasury Indicators, Minimum Revenue Provision & Investment Criteria)

In accordance with DCLG Guidance, the CIPFA Prudential Code and the CIPFA Code of Practice on Treasury Management each council is required to set, before the commencement of each financial year, Treasury Management Prudential Indicators and limits, a Minimum Revenue Provision Statement and Investment criteria.

The Accounts and Audit Committee and Executive are requested to recommend that Council approve these for the period 2017/18 – 2019/20 as detailed below.

TREASURY PRUDENTIAL INDICATORS AND LIMITS –

In accordance with the CIPFA Prudential code, the Council is required to produce prudential indicators and limits reflecting the expected capital activity regarding its capital investment programme. These have an impact on the Council's treasury management activities and the Council is required to approve the prudential indicators and limits affecting treasury management performance as shown below;

	2016/17 estimate £m	2017/18 estimate £m	2018/19 estimate £m	2019/20 estimate £m
Upper Limits – Fixed interest rate exposure	3.6	4.2	4.4	4.2
Upper Limits – Variable interest rate exposure	2.6	2.8	2.8	2.8
Upper Interest Limits – identifies the maximum limit for both fixed and variable interest rates exposure based upon the Council's debt position net of investments (debt interest payable less investment interest receivable).				
Authorised Limit for External debt				
-External debt (01.04)	130.0	155.0	155.0	150.0
-Other long term Liabilities (PFI)	6.0	6.0	5.5	5.5
Total	136.0	161.0	160.5	155.5
Authorised external debt limit - maximum level of external debt that the authority will require to cover all known potential requirements and includes headroom to cover the risk of short-term cash flow variations that could lead to a need for temporary borrowing. This limit needs to be set or revised by Council and is the statutory limit determined under section 3(1) of the Local Government Act 2003.				

	2016/17 estimate £m	2017/18 estimate £m	2018/19 estimate £m	2019/20 estimate £m
Operational Boundary for External debt				
-External debt (01.04)	115.0	140.0	140.0	135.0
-Other long term Liabilities (PFI)	6.0	6.0	5.5	5.5
Total	121.0	146.0	145.5	140.5
Operational boundary - calculated on a similar basis as the authorised limit but represents the likely level of external debt that may be reached during the course of the year excluding any temporary borrowing and is not a limit.				
Upper limit for sums invested over 364 days	90	90	90	90
Upper Limit for sums invested for over 364 days – these limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment. Included within this limit are Manchester Airport Shares which at 31 March 2016 were independently valued at £39.6m and the Church Commissioners Local Authorities Property Investment Fund investment of £5m.				
Gross debt and Capital Financing Requirement				
-External debt (01.04)	115.0	140.0	140.0	135.0
-Other long term Liabilities (PFI)	6.0	6.0	5.5	5.5
Gross debt	121.0	146.0	145.5	140.5
-C.F.R.	144.7	168.8	170.4	167.3
Excess C.F.R.	23.7	22.8	24.9	26.8
Gross Debt and the Capital Financing Requirement – this indicator reflects that over the medium term, debt will only be for capital purposes. The Chief Finance Officer will ensure that all external debt does not exceed the capital financing requirement with any exceptions being reported to Council.				
Maturity structure of borrowing – 2017/18 to 2019/20	Lower limit %		Upper limit %	
Under 12 months	0		70	
12 months to 2 years	0		40	
2 years to 5 years	0		40	
5 years to 10 years	0		40	
10 years to 20 years	0		40	

Maturity structure of borrowing – 2017/18 to 2019/20 (cont.)	Lower limit %	Upper limit %
20 years to 30 years	0	40
30 years to 40 years	0	40
40 years and above	0	40
<p>Maturity Structure of Borrowing – these gross limits are set to reduce the Council’s exposure to large sums falling due for refinancing and this indicator reflects the next date on which the lending bank can amend the interest rate for the Lender Option Borrower Option loans.</p>		

All the treasury prudential indicators and limits are monitored on a regular basis with any breaches being reported to Council at the earliest opportunity.

MINIMUM REVENUE PROVISION - (no change)

In accordance with DCLG Guidance, the Council shall determine for the current financial year, an amount of minimum revenue provision that it considers to be prudent and submit an MRP Statement setting out its policy for its annual MRP to Council for approval. The following MRP Statement has been prepared in accordance with the Council’s accounting procedures and is recommended for approval:

- Capital expenditure financed by Supported Borrowing: MRP will be calculated on a straight line basis over the expected average useful life of the assets (50yrs);
- Capital expenditure 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;
- 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 and financed from the provision set-up to cover the final bullet payment. Capital receipts are to be used to replenish this provision to ensure this final bullet payment can still be made in 2028/29
- 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.
- 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. An example of such an instance can be demonstrated when the Council participated in the national Local Authority Mortgage Scheme using the cash backed option with Lloyds bank. This involved the Council placing a five year deposit totalling £1m, in 2013/14, with the bank matching the five year life of the indemnities. This deposit provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The C.F.R.will increase by the amount of the total indemnity. The deposit is due to be returned in full at maturity and once received will be classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (five years) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application.

MINIMUM REVENUE PROVISION – backdating of policy - (no change)

- A change to the MRP policy with regards to Supported Borrowing was approved by Council on 20th January 2016 and subsequently on 17th February 2016 as part of the 2016/19 Treasury Management Strategy Report.
- The approval enabled MRP on the Supported Borrowing element to be calculated on a straight line basis over the expected average useful life of the assets (50yrs).
- A further piece of work has been undertaken during 2016 which has now identified the opportunity to backdate the calculation of the MRP on the Supported Borrowing element, commencing from 2007/08 rather than 2015/16.
- The backdated calculation not only shows an over charge in previous years to the General Fund of £9.93 million on the Supported Borrowing element by 2015/16 but will enable the Council to completely repay this balance seven years earlier than previously calculated, at a recurrent cost of £0.50 million per annum.
- MRP is a statutory charge rather than a provision made under accounting standards and therefore the Council cannot simply restate the Statement of Accounts resulting in a £9.93 million credit back to the General Fund.
- In recognition of this the Council will phase a reduction of £9.93 million to the annual MRP charge over the next four financial years 2016/17 to 2019/20 with the unused MRP budget contained within the overall revenue budget being redirected to create an 'Investment Fund' Earmarked Reserve.
- The use of the 'investment Fund' Earmarked Reserve will be restricted to only being deployed on sustainable income generating or 'invest to save' i.e. revenue saving programmes or projects of work.

INVESTMENT CRITERIA – (change – Category 5)

Counterparty Selection

The Council will only use institutions which are located in a country with a minimum Sovereign Long term credit rating of AA-. The individual credit criteria, is highlighted below and for categories 1 to 4 this will be applied to both Specified and Non-specified investments. Category 5 applies only to The Church Commissioners Local Authorities Property Investment fund.

	Fitch (or equivalent) – Long Term	Maximum Group Limit	Maximum Time Limit
Category 1 – <ul style="list-style-type: none"> • UK & Non UK Banks (bank subsidiaries must have a parent guarantee in place), • UK Building Societies <p>Institutions must have an individual credit rating issued by Fitch, Moody's and Standard and Poor's of: Short Term – Fitch F1 or equivalent Long Term – Fitch A- or equivalent</p>	AA to AAA A+ to AA- A- to A	£20m £10m £5m	3yrs 1yr 1yr
Category 2 – UK Banks part nationalised - Royal Bank of Scotland. This bank or its subsidiaries can be included provided it continues to be part nationalised or meets the ratings in category1 above.	-	£20m	1yr
Category 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria.	-	n/a	1day
Category 4 – <ul style="list-style-type: none"> • Pooled Investment Vehicles – must be AAA credit rated – e.g. Money Market Funds, Enhanced Money Market Funds etc. • UK Government (including treasury bills, gilts and the DMO) • Local Authorities • Supranational Institutions 	-	£20m	3yrs
Category 5 – <ul style="list-style-type: none"> • Local Authority Property Investment fund 	-	£30m (Current limit £10m)	10yrs

Specified and Non Specified Investments – (no change)

In accordance with the Code of Practice, the Council is required to set criteria which identify its investments between Specified and Non Specified investments and these are classified as follows;

- Specified investments are high security and high liquidity investments with a maturity of no more than a year or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. All investments can be held under this definition,
- Non specified investments are any other type of investment not defined as specified above. A maximum of £90m is permitted to be held in this classification as detailed in Appendix 3, Prudential Indicator (5) Upper limit for sums invested over 364 days.

Instruments & Maximum period

All Investments will be undertaken in Sterling in the form of Term Deposits, Money Market Funds, Treasury Bills, Gilts or Certificates of Deposits unless otherwise stated below.

Specified Investments

Investment	Maximum Maturity
The UK Government including Local Authorities and Debt Management Office.	1 Year
Supranational bonds of less than one year duration (e.g. European Investment Bank)	1 Year
Pooled investment vehicles that have been awarded a AAA credit rating by Fitch, a credit rating agency, such as money market funds	1 Year
An institution that has been awarded a high short term credit rating (minimum F1 or equivalent) by a credit rating agency, such as a bank or building society.	1 Year

Non-Specified Investments

Investment	Maximum Maturity
Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.). The security of principal and interest on maturity is on a par with the Government and these bonds usually provide returns above equivalent gilt edged securities. The value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	3 Years
Gilt edged securities. These are Government bonds and provide the highest security of interest and principal. The value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	3 Years

The Council's own bank if it fails to meet the basic credit criteria with balances being kept to a minimum.	1 Day
UK Banks which have significant Government holdings	1 Year
Any bank or building society which meets the minimum long term credit criteria detailed in Appendix 3, for deposits with a maturity of greater than one year (including forward deals in excess of 1 year from inception to repayment).	3 Years
The UK Government including Local Authorities and Debt Management Office.	3 Years
Any non-rated subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to being guaranteed from the parent company and is included for clarity and transparency purposes.	3 Years
Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. It is envisaged this facility will apply to the Manchester Airport share-holding which the Council holds at a historical value of £39.6m as reported in the 2015/16 Statement of Accounts. It is not envisaged that this type of investment will be undertaken in the future.	Unspecified
Manchester Airport Group – This is in response to the restructuring of the airports existing debt and is included for clarity and transparency purposes only.	Term of loans
Church Commissioners Local Authorities Property Investment Fund - This fund is aimed solely for use by public sector organisations wishing to invest in the property market whilst at the same time generating a favourable rate of return.	10 Years

Loan Profile as at 31.03.2017

£m

50
40
30
20
10
0

- Market Loan
- Market Loan Potential 1st call date
- PWLB

01.04.17 01.04.19 01.04.21 01.04.23 01.04.25 01.04.27 01.04.29 01.04.31 01.04.33 01.04.35 01.04.37 01.04.39 01.04.41 01.04.43 01.04.45 01.04.47 01.04.49 01.04.51 01.04.53 01.04.55 01.04.57 01.04.59 01.04.61 01.04.63 01.04.65 01.04.67

Year

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APPENDIX 4

INVESTMENT CREDIT AND INSTITUTION RISK MANAGEMENT

The Council receives credit rating advice from its treasury management advisers, as and when ratings change and institutions are checked promptly to ensure it complies with the Council’s criteria. The criteria used are such that any minor downgrading should not affect the full receipt of the principal and interest. Any institution failing to meet the criteria, or those on the minimum criteria placed on negative credit watch, will be removed from the list immediately, and if required new institutions which meet the criteria will be added to the list.

Classification	Description	Credit Rating Agency		
		Fitch (Minimum)	Moody’s (Minimum)	Standard & Poors (Minimum)
Short Term	Ensures that an institution is able to meet its financial obligations within 12 months	F1 (Range F1+ , F2 A to D)	P1 (Range P1 to P3)	A1 (Range A-1 , to C)
Long Term	Ensures that an institution is able to meet its financial obligations greater than 12 months	A- (Range AAA to D)	A3 (Range AAA to C)	A- (Range AAA to CC)

Investment Institution information.

Whilst the Council’s Investment institutions list is prepared primarily using credit rating information, full regard will also be given to other available information on the credit quality of each institution in which it invests. The information below will continue to be considered when undertaking investments;

- Credit default swaps - CDS created in 1997 and are a financial instrument for swapping the risk of debt default. Essentially the owner of the position would enter into an agreement with a third party who would receive a payment in return for protection against a particular credit event – such as default. Whilst absolute prices can be unreliable, trends in CDS spreads do give an indicator of relative confidence about credit risk.
- Equity prices – like CDS prices, equities are sensitive to a wide array of factors and a decline in share price may not necessarily signal that the institution in question is in difficulty.
- Interest rates being paid - If an institution is offering an interest rate which is out of line with the rest of the market this could indicate that the investment is likely to carry a high risk.
- Information provided by management advisors – this may include some information detailed above together with weekly investment market updates.
- Market & Financial Press information – information obtained from the money market brokers used by the Council in respect of interest rates & institutions will also be considered.

No investment will be made with an institution if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

Investment Limits

In order to safeguard the Council's investments and in addition to the information shown at Appendix 3, due care will be taken to consider country, group and sector exposure as follows;

- **Country** – this will be chosen by the credit rating of the Sovereign state as shown at Appendix 3 and no more than 40% of the Council's total investments will be directly placed with non-UK counterparties at any time;
- **Group** – this will apply where a number of financial institutions are under one ownership (e.g. Royal Bank of Scotland / Nat West) and the Group limit will be the same as the individual limit for any one institution within that group;
- **Sector** limits will be monitored regularly for appropriateness.

Investment Risk benchmarking

Security and liquidity benchmarks are central to the approved treasury strategy through the institution selection criteria and proposed benchmarks for these are set out below.

Security - A method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table below shows average defaults for differing periods of investment grade products for each Fitch/Moody's and Standard and Poors long term rating category over the period 1981 to 2015.

Long term rating	Average 1 yr default	Average 2 yr default	Average 3 yr default	Average 4 yr default	Average 5 yr default
AAA	0.04%	0.10%	0.18%	0.27%	0.37%
AA	0.01%	0.02%	0.08%	0.16%	0.23%
A	0.07%	0.19%	0.36%	0.55%	0.77%
BBB	0.15%	0.46%	0.82%	1.26%	1.73%
BB	0.70%	2.04%	3.48%	5.21%	6.71%
B	3.04%	7.14%	11.06%	14.40%	17.24%
C	19.73%	28.03%	33.43%	37.39%	40.41%

The Council's minimum long term rating criteria is currently "A", meaning the average expectation of default for a one year investment in an institution with a "A" long term rating would be 0.07% of the total investment (e.g. for a £1m investment the average loss would be £700). This is only an average as any specific institution loss is likely to be higher.

Liquidity – The CIPFA Treasury Management Code of Practice defines this as *“having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable at all times to have the level of funds available which are necessary for the achievement of its business/service objectives”*.

The availability of liquidity and the period of risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio (shorter WAL would generally represent less risk).

INVESTMENT & EXTERNAL DEBT POSITION AS AT 31.12.2016

	Principal £m	Average Rate %
DEBT		
Fixed rate:		
- PWLB	45.5	6.10
- Market	24.8	4.06
Sub-total	70.3	5.38
Variable rate:		
- PWLB	0.0	0.0
- Market	35.0	6.08
Sub-total	35.0	6.08
Total debt	105.3	5.61
INVESTMENTS		
- Fixed rate	(76.7)	0.72
- Variable rate	(14.4)	1.74
Total Investments	(91.1)	0.88
NET ACTUAL DEBT / (INVESTMENTS)	14.2	

TRAFFORD BOROUGH COUNCIL

Report to: Executive & Council
Date: 22 February 2017
Report for: Decision
Report of: The Executive Member for Finance and the Chief Finance Officer

Report Title

FEES, CHARGES & ALLOWANCES 2017/18

Summary

This report summarises the salient features of the annual review and pricing of the Council's main fees and charges. The booklet that details individual fees and charges can be found on the Council's website in the area that supports the agenda.

The Fees and Charges booklet represents the main fees and charges to the public upon which the Executive's proposed budget for 2017/18 has been based. Most fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget process. New charges for 2017/18 or revised wording to existing charges are highlighted in blue on the schedule and significant changes are referred to in paragraph 3.3 below.

The fees and charges are inclusive of VAT, where indicated, and delegated authority to Corporate Directors and the Chief Finance Officer, is sought to amend the level of the relevant fee or charge as appropriate if there are changes to the rate of VAT during 2017/18, which is the Council's traditional practice.

As in previous years, the majority of fees and charges have been coded as to the extent of discretion the Council has to establish the fee or charge, and then the level of discretion to determine the level of fee or charge.

Recommendation(s)

It is recommended that:

- The Fees and Charges for 2017/18, as set out in the booklet available on the Council's web site, be approved.
- Approval be delegated jointly to each Corporate Director with the Chief Finance Officer to amend fees and charges during 2017/18 in the event of any change in the rate of VAT, as appropriate.

Contact person for access to background papers and further information:

Name: Councillor Patrick Myers, Executive Member for Finance
 Nikki Bishop, Chief Finance Officer Extension: 4238

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed draft budget for 2017/18 supports all key priorities and policies.
Financial	The report sets out the proposed Fees and Charges for 2017/18.
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	The Council has complied with the requirements of its Equality Duty and where appropriate an Equality Impact Assessment was undertaken and considered. Those Equality Impact Assessments are published as background papers to this report.
Sustainability Implications	None arising out of this report.
Staffing/E-Government/Asset Management Implications	Human Resources – statutory processes have been complied with during the course of these budget proposals in respect of staffing implications.
Risk Management Implications	The risks associated with the budget proposal have been considered.
Health and Wellbeing Implications	The Council has complied with the requirements of its Equality Duty and where appropriate an Equality Impact Assessment was undertaken and considered. Those Equality Impact Assessments are published as background papers to this report.
Health and Safety Implications	The health and safety implications of the budget proposals have been considered.

Other Options

All options at an individual fee or charge basis would have been considered, where appropriate, during the budget process.

Consultation

The details and results of the budget consultation exercise are referred to in the Council's main Budget Report together with the review of the proposals and process by the Council's Scrutiny Committee.

Reasons for Recommendation

To fulfill the obligations outlined in the Council Constitution for the budget process.

Key Decision

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

Finance Officer ClearanceGB.....

Legal Officer ClearanceMJ.....

CORPORATE DIRECTOR'S SIGNATURE



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

INTRODUCTION

- 1.1 The detailed fees and charges booklet is available on the Council's web site alongside other agenda items. It represents a schedule of the main fees and charges which the Executive is proposing to charge for services in 2017/18 and included in the revenue budget proposals for 2017/18 to be presented to Council on 22 February 2017.
- 1.2 It should be noted that the booklet mostly relates to fees and charges levied on the general public, businesses or service users. Trading income, particularly internal trading income such as that with Schools, is not covered within the fees and charges booklet as it is subject to individual contracts and negotiations. The Council also charges for certain services on a commercial basis, in competition with other providers, and these are excluded from the booklet for this reason (e.g. trade waste).

2. COUNCIL DISCRETION IN SETTING FEES & CHARGES

- 2.1 All fees and charges are subject to relevant legal constraints. Some fees and charges are required by law to be established and administered by the Council, others can be established at the Council's discretion. Once established, regulations then influence the extent or level of the fee or charge. Some fee or charge levels are set by regulation, others are limited by regulation, and some can be determined freely by the Council, though subject to other influencing factors such as competition.
- 2.2 The schedule of fees and charges indicates which fees are Mandatory (M) and which are Discretionary (D) for both the establishment of the charge (the first indicator) and then setting the level of the charge (the second indicator). For example, a fee that must be established and administered by the Council, but the level of fee or charge can be freely determined by the Council would be marked 'M / D'.

How is it determined that a fee or charge can be levied?	Who or how is the rate of the fee or charge determined?	Example of Fee or Charge	KEY
Regulation	Regulation – the rate of charge is fixed by regulation.	Registrar Certificates Gaming Permits	M / M
Regulation	Regulation – the Council can choose between lower and/or upper limits.	Casino applications Entertainment Licences	M / D*
The Council	Regulation – the Council can only recover costs & reasonable overheads and/or between upper and lower limits or other limit.	Fixed Penalty Notices	D / D*
Regulation	The Council	Environmental searches Marriage & Civil Partnerships	M / D
The Council	The Council	Library charges Land charges & search fees	D / D

2.3 The above table has been RAG shaded in terms of extent of Council discretion from red (top 1) where fees and charges are mostly determined by regulation, to green (bottom 2) where the Council has greater control on establishing and setting fee or charge levels. In the middle, or amber zone, Council's discretion is limited by regulatory rules, and for the fees or charges that are subject to such rules a code of 'D*' is used in the booklet, usually with a statement that describes the relevant rule at the bottom of the page or table.

3. Summary of Fees and Charges movements

3.1 The booklet states the percentage increase for each fee or charge. The following table provides key statistics by the type of charge using the coding system outlined in section 2. It should be noted that an increase in the level of fee or charge may not generate the same increase in actual revenue as purchases or uses of the service may vary. Further, any average increase does not suggest the increase in total revenue as some charges may increase substantially in percentage terms but not in monetary, and that some charges are levied more often than others.

Discretion Code	No. of Charges (No.)	As a % of the Total (%)	Charges yet TBA (No.)	% of Charges that have changed (%)	Average increase # (%)
M / M	64	8%	0	19%	2%
M / D*	80	10%	0	0%	0%
D / D*	11	1%	0	0%	0%
M / D	66	8%	0	77%	4%
D / D	615	73%	0	54%	19%
Total	836	100%	0	48%	16%

This does not represent a 16% increase in income as the averages are calculated as a simple average increase on the unit charges and are not weighted by the level of income generated by each charge.

3.2 Approximately 19% of mandatory fees have changed by an average of 2%. Where the Council has discretion to increase the charge level, all such charges have been reviewed as part of the budget process and consequentially there is much greater movement in those fees and charges. Where the Council has discretion to charge up to a maximum amount set by legislation, many of the current fees are already close to the statutory limit.

3.3 The key highlights with regard to specific charges are:

Economic Growth, Environment & Infrastructure: has the majority of the Council's fees and charges. The main changes within this service are:

- Parking Fees - these have increased in line with the proposals included in the Council's main Budget Report, and following consultation;
- Pest Control - charges have been rationalised and also re-set to better reflect how the service is delivered and the cost of delivery. Pest control

operates in a commercial environment and fees have also been reviewed with this in mind;

- Stray Dogs - the fee has been reviewed to better reflect the recovery of actual costs of delivery.

Transformation & Resources: The main changes within this service are:

- Nationality Checking Service - two fees relating to children have increased by more than 10.0% to better reflect cost recovery;
- Libraries - Adult fines have increased in line with an AGMA review to simplify charges across Greater Manchester;
- Musical Scores - fees have increased to reflect increasing costs.

- 3.4 The schedule of fees and charges has been reviewed by management, and amendments made to include those fees and charges which should be brought to the attention of Council at the time of setting the budget, or exclude those that are superfluous or negotiated on a commercial basis.

4. Recommendations

4.1 It is recommended that:

- The Fees and Charges for 2017/18, as set out in the booklet available on the Council's web site, be approved.
- Approval be delegated jointly to each Corporate Director with the Chief Finance Officer to amend fees and charges during 2017/18 in the event of any change in the rate of VAT, as appropriate.

TRAFFORD COUNCIL

Report to: Executive
Date: 22nd February 2017
Report for: Decision
Report of: Executive Member Adult Social Care and Community Wellbeing

Report Title

Fair Price for Care : Outcome of the review of the price for homecare and residential and nursing care

Summary

This report describes the process undertaken to determine a Fair Price for Care in Trafford.

This report outlines the approach adopted by Trafford Council and takes account of the low response traditionally received from the sector in determining the price for care. Consideration was given to national factors that will be impacting on the current market, in particular the increase of the national living wage and the impact of the retail price index.

Work undertaken over the last 4 years to assess a 'Fair Price for Care' in Trafford has led to a cumulative increase of:

- 8.4 % in homecare fees
- 11.3 % in residential and nursing care fees paid by the Council.

Trafford rates when benchmarked against Greater Manchester authorities are comparable to those within the sub region.

The recommendation is based on the cost pressures identified in section 5 of the report, namely:

- Affordability in the context of the financial challenges faced by the public sector
- Inflation at 2.6% in January 2017
- The impact of the increase in the National Living Wage
- Assessment of the sub regional authorities

Taking all of these factors into account the recommendation to the Executive is to approve a inflationary uplift for :

- the homecare market of 3.54% for 2017/18
- the residential and nursing care market of 3.2% for 2017/18
- that the new rates be agreed as the discretionary fee and charges for 2017/18

Recommendation

That Executive approves an inflationary uplift to the care fee rates paid by the Council of:

- **3.54% for the homecare market for 2017/8**
- **3.2% for the residential and nursing care market for 2017/8**

for the reasons set out in this report.

Contact person for access to background papers and further information:

Name: Jill Colbert

Extension: 1901

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The report impacts on the following corporate priorities; <ul style="list-style-type: none">• Supporting Vulnerable People• Low Council Tax and Value for Money
Financial	The recommendations will have a financial impact of approximately £688k which is £158k higher than that budgeted for in inflation. This is to be met from within the overall growth that has been allocated to the Adult Social Care budget.
Legal Implications:	Set out in the body of this report
Equality/Diversity Implications	The equality and diversity implications been taken into account.
Sustainability Implications	Not applicable
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	The recommendation in inflationary uplift for homecare represents a holding position whilst a different model is developed with providers that focuses on delivering more positive outcomes for Trafford residents.
Health and Safety Implications	Not applicable

1.0 Background

- 1.1 Trafford has a vibrant social care market and the Council works with 35 different homecare providers, and there are also over 40 residential and nursing care homes in the borough. However, Trafford's social care market is not only experiencing the same challenges as the rest of the country, but also some challenges which are particular to Trafford. National challenges include the difficulty in recruiting and retaining homecare staff, primarily because of the way in which homecare is commissioned on a time-based, zero hours basis and the difficulty in recruiting nurses for nursing homes, resulting in homes exiting the market because of the financial implications of agency rates.
- 1.2 The challenges in the homecare market are exacerbated in Trafford, because we have both a thriving economy and a well-educated workforce. This means that there is a very small workforce from which home care staff can be recruited. Providers have told us that both recruitment and retention pose problems for them, as it is difficult to retain staff against competition from new supermarkets entering the market, as well as seasonal recruitment from shopping malls. This together with the ability of staff to choose when they work means that capacity fluctuates within the market at peak times.
- 1.3 Trafford is leading a Greater Manchester social care workstream to address both the fluctuating capacity issues within the market, and quality issues, with the view of developing a financially sustainable model.
- 1.4 Manchester City Council is leading the Greater Manchester workstream which seeks to address some of the issues being experienced by residential and nursing homes, and the consequent impact on both capacity across Greater Manchester together with the need to deflect residents away from accident and emergency.
- 1.5 Trafford Council continues to support the homecare, and the residential and nursing home sector to provide a high quality of care, working closely with the CCG to ensure that the right blend of social care and health expertise is provided to organisations in a timely manner to support them to improve or maintain a good quality service. The work of the team has been recognised by CQC.
- 1.6 Despite the problems that the social care market is experiencing, Trafford continues to be the location of choice for many new entrants to the market because of the location and leafy green nature of parts of the borough, together with the ability to attract people who wish to fund their own care, as well as those who require support from the Council.
- 1.7 Each year Trafford Council supports existing placements and makes new placements at a cost of approximately £15.6 million. This constitutes approximately 33% of the adult social care budget for 2015-16.
- 1.8 Trafford Council has engaged annually with the market to agree a "Fair Price for Care". The approach relied heavily on providers disclosing the make-up of their budgets in order to ascertain the costs pressures that the market was experiencing. However, year on year the number of respondents dropped considerably, rendering this approach unhelpful.
- 1.9 For this year, a different methodology was used to engage with providers. Based on previous years' submissions and CIPFA guidance, it was possible to estimate the impact of the National Living Wage on the staffing element of the budget, and the impact of the Retail Price Index on the remainder of the budget. This calculation informed the proposed inflationary uplift which was then consulted on with homecare, residential and nursing providers.

2.0 Legal Context

- 2.1 The Care Act 2014, from 1st April 2015, replaced the piecemeal legislation across the previous sixty years. The Care Act 2014 gives effect to, amongst other things, the following provisions:
- Requiring the Council to promote individual wellbeing and apply the wellbeing principle in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.
 - The Council is responsible for preventing, reducing or delaying care and support needs
 - Requires that the Council must promote the efficient and effective operation of a market of services for meeting care and support needs. The Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.
 - Specifies the requirements of a personal budget prepared for each adult needing care or support itemising the cost of meeting assessed need and individual financial assessment in terms of actual payment
 - Entitles an adult to express a preference for particular accommodation
- 2.2 In addition to these provisions, the Council has a responsibility for market shaping as prescribed by the Act. Supplementing the Care Act 2014, there is further legislative provision and statutory guidance which has been issued by the Department of Health. The relevant regulations are the Care and Support and Aftercare (Choice of Accommodation) Regulations 2014 (the Choice Regulations”) which state that a local authority has to meet the provision of preferred accommodation. The effect of the Act, regulations and guidance, is to require the Council to facilitate and shape their market for adult care and support as a whole.
- 2.3 The statutory guidance issued under the Care Act 2014 states that local authorities must focus on outcomes when pursuing market shaping and commissioning. This is set out in the guidance. These include:
- Councils should have regard to guidance on minimum fee levels
 - Councils must not undertake any actions which may threaten the sustainability of the market as a whole
 - Council should assure themselves and have evidence providers deliver services through staff remunerated so as to retain an effective workforce
- 2.4 The above replaces the previous legal framework under the National Assistance Act 1948. Whilst under the National Assistance Act 1948 the Council was under a requirement to settle the usual cost with care providers, the Care Act 2014 and guidance does not require this. However, the Council is under very similar obligations under the Care Act to the National Assistance Act 1948 as it is required to consider the cost of care and engage with the providers. Thus it remains lawful and is a useful tool in market shaping and complying with choice regulations.
- 3.0 Our Approach/Methodology**
- 3.1 Based on the low returns of previous years, the Council developed a transparent proposal for determining the inflationary uplift for 2017/8. This was based upon an analysis of the impact of the NLW and the RPI for the financial year. The calculation was shared by letter with providers and explained verbally through our regular Service Improvement Partnership meetings. Based on feedback from providers that they had already undertaken calculations to understand the impact on their organisations, providers were given a time frame within which to respond.

- 3.2 Responses were received from 4 homecare organisations, 1 local residential and nursing provider and 1 national nursing home provider.
- 3.3 Responses from the homecare providers were detailed and very helpful in identifying the differences between the Council's initial proposal, and the pressures that the homecare providers were under. Some responses requested a move towards a different model of commissioning – unfortunately, this was outside of the parameters of the review. Other responses detailed the impact of the apprenticeship levy of 0.5% and the impact of pensions.
- 3.4 Homecare providers were asked to extrapolate the additional impact of those factors for the financial year 2017/8 and unfortunately, no response was provided.
- 3.5 The Council decided that as the apprenticeship levy is applicable to all organisations – it is not a pass through cost – and is designed to encourage different organisational behaviour, we will seek to work with providers to look at how they can provide apprenticeships, rather than meeting the costs of their levies.
- 3.6 The local residential and nursing provider did not provide any detailed response, but commented that the proposal was not sufficient. The national provider gave a detailed response, asking for an inflationary uplift of 4.5%. This included the apprenticeship levy and does not take account of the variance in bed rates across Greater Manchester.

4.0 Market Factors

- 4.1 The homecare market in Trafford has been awarded a cumulative uplift of 8.4% over the last four years (a 1% uplift for 2013/14, a 1.5% uplift 2014/15, 1% in 2015/6 and 4.9% in 2016/7).
- 4.2 The residential and nursing care home market in Trafford has been awarded a cumulative uplift of 13.9% over the last five years (2.6% in 2012/13, 6% in 2013/14, 1.5% in 2014/15, 0% in 2015/16 and in 3.8% in 2016/7).
- 4.3 Discussions have taken place across Greater Manchester to determine the likely inflationary uplift to be offered to providers. Unfortunately, other authorities are still in the process of beginning those discussions and were unable to share details. However, colleagues across Greater Manchester have indicated that the inflationary uplift they were considering is well within the range of that being set by Trafford.
- 4.4 The only variation in inflationary uplifts across Greater Manchester is likely to be that for residential and nursing rates. This is because Trafford Council have set a higher bed rate as a result of the work that has been undertaken with the market to establish realistic costs.

5.0 Recommendation and Rationale

- 5.1 The initial proposal that went to homecare providers utilised information from providers on spend from previous years – this provided some clarity on the average breakdown of spend across the market, which was not dissimilar to that identified by CIPFA.

Calculations were made based upon the impact of the new National Living Wage (a 4.17% increase) and the rate of inflation (at that time RPI was at 0.9%) for 2017 -18.

It was recognised that 80% of costs are staffing costs and that 78% of these are in relation to those that would receive NLW. The increase in the NLW (from £7.20 to £7.50 - 4.17%) was applied to this element. For the remaining element an allocation of 1% inflationary uplift was awarded (this relates to all other pay and running costs - RPI was currently at 0.9%) This gives an overall inflationary increase of 2.98% which equates to a 40p increase, raising the

hourly rate to £13.98.

- 5.2 The initial proposal that went to residential and nursing home providers utilised information from providers on spend from previous years – this provided some clarity on the average breakdown of spend across the market, which was not dissimilar to that identified by CIPFA.

Calculations were made based upon the impact of the new National Living Wage (a 4.17% increase) and the rate of inflation (at that time RPI was at 0.9%) for 2017 -18.

It was recognised that 60% of the overall costs/price paid is for staffing costs and that 70% of these are in relation to those that would receive NLW. The increase in the NLW (from £7.20 to £7.50 - 4.17%) was applied to this element. For the remaining element an inflationary uplift of 1% was applied (this relates to all other pay and running costs - RPI was at 0.9%) This gives an overall inflationary increase of 2.33%

The proposed rates are set out in the table below :

Rates	Trafford 16/17	Increase %	Increase £	Trafford 17/18
Residential	£418.01	2.33%	£9.74	£427.75
Residential EMI	£450.76	2.33%	£10.50	£461.26
Nursing	£462.86	2.33%	£10.78	£473.64
Nursing EMI	£520.31	2.33%	£12.12	£532.43

- 5.3 Following on from the consultation with providers, the figures were revised upwards in the interests of market stabilisation. An increase rate of RPI to 2.6% for 2017/8 had also been announced.

- 5.4 The revised rates have been calculated on the same formula as described above, and are as follows:

Rates	Trafford 15/16	Increase %	Increase £	Trafford 16/17	Increase %	Increase £	Trafford 17/18
Residential	£402.71	3.80%	£15.30	£418.01	3.20%	£13.38	£431.39
Residential EMI	£434.26	3.80%	£16.50	£450.76	3.20%	£14.42	£465.18
Nursing	£445.92	3.80%	£16.94	£462.86	3.20%	£14.81	£477.67
Nursing EMI	£501.26	3.80%	£19.05	£520.31	3.20%	£16.65	£536.96
Home Care	£12.94	4.95%	£0.64	£13.58	3.54%	£0.48	£14.06

- 5.5 The impact of the revised rates is approximately £688k additional spend in the Council's budget.

- 5.6 Based on these estimates and given the issues listed below, a recommendation is made by officers of an increase in payment to :
- the homecare market of 3.54% for 2017/18
 - the residential and nursing care market of 3.2% for 2017/18
 - the above rates are the discretionary fees and charges for 2017/18.

Issues taken into consideration include:

- Recruitment: For a sector with high turnover and loss of staff, this is always a significant cost

- The impact of the National Living Wage
- Proportion of running costs spent on staffing
- Inflation is currently estimated at 2.6% . .
- Affordability: The impact of increased budget pressures for the Council in the context of an original budget gap for 2017/18 of £25.37 million is a major factor to balance against any increase in rates

6.0 Options

6.1 Option 1: Do Nothing

This option is not recommended.

The social care market has been recognised nationally as being extremely fragile and the Council has a statutory duty to maintain market stability and sufficiency under the Care Act 2014.

Not providing an inflationary uplift at a time when providers must pay the National Minimum Wage and the National Living Wage would only destabilise the market. In addition, people are living longer with very complex health care needs and Trafford requires a robust and skilled workforce to continue to provide high quality care for some of the most vulnerable people in our community

6.2 Option2: Offer an increase of 3.54% to the homecare market and 3.2% to the residential and nursing home market

The rationale described in section 5 has identified that an inflationary uplift of this level will enable providers to meet the requirements of the National Minimum Wage and the National Living Wage and the additional pressures of inflation.

This will result in a financial impact of approximately £688k which is £158k higher than that budgeted for in inflation. This is to be met from within the overall growth that has been allocated to the Adult Social Care budget.

7.3 Option 3: Offer an increase other than that recommended

The recommended increase is based on an analysis of the cost pressures on providers and includes an element of flexibility to ensure that market sustainability and quality is maintained whilst being affordable for the Council.

An increase of less than the recommendations could undermine market stability as providers will not be able to meet their mandatory responsibility to pay staff the National Living Wage, resulting in services becoming financially unviable. This would impact negatively on the local health and social care system, with a potential knock on effect for supporting timely discharge from hospital.

An increase of more than the recommendations would impact negatively on the Council's finances and would be unaffordable. The Council will have less money available to meet its statutory duties and to continue to support vulnerable adults.

7.3 The recommendation is to agree Option 2.

Key Decision: Yes

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

Finance Officer Clearance *(type in initials)*...JLF.....

Legal Officer Clearance *(type in initials)*...NB.....

CORPORATE DIRECTOR'S SIGNATURE *(electronic)*



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

TRAFFORD COUNCIL

Report to: Executive
Date: 22 February 2017
Report for: Noting
Report of: Helen Jones, Deputy Chief Executive

Report Title

Trafford's Approach to Developing a Portfolio of Investment Opportunities

Summary

This report sets out the proposed approach to securing and developing investment opportunities to generate sustainable income streams to support the Council's revenue budget.

Recommendation(s)

- 1) To note and approve the approach set out in this report.
- 2) To note the intention to begin a tender exercise to secure an expert investment adviser.
- 3) To note the intention to explore the establishment of a Trafford Property Company and to secure the relevant expert advice.
- 4) To note that a further report will be brought back to the Executive, with an update on progress and to seek approval for an investment strategy and appropriate vehicle.

Contact person for access to background papers and further information:

Name: Helen Jones
Extension:

Background Papers:

None.

Implications:

Relationship to Policy Framework/Corporate Priorities	The investment programme will need to be reflected in both the Treasury Management Strategy and the Capital Programme which will be presented to Council in February 2017.
Financial	<p>As each investment proposition is considered a business case showing a detailed analysis of the capital and revenue implications and associated risk levels will be prepared.</p> <p>Dependant on the complexity of the opportunity, the Council may need to procure a due diligence review before undertaking the investment.</p> <p>It should be noted that the process of setting up a property company will require expenditure on specialist external legal and financial advisors.</p> <p>There may be tax and VAT implications associated with investment activity.</p>
Legal Implications:	<p>Local authorities have the power to invest in property through a range of statutory provisions, principally through the general power of competence under the Localism Act.</p> <p>There are a range of different vehicles which can be used to undertake and manage investment. The appropriate form to set up would be determined by the specific circumstances in each case.</p> <p>Specialist legal advice is to be obtained as to the appropriate structure which would allow the Council to maximise its investment opportunities.</p> <p>The Council would not be restricted to investments within Trafford, subject to the appropriate agreements being in place.</p>
Equality/Diversity Implications	None.
Sustainability Implications	None.
Resource Implications e.g. Staffing / ICT / Assets	None.
Risk Management Implications	The purpose of securing appropriate specialist advice is to ensure that any risks are identified or mitigated. Follow up reports will identify any risks clearly.
Health & Wellbeing Implications	None.

Health and Safety Implications	None.
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1.0 Background

- 1.1 A report was brought to Executive in December 2016 setting out the Council's intention to explore opportunities to secure investments to generate sustainable income streams using its favourable prudential borrowing position. The preference will be for investments that deliver revenue returns and the potential for capital uplift, along with a model of investment that will bring both an immediate return and a longer term income stream.
- 1.2 More work has been done, as part of an emerging Investment Strategy, to investigate the potential approaches that are available to the Council to put in place arrangements to deliver a portfolio of investment opportunities. These are set out in Section 2 of this report.
- 1.3 The 2017/20 Capital Programme Report contains an estimated sum of £20m for property investment and the related borrowing requirement is reflected in the Treasury Management Strategy Report.

2.0 Approach to Securing Investment Opportunities through Acquisition of Investment Property.

- 2.1 As set out in the report to December Executive, many local authorities are acquiring 'off the shelf' commercial property to generate income. Investment property acquisition is a complex area and before embarking on an Investment Strategy, the Council will need to appoint an expert property adviser with a sound track record of delivery to advise about relative merits of one investment opportunity over another.
- 2.2 Soft market testing has taken place with a number of advisors and there are several firms with expertise in this area who could be appointed. STAR Procurement have advised about the process and the intention is to seek proposals in response to an invitation to tender via the CHEST.
- 2.3 From research that has been carried out it will be important for the Council to be clear about its appetite for risk and issues such as length of lease terms, future management of the asset and residual value / redevelopment potential will all be important criteria to be considered when deciding on a potential acquisition. The expert advice that we are seeking will provide greater clarity around specific risks and this in-turn will inform the scope and content of the investment strategy.
- 2.4 A Capital Investment fund will be established and the aim is to secure a portfolio which will contain income generating assets which will yield future sustainable revenue streams for the Council and also cover any borrowing costs. As each investment proposition is considered a business case showing a detailed analysis of the capital and revenue implications and associated risk levels will be prepared.
- 2.5 The scope of the Investment Strategy and the appetite for risk are both factors which will have a bearing on the way in which investment opportunities could be delivered. The options in this regard range from a requirement that each potential acquisition is considered through the Executive; delegation of decisions on investments to an

Executive member; delegation to an officer/member panel; and the establishment of an Investment company. The establishment of an investment company offers certain additional benefits in that it would enable the Council to invest outside the borough. The proposal at this stage is to seek expert legal advice in relation to the establishment of an investment company. Such advice will evaluate all available options so that the Council proceeds in the most effective way.

3.0 Approach to Securing Income through Investment in the GM Investment Fund.

- 3.1 The Evergreen fund is already established for GM. This fund has been running for several years and was funded in part by European Regional Development Fund. It is a revolving fund (i.e. profits generated are recycled back into the fund) and is used to provide development finance for a range of schemes that deliver regeneration, financial and employment outcomes. There is no target rate of return and the fund does not cover retail investments.
- 3.2 The Council has the opportunity to invest directly into the fund in order to deliver revenue returns for the Council. The proposal and the potential returns to the Council need to be considered more fully.
- 3.3 The GM Fund is managed by CBRE who are FSA registered / approved. The governance and due diligence is carried out by the established GM Investment Team. Trafford already makes an annual contribution towards the costs of the investment team.

4.0 Investment Opportunities through Participation in Development.

- 4.1 The Council has the opportunity to use its land holding and / or prudential borrowing to become a direct developer or a partner with developers to bring forward development and regeneration schemes within Trafford. These could be residential, commercial or mixed use schemes. The key determination would be that the developments deliver economic growth whilst still delivering financial return for the Council.
- 4.2 The advantage of Trafford based development schemes is that the Council would be investing in promoting growth in Trafford and using capital monies as part of our overall strategic vision for the Borough and increasing business rates and the Council Tax base.
- 4.3 The Council owns land in town centres where there may be the opportunity to use its land holdings to secure ongoing income streams rather than simply selling land for a capital receipt. Options for all redevelopment and regeneration schemes will be explored on a case by case basis.
- 4.4 Where appropriate the Council is already seeking revenue returns when it disposes of land. An example of this is the recent procurement of a development partner for Regent Road car park in Altrincham that will deliver 148 newly resurfaced public parking spaces along with additional commercial parking spaces that will generate an ongoing income to the Council of approximately £50,000 per annum.

4.5 We have previously identified that there are a number of approaches to property holding and investment. We have identified that there is significant potential for the council to use investment to stimulate economic growth and also to secure a financial return (either aligned to such growth or as an end in its own right). However further work is required both to shape the investment strategy and to identify the most effective and tax efficient delivery vehicles.

Other Options

The Council could choose not to explore potential opportunities to invest in property, including those which might require considering the use of prudential borrowing to finance the acquisition. This would avoid the potential for the Council to be exposed to potential commercial risk. However this would mean that the ability to generate new sustainable income streams would be missed and the potential to reduce the budget deficit through increased income would be lost.

Consultation

No consultation is required at this stage and each proposal will be assessed to determine any impact and therefore the consultation required.

Reasons for Recommendation

The scope of approaches set out in this report would lead to a balanced portfolio of investment aspects, spreading risk and maximising returns.

Finance Officer Clearance (type in initials)...NB.....
Legal Officer Clearance (type in initials)...JLF.....

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

Helen Jones

.....
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: 22 February 2017
Report for: Decision
Report of: Executive Member for Economic Growth, Environment and Infrastructure

Report Title

Proposal for the procurement of Water, Wastewater, and Ancillary Services

Summary

The report provides information on the proposal for Trafford Council to procure and subsequently award a contract for the supply of water, wastewater, and ancillary services, together with associated timelines.

Recommendation(s)

1. That the contents of the report are noted.
2. That Trafford Council procures a provider or providers, to supply water, wastewater and ancillary services.
3. That the Corporate Director for Economic Growth Environment and Infrastructure be authorised to approve a proposal to proceed with an award of the contract(s) by Trafford Council for the provision of water, wastewater, and ancillary services.

Contact person for access to background papers and further information:

Name: Richard Roe (Director of Growth and Regulatory Services)
 Extension: 4265

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	This report contributes to a number of Corporate Priorities, in particular: Economic Growth and Development and Low Council Tax and Value for Money
Financial	<p>The annual spend on water supply across the Council estate is estimated at £313.7k. There is a further spend of £818.5k for schools. This totals £1.1m per annum.</p> <p>Market intelligence suggests that a saving of between 1% and 3% could be expected on a</p>

	competed contract following market deregulation, with further savings possible from 2020 following an Ofwat review.
Legal Implications:	Trafford Council has a duty to ensure that the procurement of water, wastewater and ancillary services is in compliance with the Public Contracts Regulations 2015. Trafford Council will be required to mitigate risks and undertake the compliant procurement activities in line with the timescales, as identified in the report.
Equality/Diversity Implications	No Implications Identified
Sustainability Implications	Not Applicable
Resource Implications e.g. Staffing / ICT / Assets	As set out in the report
Risk Management Implications	Not Applicable
Health & Wellbeing Implications	Not Applicable
Health and Safety Implications	Not Applicable

1.0 Background

- 1.1 The water market in England has mostly operated as a series of regional monopolies which means that currently due to market regulation, businesses and non-household water users are only able to buy their water from their regional water supplier and as such market competition cannot be facilitated due to the regulated market monopoly.
- 1.2 The water supply market is being deregulated from April 2017. The main effect of market deregulation means that businesses and eligible non-household users in future will not be able to contract directly with the water wholesaler (United Utilities) in this region, instead they will have to contract and source their water supply through a retailer. This means that from 1st April, businesses and eligible non-household water users, including public authorities and public sector organisations such as schools, will have the ability to choose their supplier of water, wastewater and ancillary services. 'Eligible' customers are non-household premises that pay business rates. This also means that public authorities and public sector organisations will be required to assess their current contractual arrangements and develop a strategy for the procurement of their future water, wastewater and ancillary services supplies.
- 1.3 The introduction of more competition into the marketplace is likely to increase incentive for suppliers to reduce costs or provide better services. Scotland is already deregulated, and most wholesalers have created retail arms, each of which will have access to our regional wholesaler, creating a competitive market place. Future competition in the market will provide businesses and eligible non-household water users with an opportunity to secure best value in the provision of their water, wastewater and ancillary services
- 1.4 The wholesale market will continue to be regulated by the Water Service Regulation Authority ('Ofwat') and so deemed rates will be very similar, if not the same, as current rates.

- 1.5 Where there is an intention award a contract, the value of which is in excess of the current EU threshold of £164,176, Public bodies and entities governed by public law must ensure compliance with the Public Contracts Regulations 2015 in sourcing its preferred supplier.
- 1.6 In accordance with the Public Contracts Regulation 2015, Trafford Council are required to undertake a procurement exercise to source a new supplier as of 1st April 2017. Trafford Council is unable to compliantly procure a supplier before 1st April for the reasons set out in this report.
- 1.7 Under the current regional supply contract arrangements, any business or eligible non-household customer which has not alternatively sourced and contracted for its water supply from 1st April will automatically transfer onto a rolling contract, with deemed rates, with their wholesalers retail arm. In this region this will result in a continued contractual arrangement between Trafford Council and Water Plus, which is the joint venture entity between United Utilities and Severn Trent.
- 1.8 Whilst the automatic transfer of contracted supply to Water Plus, from 1st April 2017 is not compliant with the Public Contracts Regulations 2015, and therefore there is a risk of legal challenge relating to the award of the non-compliant contract to Water Plus, the level of risk and likelihood of any such challenge being successful is considered to be minimal. The situation that Trafford Council finds itself now in, is due to circumstances wholly beyond the Council's control and it is a situation that all public authorities now find themselves in. An evaluation of the Council's options at this point, leaves no other viable option but to proceed as per the proposals contained in this report. To pursue any alternative option is likely to result in financial and business risks, at a consequence to the Council. Trafford Council will be required to mitigate the risks associated with the temporary non-compliant activity by ensuring that a compliant contract can be awarded as soon as reasonably practicable to do so and in line with the timescales identified in the report.

2.0 Proposed Procurement Activity

- 2.1 The Crown Commercial Service (CCS) is a public buying organisation, who are experienced at creating national framework agreements for wider public body use. CCS working with other public buying organisations such as: YPO, ESPO, NEPO and expert organisations such as: West Mercia Energy and The Energy Consortium, are currently establishing a framework: the Water Distribution and Related Services ("the Framework"), which will provide a compliant route to market for public bodies looking to procure water supply, waste water services and ancillary services. The Framework will be available for use by public bodies from April 2017.
- 2.2 STAR Procurement has led discussions around the future procurement of water, wastewater, and ancillary services with its respective partners, and also across AGMA authorities, and there is an appetite for a collaborative approach to the future procurement of water, wastewater, and ancillary services.
- 2.3 It has been agreed by AGMA Procurement Heads, that STAR Procurement will lead on the administration of an AGMA wide aggregated competition (including subsidiaries and partners, and schools) from the Framework on behalf of participating authorities for their water, wastewater, and ancillary service needs.
- 2.4 In general terms, the advantages of using the Framework include:

- No requirement to run an OJEU process.
- Contract support team - The scale of portfolios, brings significant benefits from supplier performance on billing, dispute resolution, dedicated personnel to manage accounts etc.
- Confidence in process – A significant number of local Authorities and Public Bodies use the Framework.
- No procurement cost to use arrangement.
- there is usually an offer a rebate for use of such Frameworks.

Having regard to the above, it is considered that accessing this Framework will offer public bodies the best value for money in current market situation.

- 2.5 A working group will be created that will consist of a number of representatives from the participating AGMA authorities and associated bodies. The group will work with STAR Procurement to agree a collaborative specification of requirements, and to undertake an evaluation of the bids received as a result of the competition.
- 2.6 STAR Procurement is continuing work with AGMA authorities and associated bodies to promote interest, ascertain aggregate spend details, and increase the levels of the participation of AGMA Authorities and associated bodies in the procurement process.
- 2.7 There is also scope to include Leisure Trusts across AGMA in this procurement process, and work is being undertaken by STAR Procurement to ascertain their interest and desire to join the collaborative procurement exercise.
- 2.8 The aggregated competition will: reduce procurement duplication across AGMA authorities; achieve efficiencies and realise benefits of economies of scale; and also test Framework providers on how they will deliver the specific requirements of each participating authority or associated body.
- 2.9 It is proposed that, whilst requirements will be aggregated for the purposes of the Framework competition, each participating authority or associated body, will be required to enter into its own contract with the successful bidder(s) following the conclusion of the competitive procurement process. The future contracts will be based on a total contract term of two years and seven months, therefore any contract entered into as a result of the competition would expire in March 2020. This will give the participating authorities and associated bodies the benefits of a reduced pricing during the contract period (following an Ofwat Price Review of the wholesale pricing), and also the stability of arrangements whilst the market establishes itself and develops.
- 2.10 For the reasons documented in this report, Trafford Council is unable to administer any alternative procurement exercise which could be concluded prior to April 2017. It is therefore proposed that:
- 2.10.1 from 1st April service provision will continue to be provided to Trafford Council pursuant to the automatic transfer of the current contract, with deemed rates, by Water Plus, the joint venture entity between United Utilities and Severn Trent; and
- 2.10.2 STAR Procurement will lead on a procurement exercise under which, the water supply, waste water services and ancillary services requirements of the participating AGMA Authorities (including subsidiaries and partners, and schools) will be aggregated for the purposes of administering a competition

under the Framework. The administration of a competition under the Framework can commence as of April 2017; and
 2.10.3 upon conclusion of the competitive exercise, Trafford Council will award a new contract under to the successful Framework provider(s) as of 1st August 2017.

2.11 It is proposed that STAR Procurement, in consultation with the STAR Legal Services, shall on the basis of the Framework terms and conditions, shall negotiate the terms of a contract which could be used by participating authorities once the competition has been concluded.

2.12 It is proposed that, the Corporate Director for Economic Growth Environment and Infrastructure, in consultation with the Director of Legal and Democratic Services, shall approve the terms of a contract between Trafford Council and the successful bidder(s).

2.13 It is proposed that, the Corporate Director for Economic Growth Environment and Infrastructure shall, utilising an officer key decision, approve the proposals to proceed with an award of the contract(s) by Trafford Council for the provision of water, wastewater, and ancillary services.

3.0 Timescales for Implementation

3.1 It is intended that the collaborative competition will be concluded, providing each participating authority and associated body with the opportunity to enter into its own contract(s) , by August 2017.

3.2 The high level and indicative timetable below sets out the actions required by STAR Procurement and participating AGMA authorities and associated bodies. This timetable is subject to change based on the varying factors of working across the number of intended collaborators:

Date Completed	Activity	Responsibility
February 2017	Executive approval	Participating AGMA authorities / Associated bodies
February	Communication to Traded Service Team for sending to Schools (after Cabinet decisions received)	STAR Procurement
February to May	Competition Documents Finalised	STAR Procurement, sign off by participating authorities and associated bodies
May / June	Invitation to Quotes Sent	STAR Procurement
June / early July	Quotes Returned	Bidders
Mid / Late July	Evaluation	Participating AGMA Authorities and associated bodies, moderated by STAR Procurement
Late July	Award Reports Signed Off	Authorities and associated bodies

Mid July	Contract Signed / Sealed at Council	STAR Procurement
1 st August 2017	Contract Commences	Authorities and associated bodies s to manage Contract after

- 3.3 The decision to defer the commencement of a competition under the Framework is based on knowledge of the fact that other public bodies, in the same situation as the participating AGMA authorities, are also likely to be seeking to utilise the Framework in the same way that is proposed by Trafford Council in this report and at the same time. A competition under the Framework in March would mean the participating AGMA authorities will be competing with a number of other buyers, and the strength of our aggregated requirements may be compromised. For example, if a bigger collaborative group (such as the London Councils) are administering a competition under the Framework at the same time, the AGMA collaborative competition may lose its attractiveness in terms of spend comparatives. This may result in less favourable bid submissions. By commencing the competition slightly later STAR Procurement can seek to minimise any direct competition with other purchasing authorities, and can aim to take advantage of any lessons learnt from earlier competitive processes.
- 3.4 The deferral of the commencement of the competitive exercise to May/June has been determined on the basis of ensuring that the participating authorities get the best value deal possible and the proposed timeline has been discussed and agreed across AGMA Heads of Procurement.

Other Options

Do Nothing:

In accordance with the Public Contracts Regulation 2015, Trafford Council are required to undertake a procurement exercise to source a new supplier as of 1st April 2017.

The automatic transfer of contracted supply to Water Plus, from 1st April 2017 is not compliant with the Public Contracts Regulations 2015.

To allow the continued provision of water, wastewater and ancillary services by Water Plus, is not an option as this would significantly increase and prolong the risk of a successful legal challenge of the award of a non-compliant contract.

Trafford Council administers its own compliant procurement exercise now:

This is a new market that is currently establishing structures and developing. There are significant risks associated with the instability of such a new market and it is likely that, during the initial stages, that the market will be flooded with buying organisations.

If Trafford Council commenced its own procurement exercise at this stage, it would be in direct competition with larger public buying organisations, like CCS and YPO, who are also looking to establish foundations in a developing market. In such a scenario, Trafford Council would be unlikely to generate favourable or quality responses during its own competitive exercise as suppliers are more likely to focus bidding strategies at larger

organisations looking to establish national frameworks, which in turn will generate more business for suppliers.

It should be noted that market suppliers have delayed the CCS/YPO procurement activities whilst they align themselves with their environment and prepare themselves adequately for a competitive tendering environment.

Trafford Council commences administration of its own compliant procurement exercise in April 2017:

If, based on the reasons detailed in the option analysis above, Trafford Council, postpones the commencement of its own procurement exercise until April and then commences its own procurement exercise, the point at which the Framework will be operative, the Council is likely to face issues of competition with other larger “more attractive” purchasing groups. The Framework will be newly established and it is likely that a large number of public authorities will take the same course of action as is proposed in the report. This, if it materialises, will mean that supplier focus will remain on the influx of purchasing utilising the Framework to competitively access the market.

It should also be noted that, the administration of its own procurement exercise by Trafford Council at such a time when there is already a compliant route to market via the Framework, undoubtedly amounts to a duplication of effort and resources and a failure to recognise, and capitalise on, the benefits realised by the Framework as detailed in this report.

Consultation

The proposal contained in this report do not require formal consultation

Reasons for Recommendation

In accordance with the Public Contracts Regulation 2015, Trafford Council are required to undertake a procurement exercise to source a new supplier as of 1st April 2017. Trafford Council is unable to compliantly procure a supplier before 1st April for the reasons set out in this report.

The proposed temporary continuation of the supply of water, wastewater, and ancillary services from Water Plus, during the period commencing on 1st April 2017 and expiring on 31st July 2017, will provide a period of time during which STAR Procurement can administer a compliant procurement exercise which will result in competitive packages of service realised through an aggregated purchasing exercise and it provide Trafford Council access to a secure contractual arrangement for the future supply of water, wastewater, and ancillary services from 1st August 2017 until March 2020.

Key Decision (as defined in the Constitution): Yes

If Key Decision, has 28-day notice been given? Initially; then meeting date brought forward, so default notice published.

Finance Officer Clearance PC
Legal Officer Clearance DA

CORPORATE DIRECTOR'S SIGNATURE *(electronic)*

Helen Jones

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

TRAFFORD COUNCIL

Report to: Executive
Date: 22 February 2017
Report for: Information
Report of: Executive Member for Transformation and Resources

Report Title

Annual Delivery Plan 2016/17 (Third Quarter) Performance Report

Summary

The attached draft report provides a summary of performance against the Council's Annual Delivery Plan, 2016/17. The report covers the period 1 October 2016 to 31 December 2016.

Recommendations

That Executive notes the contents of the draft Annual Delivery Plan Third Quarter Performance Report.

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 2016/17 Quarter 3 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 2016/17 and supporting management information, for the period 1st October 2016 to 31st December 2016.
- 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
 - Health and Wellbeing
 - Supporting Young People
 - Reshaping Trafford Council

2.0 Performance Update

- 2.1 The ADP has 36 indicators. To date, 28 of these have been reported in the third quarter. 8 are annual indicators which will be reported on later in the year.
- 2.2 Overall, performance in meeting targets remains good. There are 19 green indicators (on target), 4 amber indicators and 3 red (below target). Two indicators have no RAG status.
- 2.3 The following indicators are rated as green (on target):
 - 10% increase in online transactions
 - Percentage of Council Tax collected
 - Percentage of ground floor vacant units in town centres
 - Percentage of major planning applications processed within timescales
 - The number of housing units for full planning consents granted
 - The number of housing units started on site
 - The number of housing completions per year (gross) (Quarterly)
 - Percentage of Trafford Residents in Employment
 - The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).
 - Percentage of Highway safety inspections carried out in full compliance with the agreed programme
 - Average achievement of Customer Care PIs (Amey)
 - Maintain the position of Trafford compared to other GM areas in terms of Total Crime Rate.
 - Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)
 - Percentage of disadvantaged pupils achieving 5 A*-C GCSE including English and Maths (Annual indicator reported in 3rd Quarter)
 - Percentage of Trafford pupils educated in a Good or Outstanding school.
 - Number of young people accessing youth provision through the Youth Trust model
 - Maintain the low level of 16-18 year olds who are not in education, employment or training (NEET) in Trafford
 - Number of third sector organisations receiving intensive support
 - No of Locality Networking Events held (min 4 per locality per year)

2.4 The following are 10% below target (amber) and exception reports have been produced:

- Improve the % of household waste arisings which have been sent by the Council for recycling/composting
- Percentage of Business Rates collected.
- Percentage of pupils achieving 5 A*-C GCSE including English and Maths (Annual indicator reported in 3rd Quarter)
- Reduction in the proportion of children made subject to a Child Protection Plan for a second or subsequent time

2.5 The following are below target (red) and exception reports have been produced:

- Reduce the level of sickness absence (Council-wide, excluding schools) (days)
- Delayed Transfers of Care attributable to Adult Social Care per 100,000 population 18+ (ASCOF 2Cii)
- Number of NHS Health Checks delivered to the eligible population aged 40-74.

2.6 One Annual indicator reported in 3rd Quarter is a new indicator and therefore has no RAG status or Direction of Travel:

- Proportion of pupils at Key Stage 2 achieving expected levels in: reading, writing and maths

2.7 The following indicator cannot be reported, as the GMP quarterly Neighbourhood Survey has been discontinued after 2nd Quarter and therefore there will be no further data supplied for this indicator:

- To improve the public perception of how the police and the Council are dealing with ASB and crime by 5% across Trafford as a whole

Finance Officer Clearance *NB*
Legal Officer Clearance *MJ*

CORPORATE DIRECTOR'S SIGNATURE



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 2016/17
Performance Report Quarter 3**

1. Purpose and scope of the report

The report provides a summary of performance against the Council's Annual Delivery Plan (ADP) 2016/17 for quarter 3 and supporting management information.

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

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 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

G Performance meets or exceeds the target	↑	Performance has improved compared with the previous period
A Performance is within the agreed % of the target	↔	Performance is the same compared with the previous period
R Performance is more than the agreed % of the target	↓	Performance has worsened compared with the previous period

Where data is shaded, this indicates an estimated result and an assessment of performance by the Strategic Lead.



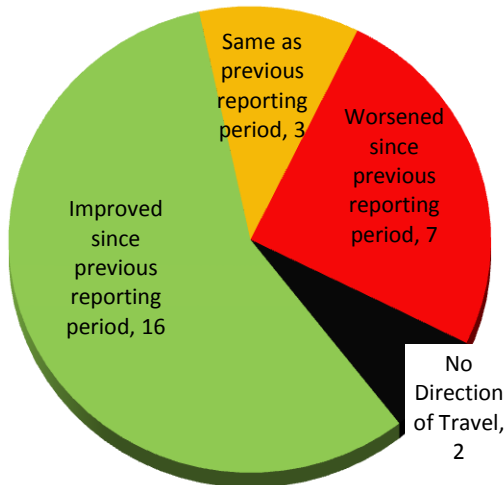
3. Performance Results

3.1 Performance Summary

Performance Indicator RAG Status by Corporate Priority



Direction of Travel of all Performance Indicators

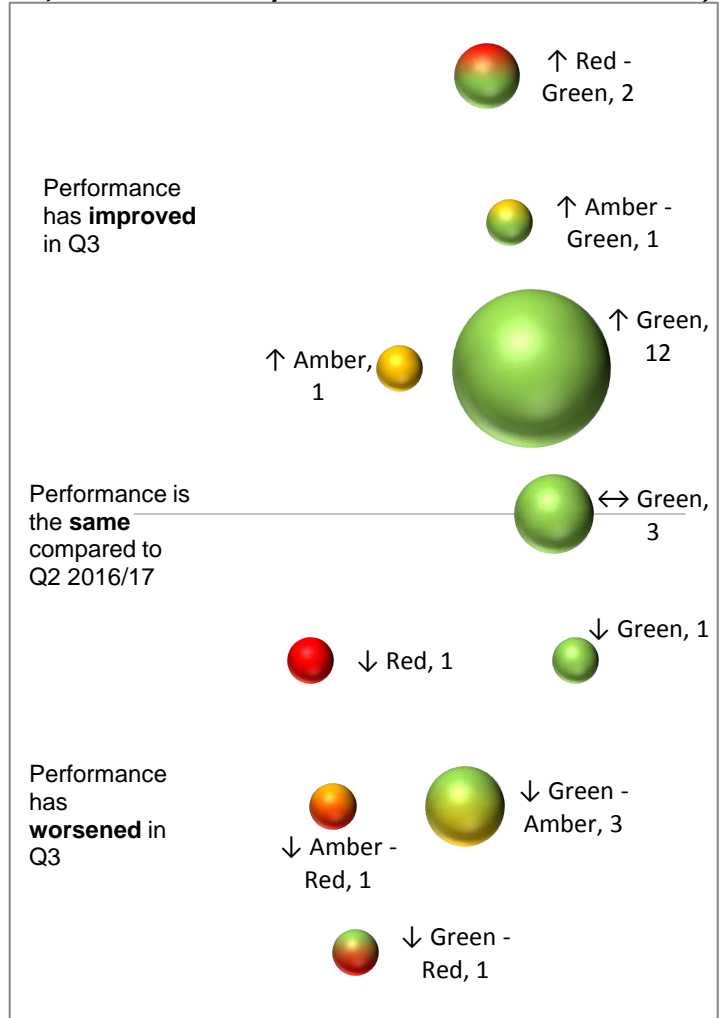


The ADP has 36 indicators: 11 of these are annual indicators, with 3 that have been reported in 3rd Quarter and 8 reported at year end. 25 are Quarterly indicators, of which 24 have been reported to date. One further indicator is to be discontinued, as no data is available after Q2.

There are 19 Green indicators (on target), 4 Amber and 3 Red. One new indicator has no target and therefore no RAG status or direction of travel.

16 have improved since last period, 3 have stayed the same, 7 have worsened since the last period.

Direction of Travel and RAG status (Position in relation to central line indicates direction of travel in Q3; size of bubble represents the number of indicators)



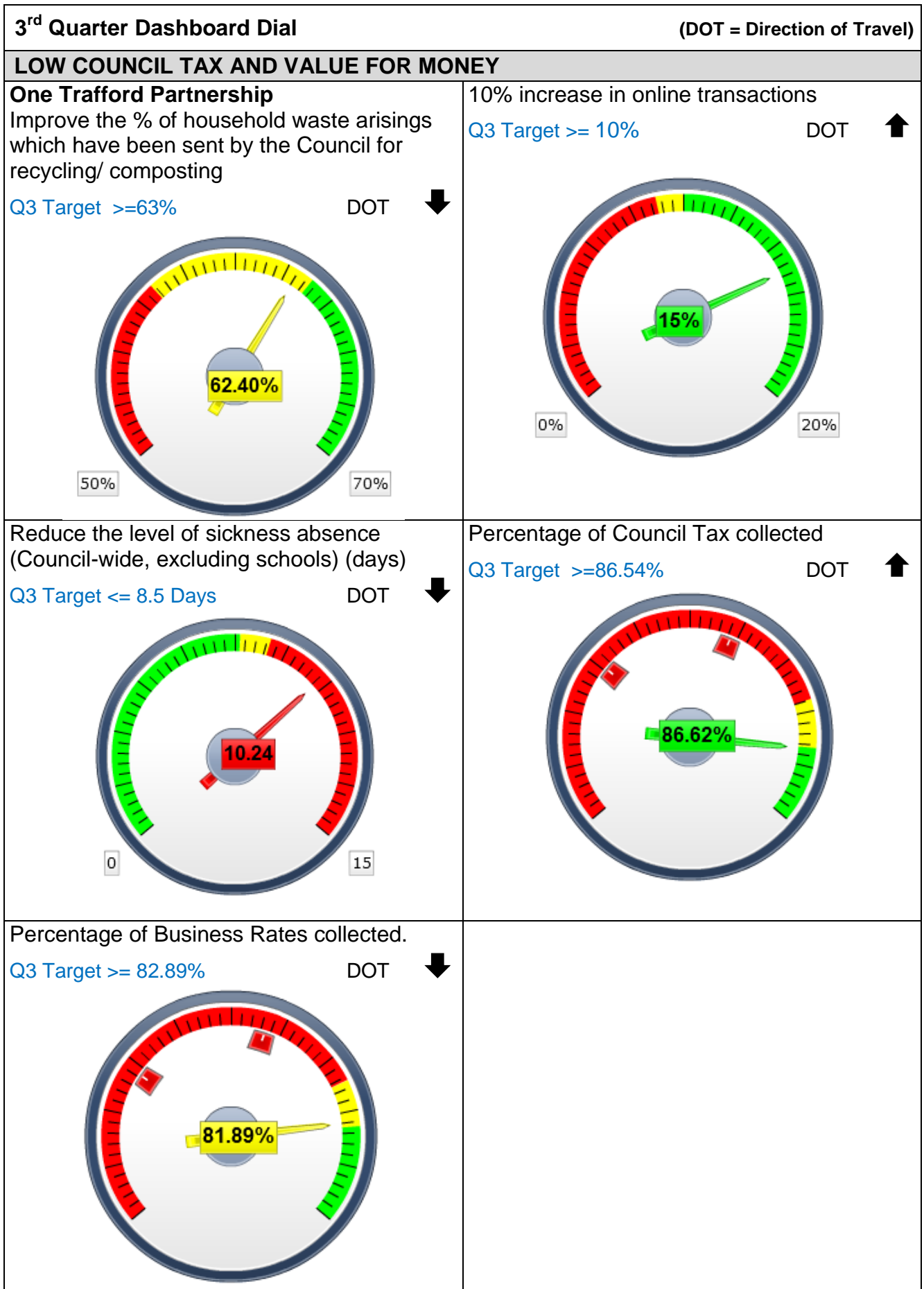
3.2 Performance Exceptions

The following indicators have a RED performance status at the end of Third Quarter.			Report Attached Y/N?
Corporate Priority	DEFINITION	DOT Q3	
Low Council Tax And Value For Money	Reduce the level of sickness absence (Council wide excluding schools)	↓	Y
Health And Wellbeing	Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (Latest data available – November 2016)	↓	Y
	Number of NHS Health Checks delivered to the eligible population aged 40-74	↓	Y

The following indicators have an AMBER performance status at the end of Third Quarter.			Report Attached Y/N?
Corporate Priority	DEFINITION	DOT Q3	
Low Council Tax And Value For Money	Improve the % of household waste arisings which have been sent by the Council for recycling/ composting (unvalidated data)	↓	Y
	Percentage of Business Rates collected	↓	Y
Supporting Young People	% of pupils achieving 5 A*-C GCSE including English and Maths	↑	Y
	Reduction in the proportion of children made subject to a Child Protection Plan for a second or subsequent time	↓	Y (draft)

*Exception reports start on [page 22](#)

Section 4 – Performance Information



3rd Quarter Dashboard Dial

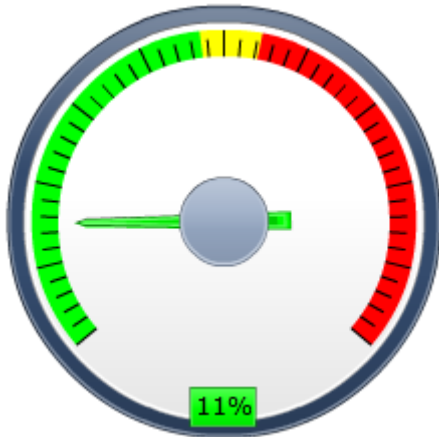
(DOT = Direction of Travel)

ECONOMIC GROWTH AND DEVELOPMENT

% of ground floor vacant units in town centres

Q3 Target $\leq 14.5\%$

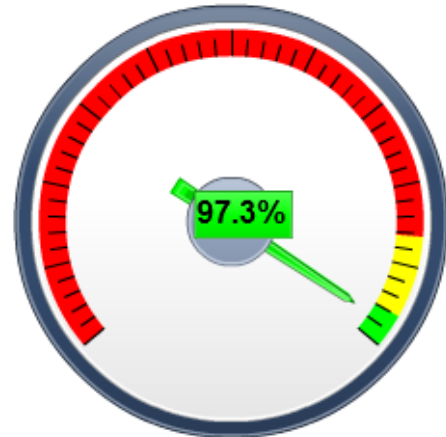
DOT \longleftrightarrow



Percentage of major planning applications processed within timescales (cumulative result)

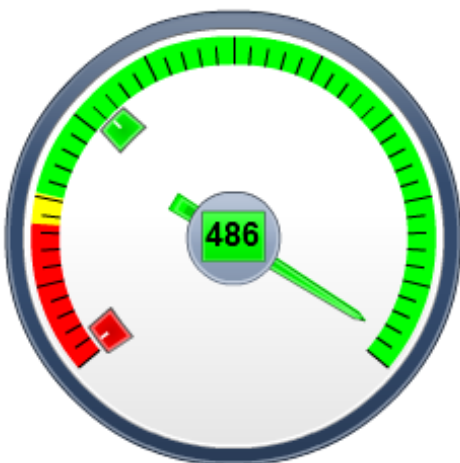
Q3 Target $\geq 96\%$

DOT \uparrow



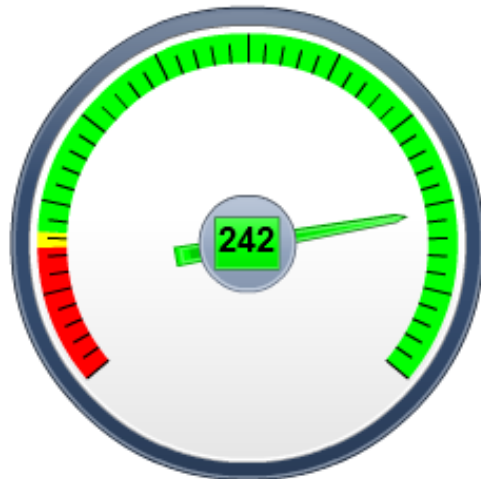
The number of housing units for full planning consents granted

Q3 Target = 150 (450 cumulative) DOT \uparrow



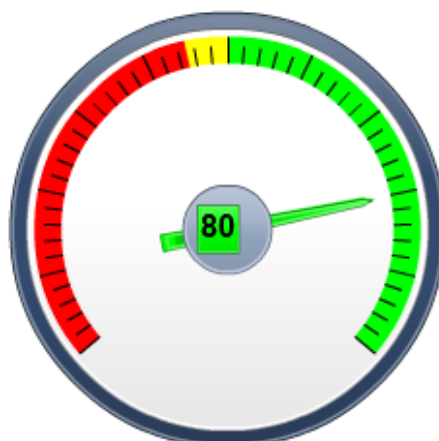
The number of housing units started on site

Q3 Target ≥ 50 (250 cumulative) DOT \uparrow



The number of housing completions per year (gross)

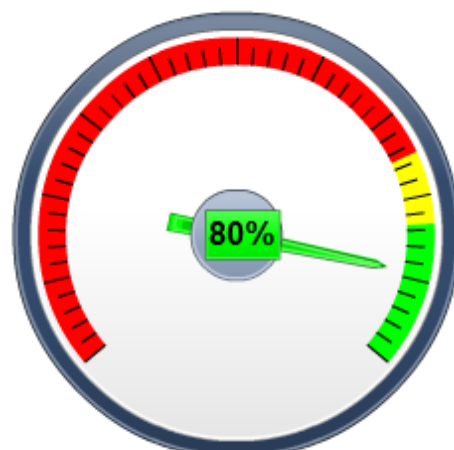
Q3 Target ≥ 50 (150 cumulative) DOT \uparrow



Percentage of Trafford Residents in Employment

Q3 Target $\geq 75\%$

DOT \uparrow



3rd Quarter Dashboard Dial

(DOT = Direction of Travel)

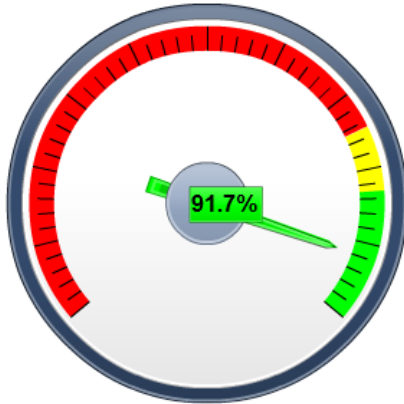
ECONOMIC GROWTH AND DEVELOPMENT

One Trafford Partnership

The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).

Q3 Target $\geq 83\%$

DOT 

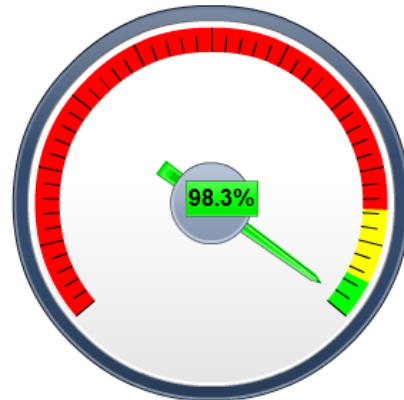


One Trafford Partnership

Percentage of Highway safety inspections carried out in full compliance with the agreed programme

Target = 100% (with 5% tolerance)

DOT 

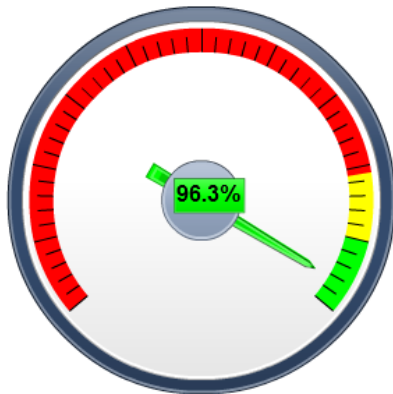


One Trafford Partnership

Average achievement of Customer Care PIs

Q3 Target $\geq 90\%$

DOT 



SAFE PLACE TO LIVE – FIGHTING CRIME

Maintain the position of Trafford compared to other GM areas in terms of Total Crime Rate.

Q3 Target – 1st

DOT 

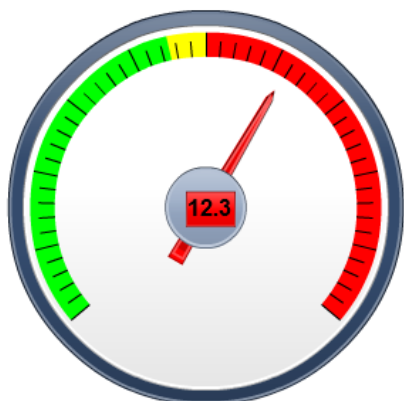


HEALTH AND WELLBEING

Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)

Q3 Target ≤ 10 per 100,000

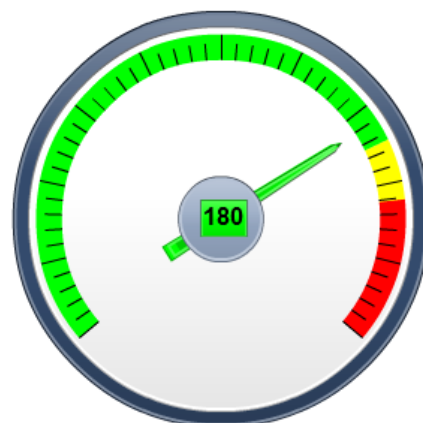
DOT 



Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)

Q3 Target ≤ 187

DOT 



3rd Quarter Dashboard Dial

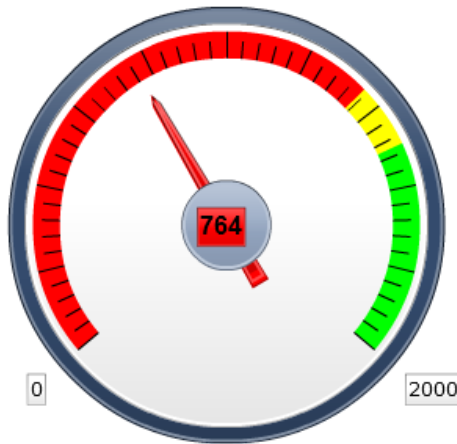
(DOT = Direction of Travel)

HEALTH AND WELLBEING

Number of NHS Health Checks delivered to the eligible population aged 40-74.

Q3 Target ≥ 1500

DOT

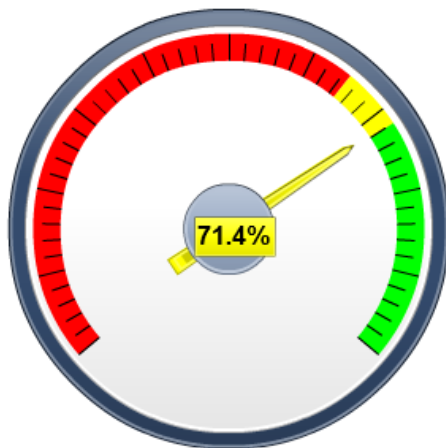


SUPPORTING YOUNG PEOPLE

% of pupils achieving 5 A*-C GCSE including English and Maths

Annual Target $\geq 72\%$

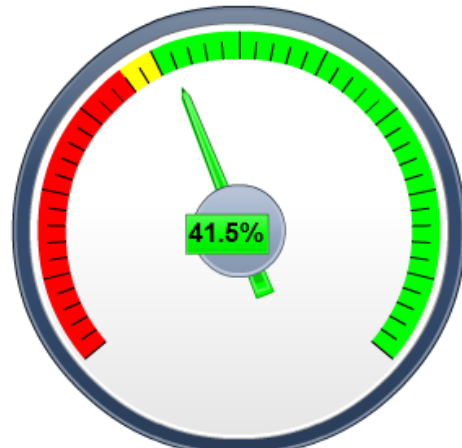
DOT



% of disadvantaged pupils achieving 5 A*-C GCSE including English and Maths

Annual Target $\geq 40\%$

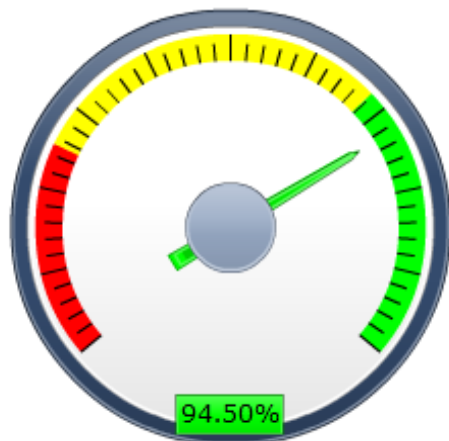
DOT



Percentage of Trafford pupils educated in a Good or Outstanding school.

Q3 Target $\geq 94.5\%$

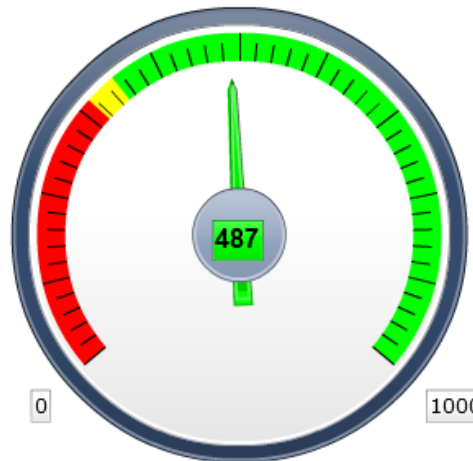
DOT



Number of young people accessing youth provision through Youth Trust model

Q3 Target ≥ 350

NO DOT (NEW)



3rd Quarter Dashboard Dial

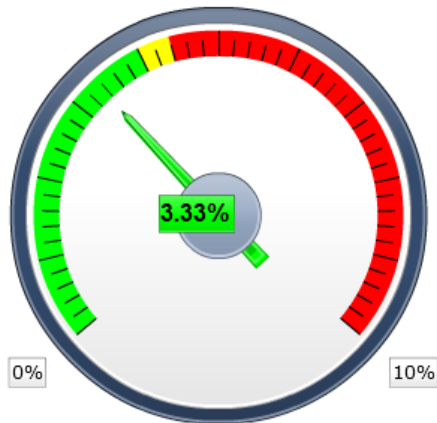
(DOT = Direction of Travel)

SUPPORTING YOUNG PEOPLE

Maintain the low level of 16-18 year olds who are not in education, employment or training (NEET) in Trafford

Q3 Target $\leq 4\%$

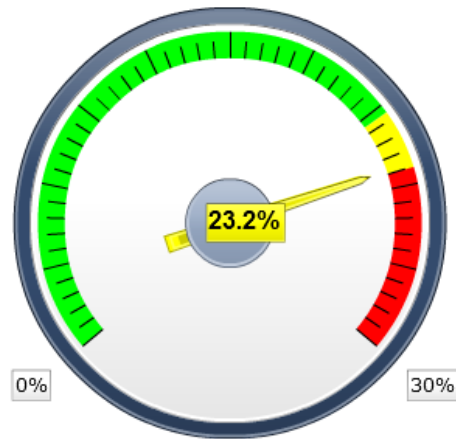
DOT 



Reduction in the proportion of children made subject to a Child Protection Plan for a second or subsequent time

Q3 Target $\leq 21.3\%$

DOT 

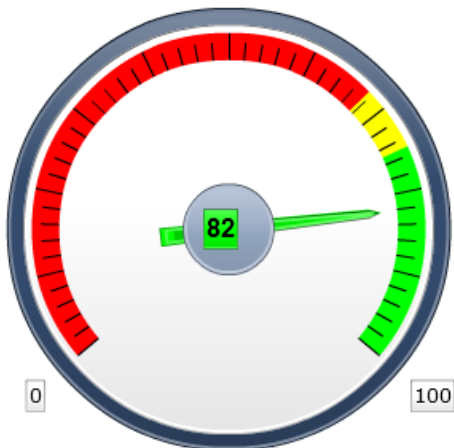


RESHAPING TRAFFORD COUNCIL

Number of third sector organisations receiving intensive support

Q3 Target ≥ 75 (cumulative)

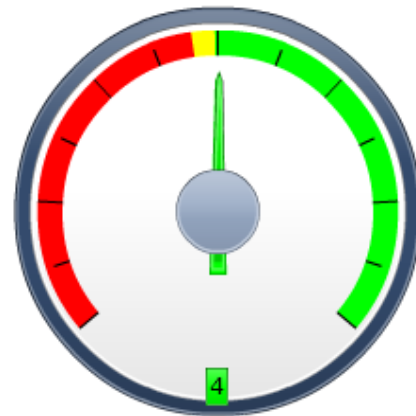
DOT 



No of Locality Networking Events held min 4 per locality per year

Q3 Target ≥ 4

DOT 



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 2016/17 we will:

Make effective use of resources;

- Ensure the delivery of 2016/17 budget savings
- 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.
- Actively investigate allegations of benefit fraud and ensure that this includes a focus on targeting more serious abuses
- Develop a Social Value Framework for Trafford which will enable us to maximise added value from our contracts, our spatial development and through Corporate Social Responsibility programmes by directing the resources we secure where they are most needed and in support of identified strategic and community priorities.
- Launch an innovative and collaborative HR Shared Service with Greater Manchester Police, the first of its kind in the North West.
- Implement the priorities outlined in the Digital Strategy to increase the number of transactions that are completed online. This will necessitate;
 - A digital workforce – challenging how we work, increasing the skills of the workforce, increasing the use of mobile technology, transform services to be paper-light.
 - An accessible Council – implement the new CRM system, maximising digital engagement with our customers, supporting customers to use digital technology.
 - Working with partners – raising awareness of Trafford's online offer, support economic growth through improved provision and usage of superfast broadband, learn from good practice
- Minimise increases in the Waste Disposal Levy through increased waste recycling and reuse of materials.

Key Policy or Delivery Programmes 2016/17

- Medium term Financial Plan
- GM Municipal Waste Management Strategy
- Trafford Social Value Framework

Ref.	Definition	Freq	15/16 Actual	16//17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
CAG 08	Improve the % of household waste arisings which have been sent by the Council for recycling/ composting	M	60.36%	62.5%	62.4% (Provisional)	63%	↓	A
One Trafford Partnership Indicator								
This performance figure is still subject to confirmation by the Waste Disposal Authority and therefore is subject to change See attached Exception Report on Page 22								
New	10% increase in online transactions	Q	20%	30%	35%	30%	↑	G
There has been a 15% increase in on-line transactions compared to last year								
NI719	Delivery of efficiency and other savings and maximise income	A	£21.769 Million	£22.64 Million	Annual (Q4)			

Ref.	Definition	Freq	15/16 Actual	16//17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	opportunities							
BV 12i	Reduce the level of sickness absence (Council wide excluding schools)	M	9	8.5 days	10.24 Days	8.5 Days	↓	R
See attached Exception Report on Page 24								
BV9	Percentage of Council Tax collected	M	98.01%	98%	86.54%	86.62%	↑	G
	Percentage of Business Rates collected		97.41%	97.5%	81.89%	82.89%	↓	A
See attached Exception Report on Page 26								

ECONOMIC GROWTH AND DEVELOPMENT

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 2016/17 we will:

- Deliver strategic development projects to facilitate housing and employment growth.
- 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.
- Through the One Trafford Partnership, 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.
- Through effective regulation support businesses to thrive and protect the interests of consumers.
- Through the One Trafford Partnership, maximise the use of the Council's portfolio of assets to help support the delivery of Council objectives.
- Support housing growth and maximise investment in Trafford through the Greater Manchester Housing Investment Fund and other sources of funding.
- Through the One Trafford Partnership work pro-actively with stakeholders to maintain and improve the environment around our public spaces, highways and neighbourhoods.

Key Policy or Delivery Programmes 2016/17:

- Master Plans for: Old Trafford, Stretford (and Altrincham Strategy)
- Trafford Local Plan
- Community Infrastructure Levy
- Flood Risk Management Strategy (in partnership with Manchester and Salford)
- Economic and Housing Growth Framework and Prevention of Homelessness Strategy
- Land Sales Programme
- Transport Asset Management Plan
- GM Housing Investment Fund
- GM Minerals Plan
- GMSF (emerging)
- GM Transport Strategy 2040 (draft)
- Trafford Social Value Framework

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
EG2	Percentage of ground floor vacant units in town centres	Q	12.80%	14.5%	11.1%	14.5%	↑	G
	Percentage of major planning applications processed within timescales	Q	95%	96%	97.3%	96%	↑	G

100% of planning applications were processed on time in 3rd quarter. The cumulative percentage for the 9 months to the end of December is 97.3%.

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	The number of housing units for full planning consents granted	Q	1240	700	754	450	↑	G
A total of 754 planning consents have been granted for the year to date, which exceeds the target for the year. 486 were granted in 3 rd Quarter, against a target of 150.								
	The number of housing units started on site	Q	270	300	590	250	↑	G
590 housing units have been started for the year to date, which is almost double the target for the year. 242 units were started in 3 rd Quarter (target was 50).								
NI 154	The number of housing completions per year	Q	377	250	176	150	↑	G
80 houses have been completed in 3 rd quarter against a target of 50, bringing the cumulative total for the year to date to 176.								
New (EG8)	Total Gross Value Added (The total value of goods + services produced in the area)	A	£6.6 billion	£6.95 billion	Annual Target			
	Value of major developments obtaining planning consent (based on Council tax and rateable value)	A	£1.7 million	£2.1 million	Annual Target			
	Value of major developments completed (based on Council tax and rateable value)	A	£509K	£1 million	Annual Target			
New (EG4.1)	Percentage of Trafford Residents in Employment	Q	78.8%	75%	80%	75%	↑	G
BRP02	Deliver the published 2015/16 Highway Maintenance Capital Programme	A	100%	100%	Annual Target			
One Trafford Partnership Indicator								
65% of overall Preventative Footway & Carriageway Surfacing Programme Completed delivered to the end of Q3. 100% completion projected by the end of the year.								
	The percentage of relevant land and highways assessed as Grade B or above (predominantly free of litter and detritus).	Q	81%	83%	91.7%	83%	↑	G
One Trafford Partnership Indicator								
Focused audits on town centres during main leaf fall season as in previous years								
	Percentage of Highway safety inspections carried out in full compliance with the agreed programme	Q	99.30%	100%	98.3%	100%	↑	G
One Trafford Partnership Indicator								
	Average achievement of Customer Care PIs (AMEY)	Q	91.23%	90%	96.3%	90%	↑	G
One Trafford Partnership Indicator								
New	The percentage of food establishments within Trafford which are 'broadly compliant with food law.	A	89%	86%	Annual Target (Q4)			

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 2016/17 we will:

- Address the underlying causes of crime and anti-social behaviour by taking early action, empowering and 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 restorative approaches where appropriate and robust enforcement action which hold offenders accountable for their actions, and recover criminal assets where possible.
- Continue to work effectively with partners and our communities to implement the national Prevent Strategy and to raise awareness, reduce the risks of radicalisation and extremism and to promote and celebrate our diverse communities.
- We will, with our partners such as the police, identify the best methods for people to keep their property secure and continue to deliver the Safer Homes programme to target those properties vulnerable to burglary and support residents who experience or are at risk of domestic abuse.
- 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 2016/17:

- Crime Strategy 2015-2018
- Building Stronger Communities Strategy

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2015/16 Q3			
					Actual	Target	DOT	Status
STP1	Maintain the position of Trafford compared to other GM areas in terms of Total Crime Rate.	Q	1 st	1 st	1 st	1 st	↔	G
	Reduce the number of repeat demand incidents at addresses or locations by 20% that are linked to: <ul style="list-style-type: none"> • Domestic Abuse • Missing from Home (MFH) • Missing from Care (MFC) • Alcohol or Substance Misuse 	A	Domestic Abuse		New	TBC	Annual Target	
			MFH		New	TBC		
			MFC		New	TBC		
			Alcohol or Substance Misuse		New	TBC		

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2015/16 Q3			
					Actual	Target	DOT	Status
	To improve the public perception of how the police and the Council are dealing with ASB and crime by 5% across Trafford as a whole	Q	74%	79%	70% (Q2)	76%		
NB: The GMP quarterly Neighbourhood Survey has been discontinued after 2 nd Quarter and therefore there will be no further data supplied for this indicator								
New	To increase the number of perpetrators of domestic abuse we work with through voluntary Behaviour Change programmes and to reduce the risk of those individuals repeating abusive behaviour.	A	74%	40	Annual Target (Q4)			

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 2016/17 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
- Continue to 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, Missing, and radicalisation and other complex safeguarding issues 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

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 2016/17

- CFW Transformation Programme
- GM Health and Social Care Devolution
- Better Care Fund programme
- Care Act Implementation
- Partnership Public Service Reform
- Governance and Implementation Programme
- Welfare Reform delivery
- Crime Strategy 2015-18
- Locality Plan
- Trafford Vision to reduce Physical Inactivity and Refreshed Sports and Leisure Strategy
- Building Stronger Communities Strategy

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	Delayed Transfers of Care attributable to Adult Social Care per 100,000 pop 18+ (ASCOF 2Cii)	Q	11.9	10.0	12.3	10.0	↓	R
The data for December has not been released. The figure shown is to the end of November. See attached Exception Report on Page 27								
	Permanent admissions of older people to Residential / Nursing care (ASCOF 2Aii)	Q	284	250	180	187	↑	G
	Number of NHS Health Checks delivered to the eligible population aged 40-74	Q	5221	6000	764	1500	↓	R
See attached Exception Report on Page 29								

SUPPORTING YOUNG PEOPLE

Ensure that young people are well prepared to achieve in adulthood by creating an environment in which they can thrive.

For 2016/17 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 promotion, number, range and take up of apprenticeships in our priority groups - Looked after Children, young people aged between 16-24, NEETS, and Trafford residents with a particular focus on areas of deprivation.
- Support vulnerable young people to secure employment through employment focused education and work experience initiatives and supported internship placement opportunities in partnership with our GM colleagues and partner agencies
- 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 Partnership Operating Procedures to deal effectively with incidents of serious or high volume youth disorder
- Ensure there is targeted interventions available for young people at risk of becoming involved in criminal or Anti-Social Behaviour

Establish a Youth Trust

- Support the transition of Council commissioning of youth provision to the new Trust Youth Trafford CIC, enabling and supporting the new Board to embed an independent and effective company at the earliest opportunity.

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)
- Operating Procedures for tackling serious or high volume youth disorder

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	% of pupils achieving 5 A*-C GCSE including English and Maths	A	70.7%	72%	71.4%	72%	↑	A
See attached Exception Report on Page 31								
	% of disadvantaged pupils achieving 5 A*-C GCSE including English and Maths	A	38.6%	40%	41.5%	40%	↑	G
This data has not been published, but is not expected to change. The National average is 35.2%.								

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	Proportion of pupils at Key Stage 2 achieving expected levels in Reading, Writing and Mathematics	A	NEW	TBC	66%	N/A	N/A	NEW
This is a new indicator and therefore has no RAG status or Direction of Travel								
LCA2	Maintain the low level of 16-18 year olds who are not in education training or employment (NEET) in Trafford	M	4.2%	4%	3.33%	4%	↑	G
	Percentage of Trafford pupils educated in a Good or Outstanding school.	Q	93.9%	94.5%	95%	94.5%	↑	G
	Reduction in the proportion of children made subject to a Child Protection Plan for a second or subsequent time	Q	25.3%	20%	23.2%	21.3%	↓	A
See attached Exception Report on Page 32.								
	Number of young people accessing youth provision through Youth Trust model	Q	NEW	1050	487	350	↑	G
487 young people have accessed youth provision in 3 rd quarter, bringing the total for the year to date to 899, which is nearly 30% above the target of 700.								

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 2016/17 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 progress implementation of 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
- Embrace the requirements of the GM devolution agendas, public service reform principles and refreshed GM Strategy in all Council transformation plans and Trafford Partnership activity, to ensure alignment and support of the overall ambitions
- Deliver our Locality Plan and work in partnership with the CCG and others to progress the implementation of the transformational developments therein
- Transform Children, Families and Wellbeing to sustainably manage demand and costs:
 - Establish an all-age integrated structure for community health and, social care services
 - Reshape social care provision
 - Create one multi agency front door for social care and complex support needs
- Develop arrangements to collocate, integrate and share services across agencies in Trafford and Greater Manchester, to secure greater efficiencies including shared use of buildings through a 'one Trafford estate' approach.
- Increase income generating opportunities in the Council
- Develop manager and staff skills to support the workforce through change and deliver the transformation required and with particular focus on key workers and asset based community development.
- Prepare residents and local businesses for the transition to the new organisation model taking into account our responsibilities under the Public Sector Equality Act.
- Ensure there are robust business continuity plans as we manage the transition programme
- 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 Info Trafford platform, and continue to develop the partnership Data and Intelligence lab to support service re-design.
- Through our new Partnership Governance arrangements lead, promote and adopt Public Service Reform principles across the Trafford Partnership through the identification of cross cutting challenges and implementation of new delivery models which support of all key elements of PSR. Continue to embed our locality working programme through locality networks, co-produced Locality Projects, Community Building and the Be Bold campaign in order to facilitate community engagement, empower and enable resident activity so as to continue to create stronger communities that are safer, cleaner, healthier and better informed.
- Develop an evaluation mechanism to track progress and outcomes of Locality Projects capturing different stakeholder perspectives
- Provide dedicated support to the Voluntary and Community Sector and facilitate mutually beneficial relationships between and across the sectors
- Relaunch the Customer Pledge to focus on key service standards, which customers will be able to expect, and which will be measurable. To ensure customers are at the centre of what we do.
- Utilise the Apprenticeship levy to maximise learning and development opportunities to existing staff in line with required targets.

Greater Manchester Strategy

- Engage fully in the devolution and integration of Health and Social Care
- Continue to support Public Service Reform through integrated governance and key workstreams i.e. Stronger Families; Working Well, Complex Dependency; Transforming Justice and Place Based Integrated neighbourhood Delivery

Key Policy or Delivery Programmes 2016 – 17

- Customer Services Strategy
- Transformation Programme
- Reshaping Trafford Blueprint
- Collaboration Programmes (e.g. GMP, Strategic Procurement Unit)
- Building Stronger Communities Strategy
- Digital Strategy
- GM PSR and Complex Dependency framework
- Locality Plan
- Refreshed PSR delivery arrangements/implementation plan

Ref.	Definition	Freq	15/16 Actual	16/17 Target	2016/17 Q3			
					Actual	Target	DOT	Status
	Number of third sector organisations receiving intensive support	Q	461	100	82	75	↓	G
23 third sector organisations received support in 3 rd quarter, against a target of 25. However, the cumulative total for the year to date is 82, which is 10% above the target to the end of Q3.								
	Number of Locality Networking Events held per locality per year	A	New	16	4	4	↔	G
A total of 16 events have been held in the first three quarters, which meets the annual target.								

5. Exception Reports

5.1 Low Council Tax and Value for Money

Theme / Priority:	LOW COUNCIL TAX AND VALUE FOR MONEY		
Indicator / Measure detail:	Improve the percentage of household waste arisings that have been sent by the Council for recycling or composting		
Baseline:			
Target and timescale:	Annual target of 62.5% Q3 Target of 63%	Actual and timescale:	Q3 Performance 62.4% (cumulative)
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>This annual indicator is measured on a cumulative basis with recycling with fluctuations seen on a monthly basis due to the high volume of garden waste collected for composting by Trafford residents in comparison to other Local Authorities.</p> <p>The One Trafford Partnership has seen increases (Q1 to Q3) in both the food/garden waste and co-mingled recycling streams compared to the same period last year. The food/garden waste collected has increased by 905 tonnes with the co-mingled stream increasing by 276 tonnes.</p> <p>The Partnership analyses tonnage data on a weekly basis and has worked with the GMWDA to target areas with lower recycling performance. The targeted campaign has resulted in a significant increase in the number of food caddy's being requested for delivery.</p> <p>In order to improve access to caddy liners and ensure barriers to recycling food waste are reduced the Partnership has also issued a one year supply of liners alongside the annual calendar delivery.</p> <p>The increases experienced in the above recycling streams have been unable to mitigate the continuing national trend of less paper recycling with the Local Authority Collected Waste Statistics – England published in December 2016 showing a decline in overall Paper tonnages from 2011 onwards.</p> <p>The One Trafford Partnership introduced additional measures over the Christmas period to maximise the collection of paper/card tonnage by allowing residents to present excess cardboard next to their bin on collection day or contact the Partnership to arrange additional collections of paper if they could not wait for their scheduled collection day.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <p>Can we move resources to support this or other priorities?</p>			
<p>There is a key financial impact if residual waste tonnages increase beyond the levy prediction submitted in November 2015 however it is worth noting that residual waste is</p>			

currently being delivered in line with expectation.

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.

The One Trafford Partnership tracks waste tonnages carefully from all service streams on a weekly basis to identify trends and areas where intervention may be required.

The Partnership now has a dedicated Communications manager and an increasing presence on social media that is used to reinforce the recycling message.

Improved partnership working with THT has enabled targeted campaigns to be planned and new tenant waste and recycling information provided to engage and change the behaviour of residents

Theme / Priority:	LOW COUNCIL TAX AND VALUE FOR MONEY		
Indicator / Measure detail:	Reduce the level of sickness absence (Council-wide, excluding schools) (days)		
Baseline:			
Target and timescale:	8.5 days	Actual and timescale:	10.2 days
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>For a number of years, the Council set a target of 9 days absence, per employee per annum. At the end of 2015/16, this target was achieved. In order to drive further improvement in this area, a stretch target of 8.5 days was set for 2016/17.</p> <p>As at the end of Q1, there was a further improvement in sickness absence and levels decreased to 8.9 days. However, during Q2, there was an increase in absence levels which rose to an average of 9.5 days per employee per annum. This was attributed to a small increase in long term absence cases, which had a significant impact on the overall performance figure.</p> <p>During Q3 this trend has continued and there is a further increase in absence levels to 10.2 days. This again is attributable to an increase in long term absence cases as well as an increase in short term absence cases in an area of the workforce that has been subject to organisational change. In addition to the Health & Wellbeing strategy that was developed to improve attendance in 2016/17, HR Business Partners are now working closely with managers in hotspot areas to develop bespoke strategies to tackle increasing absence levels.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <p>Can we move resources to support this or other priorities?</p>			
<p>If sickness absence levels are high, then this has a significant impact on service delivery and costs at a time when the Council has to manage with limited resources. High absence levels also carry the indirect cost of increased workload pressure on colleagues of absent staff.</p>			
How can we make sure things get better?			
<ul style="list-style-type: none"> • 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. 			
<p>An action plan to improve attendance across the Council has been incorporated into the Health and Wellbeing Strategy which is being delivered across the Council. This strategy is continuously reviewed and a Steering Group has been established to ensure the plan is focused and delivers tangible improvements.</p>			

A pro-active approach is in place to improving a number of key areas to support attendance levels such as the prevention of illness and injury, moving and handling training, access to training and support for mental health conditions, access to staff benefits such as reduced rates for leisure activities. It also focuses on improving staff morale through reward and recognition initiatives e.g. Celebrating Success, Staff Awards, the implementation of a succession planning strategy; there is also a focus on continuing to drive forward improvements to our policies and processes e.g. refreshing the Improving Attendance Policy, improving management information on sickness absence and updating the approach to stress and the management of mental health conditions.

In addition refresher Attendance Management training sessions are being delivered for all service managers. We continue to monitor sickness absence at all levels throughout the organisation from an individual level via return to work interviews through to the involvement of Elected Members at Member Challenge sessions.

Theme / Priority:	LOW COUNCIL TAX AND VALUE FOR MONEY		
Indicator / Measure detail:	Percentage of Business Rates collected		
Baseline:			
Target and timescale:	82.89	Actual and timescale:	81.89
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>There are large amounts of unpaid debt currently being challenged through the courts, for which the final court hearings will not take place until sometime in the next financial year. The impact of this has significant implications for the overall collection rate which is likely to remain below the target predicted for year end. It is important to note however that despite not meeting the target, we have collected £2.7m more than the same period last year.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <p>Can we move resources to support this or other priorities?</p>			
Cash Flow			
How can we make sure things get better?			
<ul style="list-style-type: none"> • 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. 			
<p>Performance is closely monitored every month and the outcome of the Court hearings will determine payment of the outstanding debt currently being challenged.</p>			

5.2 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) (Target is <7.9 anyone time)		
Baseline:			
Target and timescale:	10.0	Actual and timescale:	12.3
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>Due to the standard 6-week time lag between month-end and data being published on the NHS Digital website, the DToC data for Quarter 3 (December end) will not be available until the 9th February 2017.</p> <p>At the end of November 2016, the DToC figure was 12.3 which is an improvement on the figure of 14.0 reported at Quarter 2.</p> <p>There continues to be a high volume of delayed discharges from University Hospital South Manchester (UHSM) that is due to a range of complex factors with the current performance being attributed to a number of factors including:</p> <p>Some homecare providers have insufficient provision for business continuity to cover peak periods due to recruitment difficulties. This leaves them with poor staffing levels and a limited ability to take new packages, putting further stress on an already limited workforce. We are working with providers to resolve this and have been commissioning new providers.</p> <p>The Stabilise and Make Safe (SAMS) provision is starting to have a positive impact in 2016/17 and further capacity will be created in SAMS to take more patients out of hospital quickly.</p> <p>There is an ongoing lack of intermediate care beds in Trafford which is putting additional pressure on other types of care packages thus increasing delayed discharge volumes. This is recognised by Trafford CCG and the bed capacity was recently increased by 15 beds.</p> <p>There have been substantial challenges with recording in line with national definitions i.e. consistency of approach/interpretation being an issue across the hospitals.</p> <p>Finally, significant work is underway between the council, UHSM and Trafford CCG to review the processes in place from admission onwards, including requiring the acute providers to look at their own processes as well as medical bed capacity.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • 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?

The implications of not meeting the target include:

- Patients remaining in hospital longer than necessary and this may impact on their independence and recovery.
- The council will incur a financial cost for Social Services attributable delays.
- The delays contribute to pressures on bed availability during this period although it should be noted that the hospital have also reduced the bed availability over the last 12 months.
- The acute providers' ability to maintain NHS targets may be compromised
- The reputation of the organisation is affected negatively

Intervention measures have been put in place to improve flow and new Homecare providers have been awarded contracts to reduce the continuous demand.

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.

Activities aimed at addressing the underperformance include:

Additional capacity being brought to the Homecare market with new providers being added to the framework. This should result in an improvement in access in the medium term. Against the backdrop of a national shortage of home care provision, bringing new providers on board will be required if the situation is to improve.

Further procurement is being considered for additional capacity.

A review of intermediate care capacity has highlighted a capacity shortage. We are working closely with the CCG on a pilot to address this.

Education and awareness raising sessions for clinicians and other hospital staff continues to be undertaken to ensure an informed referral process to Social Care

Theme / Priority:	HEALTH AND WELLBEING		
Indicator / Measure:	Number of NHS Health Checks delivered to the eligible population aged 40-74		
Indicator / Measure detail:	Increase the number of eligible population aged 40-74 offered an NHS Health Check who received an NHS Health Check in the financial year		
Baseline:	5221 (2015/16)		
Target and timescale:	6000 (2016/17) 4500 to end of Q3	Actual and timescale:	764 in Q3 4129 to end of Q3
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>The figures we report on are based on the number of claims received for the NHS Health Check service. We know that approximately 50% of practices haven't claimed for this service in Q3, however we also know that the majority of those that haven't claimed have undertaken health checks. We feel that this is possibly due to flu jab season (conducted throughout October, November and December) and the Christmas period.</p> <p>We have changed the process for getting the information from practices, and for the last two quarters practices have been expected to complete the claim forms without additional support or reminders (for example, phone calls or emails). We are reviewing this and are considering sending a routine reminder email to practices.</p> <p>We are also missing activity from Urmston Group Practice; therefore we expect a significant rise in the number of health checks delivered for Q4.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <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>			
How can we make sure things get better?			
<ul style="list-style-type: none"> • 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.

NHS Health Checks in pharmacy

One practice in the west of Trafford does not undertake NHS Health Checks. They are not legally required to do so but the council has a mandatory responsibility to ensure the Trafford eligible population is offered an NHS Health Check.

Two pharmacies nearby to the practice have agreed to perform NHS Health Checks for the practice's eligible population. This arrangement has been working well until recently. We have discovered that referrals for patients at Urmston Group Practice have tailed off and the reason for this is unknown. An exercise is being undertaken to uncover a possible fault in the process allowing us to rectify this as quick as possible.

GP claims and the accuracy of this data

In order to encourage claims, we will write to all GPs to remind of the claiming deadline.

We are also exploring another method of receiving the health check data, via the clinical system utilised by General Practice (EMIS Web). As mentioned above, the figures we receive at the moment (via the service claim data) are never a true indication of the actual activity undertaken. If a practice does undertake a number of health checks but doesn't claim for their activity, their figures are always logged within their clinical system and we're hoping to access this data for future reports.

Further actions

Other plans for practices include continuing the training for all practice staff including receptionists about NHS Health Checks.

We need to continue publicising the NHS Health checks programme to patients so that when they receive their letter they will be aware of what the programme is about and the importance of attending for their NHS Health Check.

5.3 Supporting Young People

Theme / Priority:	SUPPORTING YOUNG PEOPLE		
Indicator / Measure detail:	% of pupils achieving 5 A*-C GCSE including English and Maths		
Baseline:	70.7% Summer 2015		
Target and timescale:	72% Summer 2016	Actual and timescale:	71.4% Summer 2016
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>Although this is below the target (by 0.6%pts) the difference is not statistically significant.</p> <p>What should be noted is that this is the second highest proportion in the country of pupils achieving this measure and is actually exceptional performance.</p> <p>2016 was the last year for which data for this measure will be published.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <p>Can we move resources to support this or other priorities?</p>			
None			
How can we make sure things get better?			
<ul style="list-style-type: none"> • 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. 			

Theme / Priority:	SUPPORTING YOUNG PEOPLE		
Indicator / Measure detail:	Reduction in the proportion of children made subject to a Child Protection Plan for a second or subsequent time		
Baseline:	25.3% at March 2016		
Target and timescale:	20% at March 2017 21.3% at end of Q3	Actual and timescale:	23.2% at December 2016 (Q3)
Why is performance at the current level?			
<ul style="list-style-type: none"> • Is any variance within expected limits? • Why has the variance occurred? • Is further information available to give a more complete picture of performance? • What performance is predicted for future periods? 			
<p>This indicator measures the proportion of the current cohort of children and young people who are subject of a Child Protection Plan who have been subject of a previous plan at any point in time. Although we have seen a reduction during the year it remains above the trajectory to year end – target of 21.3% at Q3.</p> <p>It should be noted that of Child Protection Plans that have been put in place this year, 19% of the relevant children have been subject of a previous plan.</p>			
What difference does this make – the implications of not meeting target?			
<ul style="list-style-type: none"> • Impact on service users/public. • Impact on corporate priorities and plans. • Impact on service/partner priorities. • Impact on equalities, sustainability or efficiency <p>Can we move resources to support this or other priorities?</p>			
<p>The impact on service users (children and their families) is that they are potentially being supported at a more intense and intrusive level than they require. Whilst there will always be children who will require a CP plan, the number of CP plans in Trafford suggests we are out of step with our statistical neighbours. It can also be confusing for families to “bounce around” the thresholds of intervention (e.g. from child protection to child in need and back into child protection) and this can at times make sustaining positive working relationships more difficult.</p> <p>The most appropriate corporate priority is “Services focussed on the most vulnerable people”. Whilst we should be reassured that we are protecting the most vulnerable children in Trafford (and Ofsted were likewise assured that this is the case) we need to be confident that we are working at the most appropriate level and that our families are not becoming overly reliant on statutory services.</p> <p>In terms of “Reshaping Trafford Council”, please see section below.</p> <p>Working with families at CP level is time and resource-consuming and therefore costly to Trafford Council and our partner agencies. We need to ensure in future that when CP plans are ended there is a robust multi agency child in need plan in place to lessen the risk of future child protection concerns. The number of re-plans suggests that the current system is not working in the most effective and efficient manner.</p>			
How can we make sure things get better?			
<ul style="list-style-type: none"> • 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.

A number of activities are taking place currently to address this issue. We are bidding for transformation funding with the support of Deloitte under the Reshaping Children and Family Services agenda and the bid will be finalised by March 2017.

The bid will include the need for additional resources/investment/training etc. in order to embed a sustainable operating model for the future with an emphasis on prevention and resilience, providing the appropriate level of support to meet need in a timely way. This will prevent family's needs escalating to high cost levels of intervention such as child protection.

The transformation bid is an ambitious one and will look at how we provide services from Early Help, through Child in Need up to Child Protection and Children in Care. It will therefore be imperative to the success of the transformation that we consult with our staff and multi-agency partners.

In the meantime the relevant Strategic Leads have been holding Child Protection performance workshops to scrutinise existing CP plans and processes to identify any cases which may no longer meet CP thresholds and ensure there are robust structures and processes in place to prevent unnecessary escalation of cases.

We also hold multi-agency plenary meetings after every re-plan conference to reflect on practice and identify any learning. We gather monthly data to look at patterns and report exceptions to the DCS Safeguarding Governance meeting and the Trafford Safeguarding Children's Board.

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