



**TRAFFORD
COUNCIL**

**AGENDA PAPERS FOR
SPECIAL EXECUTIVE MEETING**

Date: Tuesday, 15 November 2016

Time: 6.30 p.m.

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

A G E N D A	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.	MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)	
	To consider any matters referred by the Council or by the Overview and Scrutiny Committees.	
4.	EXECUTIVE'S DRAFT REVENUE BUDGET PROPOSALS 2017/18 AND MTFS 2018/19 AND 2019/20	1 - 40
	To consider a report of the Executive Member for Finance and Chief Finance Officer.	
5.	INCREASING PHYSICAL ACTIVITY ACROSS THE BOROUGH	41 - 62
	To consider a report of the Executive Member for Communities and Partnerships.	

Executive - Tuesday, 15 November 2016

6. BUDGET MONITORING 2016/17 PERIOD 6 (APRIL - SEPTEMBER 2016) 63 - 76

To consider a report of the Executive Member for Finance and Director of Finance.

7. 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.

8. 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.

PART II

9. INCREASING PHYSICAL ACTIVITY ACROSS THE BOROUGH 77 - 426

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

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

Executive - Tuesday, 15 November 2016

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

Jo Maloney, 0161 912 4298

Email: joseph.maloney@trafford.gov.uk

This agenda was issued on Monday 7th November 2016 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

Any person wishing to photograph, film or audio-record a public meeting are requested to inform Democratic Services in order that necessary arrangements can be made for the meeting.

Please contact the Democratic Services Officer 48 hours in advance of the meeting if you intend to do this or have any queries.

This page is intentionally left blank

TRAFFORD BOROUGH COUNCIL

Report to: Executive
Date: 15 November 2016
Report for: Decision
Report of: Executive Member for Finance and the Chief Finance Officer

Report Title

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

Summary

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

The key summary of figures for the revenue budget, based on current estimates:

- The overall effect on 2017/18 is that the net budget will decrease by £4.2 million or 2.9%, from £147.32 million to £143.1 million.
- The total budget gap for the three years is currently estimated at £42.09 million comprising:
 - £26.23 million of additional cost pressures
 - £15.86 million of reductions to funding

This report represents a draft set of proposals which, in line with our three year strategy, will contribute towards closing this funding gap. These proposals will now form the basis of consultation with members of staff and the general public and are therefore subject to change; the draft proposals are also subject to review by the Scrutiny Committee.

It should be noted that if all the proposals in this report were implemented there currently still remains a gap of:

2017/18 £2.02 million
2018/19 £9.15 million
2019/20 £4.83 million

Final decisions will be taken by the Executive after taking into consideration further proposals to address the gap, all relevant matters and feedback, at which time a proposed budget will be put to full Council for approval on 22nd February 2017.

Recommendation(s)

It is recommended that the Executive:

- a) Approve the 2017/18 to 2019/20 proposed budget strategy, draft revenue budget and MTFs including the income and savings proposals for the purposes of consultation only and that these proposals will also be referred to the Scrutiny Committee for their consideration.
- b) Notes the proposal to increase Council Tax by 1.99% for the three years 2017/18 to 2019/20 and the proposal to levy the permitted 2% precept over the same period, which is only permitted to be allocated to adult social care.
- c) Notes the budget gap for the years 2017/18, 2018/19 and 2019/20
- d) Notes that the draft proposals are subject to various consultation exercises and impact assessments, movements in core funding, specific grants, costing and robustness assessments.
- e) Agrees that the decision is to be deemed urgent for the reasons set out in the report, and thus not subject to call-in.

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 draft budget for 2017/18, allocating available resource across service objective heads as detailed in the report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. The Council has begun and will continue to comply with the statutory processes associated with the effect of the proposed budget on staffing levels.
Equality/Diversity Implications	Equality impact assessments to be carried out supporting the budget proposals as appropriate.
Sustainability Implications	None arising out of this report.
Resource Implications e.g. Staffing / ICT / Assets	Human Resources – statutory processes have begun and any impact on staffing will be subject to

	consultation.
Risk Management Implications	An impact assessment of each budget proposal is in the process of being finalised.
Health and Wellbeing Implications	Equality Impact Assessments in relation to the budget proposals to be carried out.
Health and Safety Implications	An impact assessment of each budget proposal to be carried out.

Other Options

The Executive is recommending an overall increase to the level of council tax of 3.99% in 2017/18 comprising the increase of 2% for the social care 'precept' to be earmarked for adult social care expenditure and 1.99% general increase.

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 £3.35 million would need to be identified over and above the significant level of savings already included in this budget report. At this stage pursuing this course of action would compound difficulties in balancing the budget given there is currently a deficit of £2.02 million.

Alternatively a decision could be made to increase council tax above the levels proposed in this report, however this would be likely to exceed the referendum limits (which are currently the subject of a Government consultation) which would mean a local referendum was required.

Urgency of Decision

This report should be considered as 'urgent business' and the decision exempted from the 'call-in' process for the following reason(s):

The Council will be consulting widely on the budget proposals and the final decision will be taken by the Council on 22 February 2017. In order to allow the optimum time for the consultation process, consultation will need to commence on the 16 November. This would not be possible if the decision was subject to call in and it is therefore recommended that the decision is exempt from call in. The Scrutiny Committee are to consider the budget proposals and the process for budget scrutiny at their meeting on the 16 November. Therefore any issues arising from this report can be raised at that meeting and any necessary action as a result of recommendations/comments from Scrutiny Committee can be implemented at an early stage of the consultation process.

Consultation

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

Reasons for Recommendation

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

Key Decision

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

Finance Officer Clearance GB.....

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

CORPORATE DIRECTOR'S SIGNATURE



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



TRAFFORD
COUNCIL

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

15 November 2016

CONTENTS

	Pages
Foreword by the Executive Member for Finance	7
Section	
1 Financial Background	12
2 Updated Budget Position and Approach to Budget 2017/18 to 2019/20	15
3 Risks and Reserves	22
4 Capital Investment Programme	26
5 Schools Funding & Budgets 2016/17	27
6 Consultation and Next Steps	30
Annexes	
A Base Budget Assumptions	33
B 2017/18 indicative Budget Categorised subjectively (changes in expenditure and incomes by category)	34
C Budget Proposals by Vision/Intervention	35

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 32%. The borough has the highest productivity rate per head in GM and the highest Gross Value Added (GVA) outside of Manchester producing £6.9 billion p.a. The number of Trafford residents in employment is 157,000 and is predicted to increase by 8% over the next 10yrs.

With our partners we have won several awards for our innovative and collaborative work across 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 which is driving forward reform 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, Urmston and Sale Road Maps 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 spring 2017. New partnership arrangements have been established in Stretford, and residents and businesses have been consulted on exciting proposals for public realm improvements which are scheduled to start in February 2017. The Council supported 11 new businesses to take vacant premises in the town centres through the innovative Town Centres Loan Scheme, which levered c£214,000 of private sector investment and created 51 jobs. Through these efforts, the overall vacancy rates in the town centres at March 2016 fell to just under 13% from 16% in March 2015 and 19% in March 2014.

The Council delivered, in partnership with the private sector, the borough's first Business Improvement District for Altrincham which will generate c£1.5m 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 116 residents into employment through the innovative Trafford Pledge, matching unemployed people with local employers.
 - Directly supported 267 local businesses to access advice and support from a range of local, sub-regional and national organisations.
 - Successfully delivered combined local and general elections in May 2015.
 - Secured 'Bronze' status under government's homelessness gold standard challenge (i.e. the first step in the process) scoring one of the country's highest scores. 'Silver' award status to be sought by the end 2016
 - 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 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 6,000 tonnes of street sweepings per month and 500 tonnes of litter from approximately 1,200 waste and litter bins (streets and parks).
 - Protecting expenditure on the 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 1500 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 £24m 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 (900 homes) and future

phases that will in total deliver c 7,000 new homes, 8m sqft of new employment floor space and 14,000 new jobs.

- 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 2017 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 – £18m new community hub with extra care housing, library and health centre.
- Major public realm works in Altrincham town centre and Stretford.

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 budget gaps each year as a result of reduced funding and cost pressures totalling £112.82m. 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 a further estimated budget gap of £42.09m.

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.

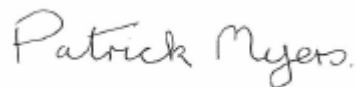
The proposals in this report are the start of a new journey and the basis for starting a conversation with residents and users of council services. At this stage further work is still required to balance our budget.

The 2017/18 budget gap is currently estimated at £22.17million, which is to be met from:

- Income generation and savings amounting to £14 million comprising:-
 - Income Generation:
 - The continuation of existing income generating projects of £430k and

- New proposals which are projected to generate £1.66 million.
- Transformational Service Delivery Savings:
 - The continuation of existing savings programmes of £8.92 million and
 - New savings proposals amounting to £2.99 million.
- Additional funding and use of reserves amounting to £6.15 million comprising:-
 - Council tax of £3.35m, comprising of both a general increase in Council Tax of 1.99% and a 2% increase in respect of the adult social care precept. For a band D property in Trafford this equates to an increase of 86.5 pence per week or £44.98 per annum.
 - The use of the budget support reserve, which has been set aside for this purpose, of £2.80 million. This gives us a temporary one year smoothing effect which defers savings to 2018/19.

This leaves a balance of savings still to be identified of £2.02m before the budget for 2017/18 can be balanced and priority will be given to doing this before final budget proposals are presented to Council for approval in February 2017.



Councillor Patrick Myers

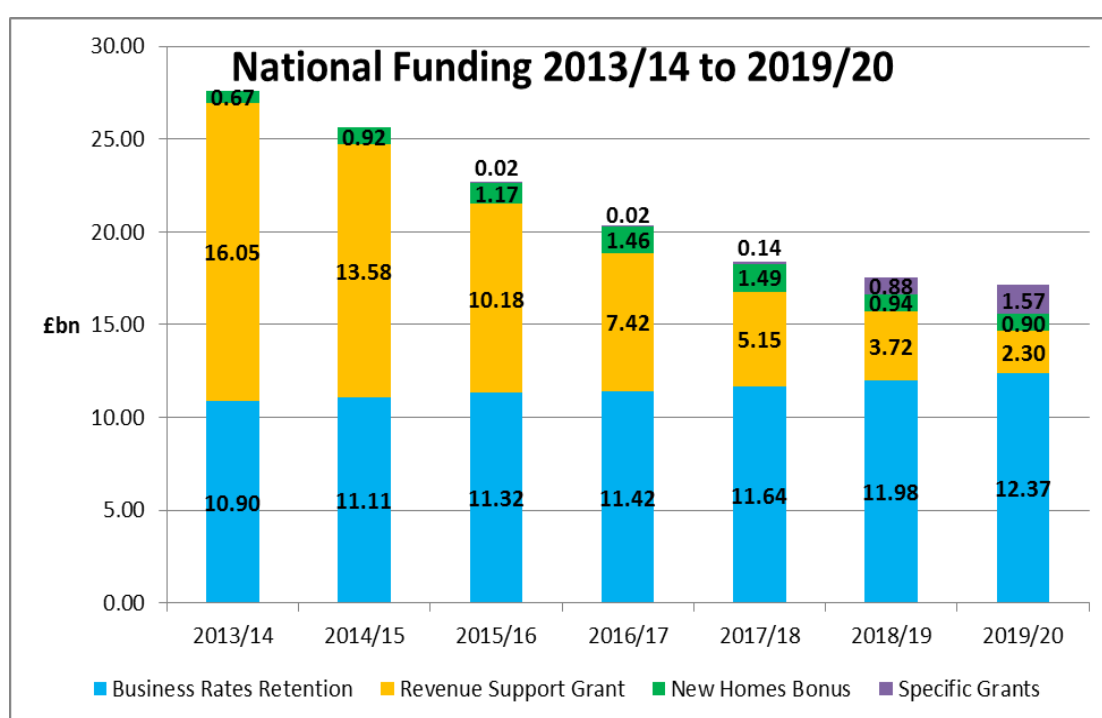
Executive Member for Finance

1. FINANCIAL BACKGROUND

1.1 External Position

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 The December Finance Settlement provided indicative national funding figures to 2019/20 and when comparisons are made from the inception of the Business Rates Retention scheme in 2013/14 it highlights funding reducing from £27.6bn to £17.1bn (38%) over the period, with RSG being the main contributor.



1.1.3 To provide funding certainty & stability over the period to 2020, in the December 2015 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 confirmed by letter, after a consultation period, on 10th March 2016.

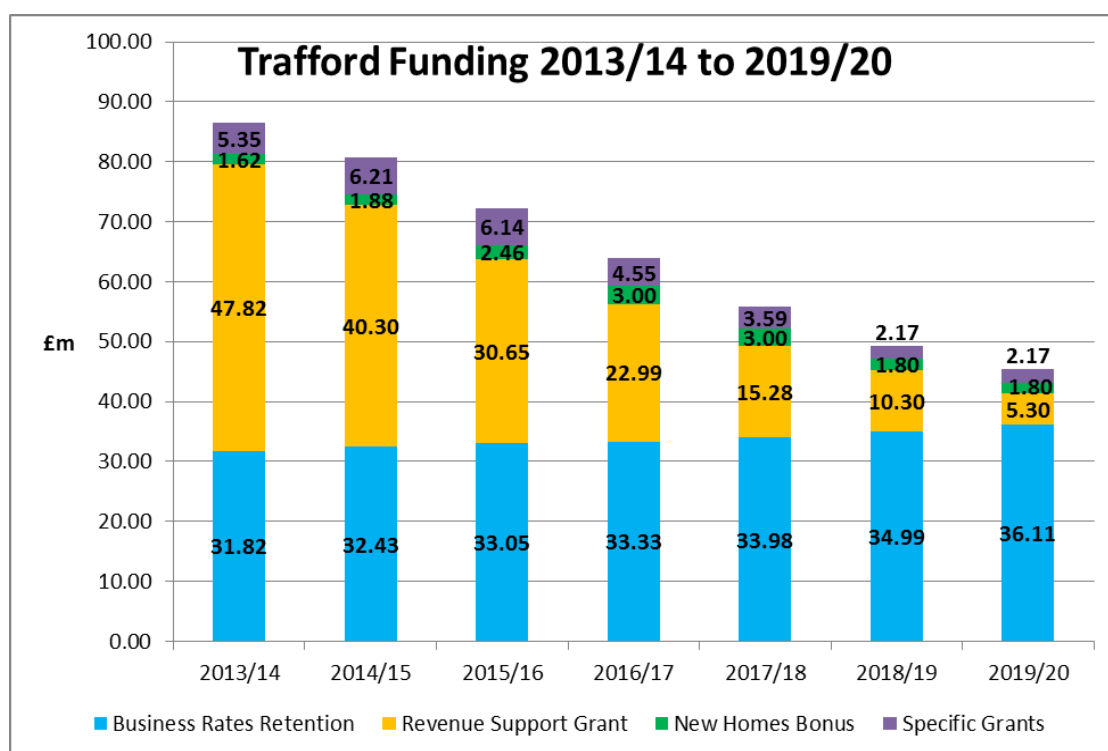
1.2 Council Position

1.2.1 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 will not only safeguard 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.

1.2.2 The figures for each type of grant covered by accepting the four year settlement can be found in the table below:

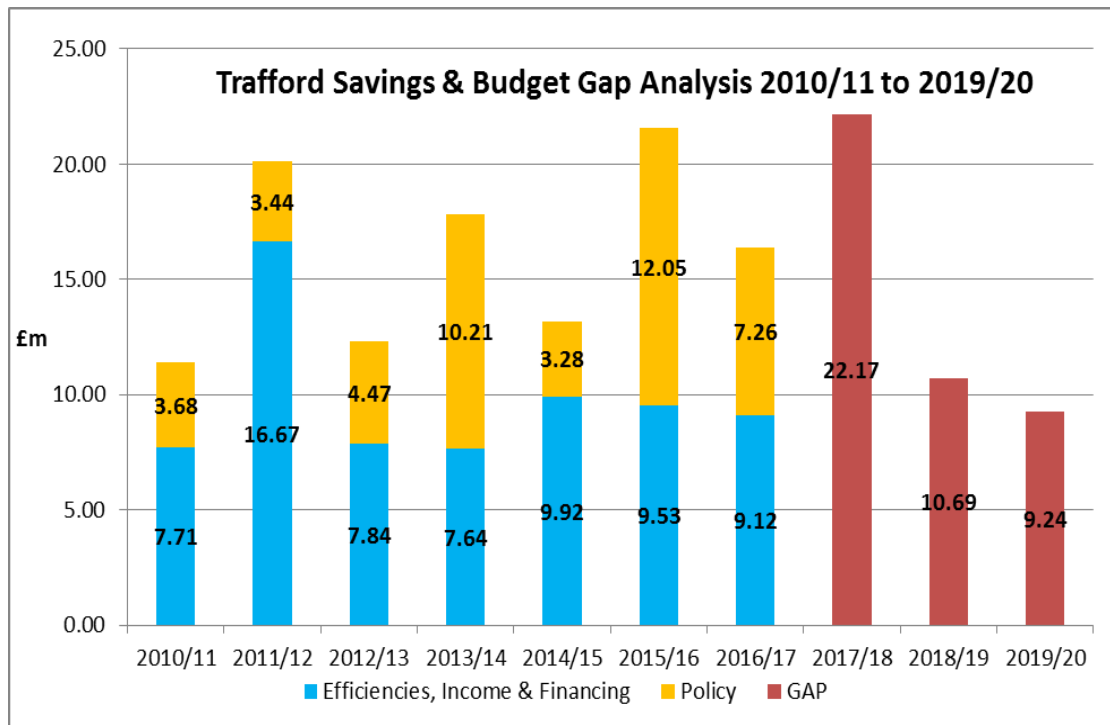
<i>Table 1: The Funding Offer</i>	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Revenue Support Grant	22,989	15,276	10,303	5,299
Transitional Grant	465	458	0	0
Rural Services Delivery Grant	0	0	0	0
Total	23,454	15,734	10,303	5,299

1.2.3 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 £41.23m or 47.6% which is 9.6% above the national average.



1.2.4 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.

1.2.5 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 budget gap which currently stands at £42.09m.

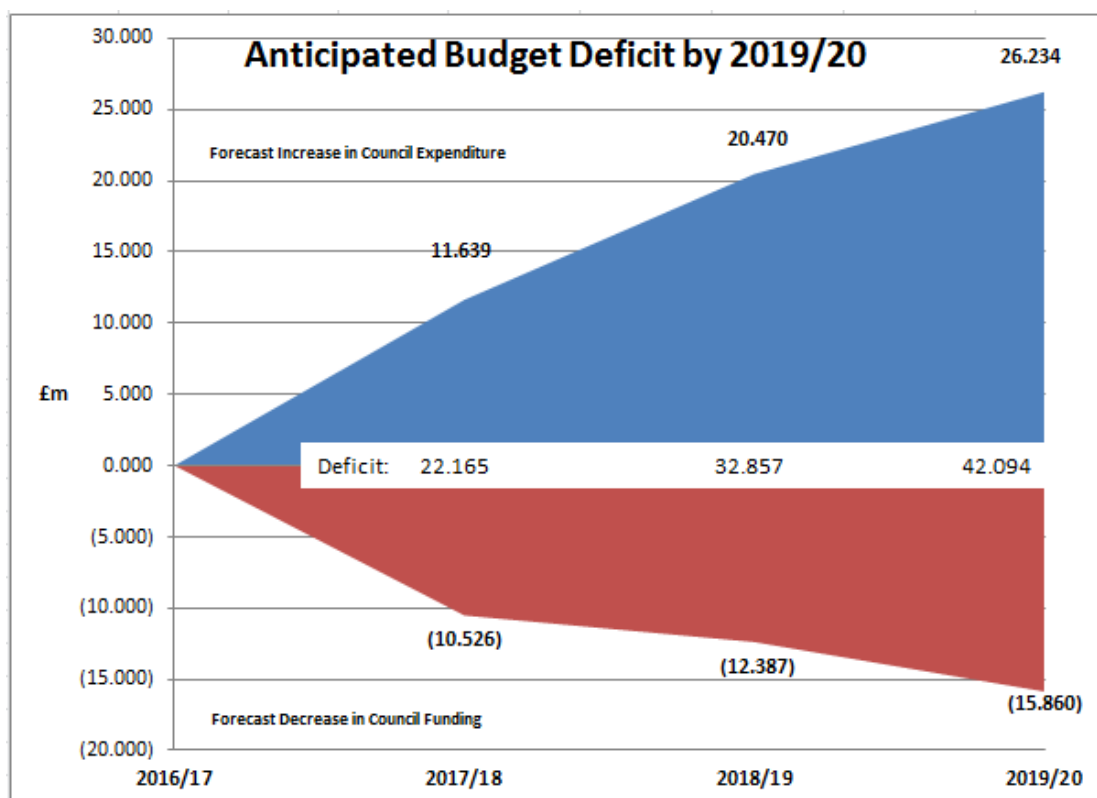


2. UPDATED 2017/18 BUDGET & 2018/19-2019/20 MTFS

2.1 Updated Position

2.1.1 The MTFS is a rolling document which is updated as changes in conditions are known. Since February 2016 the long-term interest rate forecasts have fallen which has reduced our forecast investment income and there has been an increase in the demographic pressures forecasts for spending on Adults and Children's social care.

2.1.2 The latest MTFS position reported to the Executive in September shows that the overall budget gap for 2017/18 to 2019/20 is £42.09m as shown below:



2.2 Budget Pressures and Additional Investment

2.2.1 The updated budget gap of £42.09m for 2017/18 to 2019/20 comprises of both cost pressures and funding changes.

2.2.2 Funding variances amount to £15.86m 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:

- Revenue Support Grant: as discussed earlier in the report, the RSG figures have been updated to reflect those provided as part of accepting the four year settlement.

- Council Tax: an allowance has been made for an estimated increase in the Council Tax base.
- Business Rates: the Council is now seeing a relatively buoyant rateable value base, including the opening of a new power station in Carrington and a new supermarket in Broadheath late last year. An allowance has been made for this growth in the current resource forecasts.

2.2.3 Cost pressures and additional investment amount to £26.23m over the next three years, the main features are detailed below with a summary of budget assumptions shown in Annex A.

- Pay: includes provision for a 1% pay award; and an increase in employer's pension rate.
- Inflation: relates to non-staffing budgets and includes a general allowance of 2%; plus other contractual inflation.
- Living Wage: an allowance of £5.60m has been made for the cost of the new Living Wage over the period, which is likely to affect the care market particularly.
- Levies: allowances for increases in waste disposal and Environment Agency (flood defence).
- Demography: an annual allowance for increasing number of adults of £4.5m and increasing number and cost of looked after children of £2.20m, which includes an additional £700k due to increased demand being experienced in 2016/17.
- 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.
- Expected Grant Reductions: allowance for reductions in the Public Health grant; the phasing out of the Education Services Grant by September 2017 and planned reduction in New Homes Bonus to four year allocations.
- Other: includes allowances for other minor service pressures & contingency items.

2.2.4 A further breakdown of the £42.09m gap is provided in the table below:

Table 2: The 2017/19 Budget Gap	September 2016		
Indicative Budget Forecasts	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Net Budget Brought Forward	147,320	158,958	167,790
Cost Pressures:			
Pay	1,435	1,449	1,172
Inflationary	786	791	797
Contractual Obligations	1,502	1,512	1,488
Living Wage	2,148	1,822	1,729
Levies	698	703	703
Demographic	2,701	2,000	2,000
Grants, Legislative & Service Transfers *	1,387	195	(2,375)
Loss of Income	105	0	0
Treasury Management	590	(127)	0
Other	286	487	250
Total Cost Pressures	11,638	8,832	5,764
Proposed Net Budget	158,958	167,790	173,554
Funding:			
Council Tax	83,654	84,064	84,477
RSG	15,276	10,303	5,299
Redistributed Business Rates	33,985	34,988	36,106
Business Rate Growth	3,578	5,578	5,578
Collection Fund Surplus	300	0	0
Proposed Funding	136,793	134,933	131,460
Reserves:			
General Reserve	0	0	0
Use of Reserves	0	0	0
Cumulative Funding Gap	22,165	32,857	42,094
Annual Funding Gap	22,165	10,692	9,237

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

2.3 Budget Approach 2017/19

2.3.1 In recent years the Council has had to adopt innovative approaches in order to address the significant budget pressures it faces. 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.

2.3.2 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.

2.3.3 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.

2.3.4 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

2.3.5 This strategy has identified eight key work streams and savings proposals in this budget report have been themed around these, albeit a number of the themes will take time to develop.

- 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

2.3.6 As with previous budget rounds the Executive will continue 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.

2.3.7 **Income Generation:** income initiatives provide an important contribution to the financial challenges and have resulted in reducing the requirement to make budget savings by £2.09m (9.4% of the target), comprising of:

- The continuation of existing income generating projects of £430k and
- New proposals which are projected to generate £1.66m, a full detailed listing is included within the Annex C which comprises of parking income, kerbside green waste collection income, new advertising opportunities and education traded services.

2.3.8 However, income generation on its own cannot address the full resource shortfall and savings within services will inevitably have to be made to balance the budget.

2.3.9 **Savings:** £11.91m of savings proposals include:

- The continuation of existing savings programmes of £8.92m and
- New savings proposals amounting to £2.99m, a full detailed listing of all the savings that each intervention is to contribute to the budget gap is included within the Annex C and these will be developed further over the coming months.

2.3.10 The figures in the table below also include the full year impact of £9.35m from those income generating projects and savings identified in the 2016/17 budget process and approved by Council in February 2016.

2.3.11 The table below summarises both the income and savings proposals:

Table 3: Summary of Savings & Income Proposals by Vision/Intervention	2017/18 £'000	2018/19 £'000	2019/20 £'000
Make Trafford a Destination of Choice (Tourism, visitor attraction, economic growth)	(100)	(100)	0
Accelerate housing and economic growth	(70)	0	0
Supporting communities and businesses to work together to design services, help themselves and each other	(11,100)	(340)	(40)
Working together for Trafford	(2,349)	(307)	(656)
Creating a national beacon for sports, leisure and activity for all	0	(100)	(100)
Optimising technology to improve lives and productivity	(377)	(38)	(15)
Total Income and Savings	(13,996)	(885)	(811)

2.3.12 Annex B contains a subjective summary of the proposed budget for 2017/18 together with the overall financing and Annex C contains full detailed schedules of all the new budget proposals put forward to address the budget gap. However there remains a budget gap for the years 2017/20 and the Council will continue to review business cases and budget proposals to identify further savings and income generating proposals to address the remaining gap.

2.3.13 **Funding:** In order to address some of the additional pressures and to support vital Council services it is now necessary to raise overall council tax by 3.99% which includes both the general increase of 1.99% without breaching the expected referendum threshold and the 2% increase to fund adult social care services 'precept' for each of the next three years.

2.4 Summary

2.4.1 The table below shows the current position following the latest round of business cases & budget proposals, after which there remains a budget gap of £2.02m in 2017/18.

Table 4: Summary of the Reduction in the Budget Gap	2017/18 £'000	2018/19 £'000	2019/20 £'000
Original Gap	22,165	10,692	9,237
Less Social Care Precept (as per budget report February 2016)	(1,682)	(1,732)	(1,783)
Remaining Budget 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 Gap	4,822	6,345	4,825
Use of Budget Support Reserve	(2,800)	2,800	0
Total Remaining Budget Gap	2,022	9,145	4,825

2.4.2 The budget gap includes the application of 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. Further savings proposals will be developed over the next couple of months in order to bridge the gap in the 2017/18 budget and later years.

3. RISKS & RESERVES

3.1 Risks

3.1.1 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.

3.1.2 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.

3.1.3 In exercising her 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.

3.1.4 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)

3.2 Reserves

3.2.1 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.

3.2.2 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 5: Usable Reserves	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£m	£m	£m	£m	£m	£m	£m
Specific	24.84	18.19	7.09	6.26	4.99	4.58	4.58
Smoothing	3.80	1.64	2.84	3.22	2.46	1.49	1.49
Budget Support	0.00	0.00	4.05	3.68	0.88	0.88	0.88
Service C/fwd	0.98	3.94	6.59	1.94	1.94	1.94	1.94
Earmarked Reserves	29.62	23.77	20.57	15.10	10.27	8.89	8.89
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	9.44	9.44	9.44	9.44
Total Usable Reserves	81.29	72.62	55.65	34.91	29.42	24.33	24.33
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	52.74	47.25	42.16	42.16

3.2.3 In February 2016 Council agreed to set the minimum level of the General Fund Reserve to £6.00m

3.2.4 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:

- 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 to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term.
- Service Carry Forward: represent accumulated savings on directorate budgets in previous years. These amounts are anticipated to be utilised to support expenditure on transformational projects.

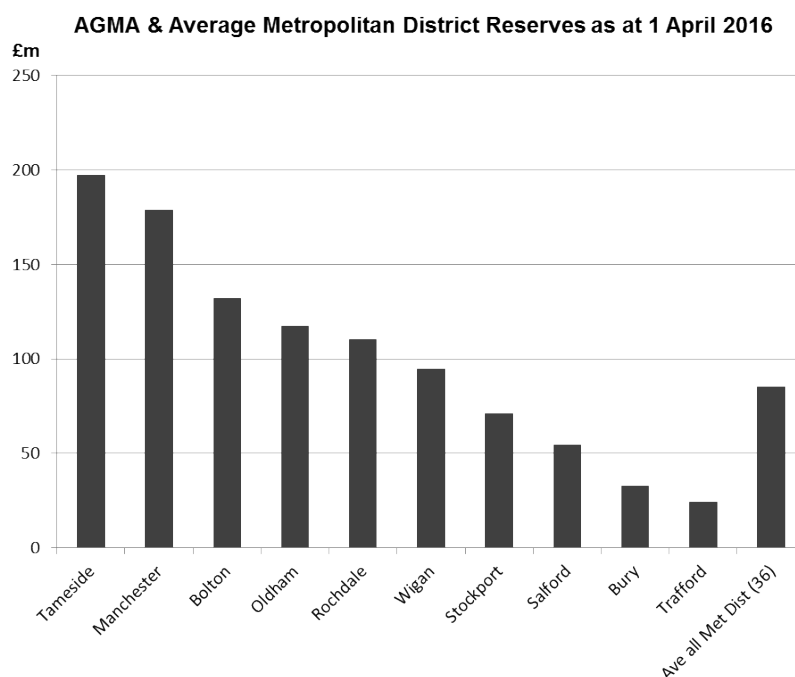
- Specific: mainly consists of the Insurance Reserve to cover potential future claims as a result of past events, the Employment Rationalisation Reserve for the costs of severance and related costs of structural change over and above the revenue budget provision and Transformation Reserve.

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

- General Fund reserve: the Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure
- 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

3.2.6 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 £2.8m will be used from the Budget Support Reserve to defer an element of savings into 2018/19.

3.2.7 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](#)

3.2.8 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. A further review of earmarked reserves will be undertaken and reported back to Executive in February 2017 with the intention of bolstering the budget support reserve to support future year's budgets.

4. CAPITAL PROGRAMME

- 4.1 Council approved the 3 year 2016/19 Capital Programme of £90.68m in February 2016 as follows:

<i>Table 6: Capital Investment Programme (Feb 2016)</i>	2016/17 £'000	2017/18 £'000	2018/19 £'000	TOTAL £'000
Service Analysis :				
Children, Families & Wellbeing	14,133	10,692	10,090	34,915
Economic Growth, Environment & Infrastructure	27,095	15,600	9,675	52,370
Transformation & Resources	2,475	570	350	3,395
Total Programme	43,703	26,862	20,115	90,680

- 4.2 The Capital Programme is reviewed on a monthly basis and as reported in the Budget Monitoring 2016/17 Period 2 and 4 reports to The Executive the Capital programme has been updated and re-profiled for amounts brought forward from 2015-16, the re-phasing of the original 2016-17 programme to later years and new external contributions as follows:

<i>Table 7: Capital Investment Programme (July 2016)</i>	2016/17 £'000	2017/18 £'000	2018/19 £'000	TOTAL £'000
Service Analysis :				
Children, Families & Wellbeing	13,608	12,106	6,040	31,754
Economic Growth, Environment & Infrastructure	28,404	21,258	10,275	59,937
Transformation & Resources	3,287	1,373	350	5,010
Total Programme	45,299	34,737	16,665	96,701

- 4.3 This programme utilises all known available capital funding sources over this period including prudential borrowing, capital grants and contributions and capital receipts. A review of the future year's programme will be undertaken and reported back to Executive in February 2017. This will involve a review of existing planned programmes against new emerging priorities including any invest to save measures required to support future revenue savings.
- 4.4 In the last financial settlement, an announcement was made allowing local authorities the flexibility to use capital receipts to finance other expenditure on transformational activity. Within the Council's Efficiency Plan referred to earlier in the report it was stated that the Council could look to take advantage of this new flexibility which would need agreeing at the Budget Council meeting in February. Utilising capital receipts in this manner may lead to a funding shortfall on the capital programme which would need to be made good through borrowing with associated ongoing borrowing costs to the revenue budget. As an indication for every £1m of new borrowing the annual charge to the budget would be £70,000 based on current rates of borrowing over a twenty year period.

5. SCHOOLS FUNDING & BUDGETS 2016/17

5.1 Background

5.1.1 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 can be divided into three main areas:

- Mainstream block - approximately £143m which essentially funds schools' budgets. This includes approximately £57m for academies which is determined by the Schools Funding Forum and Council but paid to Academies through the Education Funding Agency (EFA).
- High Needs block - approximately £23m which primarily supports Special Educational Needs (SEN) expenditure. This includes £10m to fund Trafford Special Schools.
- Early Years block - approximately £11m, which funds educational, provision for 2 to 5 year olds in both LEA Schools and Private, Voluntary and Independent (PVI) settings.

5.1.2 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.

5.1.3 The distribution of DSG for Trafford and subsequent funding amounts for individual schools are dependent upon the October census count of pupil numbers so the final distribution of DSG will not be known until January 2017 following the pupil census in October 2016. These will be taken to School's Funding Forum in January 2017 before we are required to submit the Authority Pro forma Tool (APT) to the Education Funding Agency (EFA).

5.1.4 The High Needs block is under increasing pressure as the SEND reforms, particularly the requirement to extend Education Health and Care (EHC) plans and provision to young people up to the age of 25, has resulted in increased expenditure, particularly on high cost placements. No additional funding has been made available from Government for these costs.

5.1.5 Trafford's per pupil funding is amongst the lowest in the country so it was a disappointment that the proposed introduction of a new fair funding formula would be postponed until 2018/19 at the earliest, despite an initial high level phase of consultation during 2016/17. An element of this exercise did include an expenditure baselining exercise, so it is expected that allocations for 2017/18 will at least be refreshed from their previous historic basis.

5.1.6 There has been a recent consultation on proposals to change how free childcare and early year's education is funded. The proposals include:

- Introducing a new early years national funding formula for 3 and 4 year olds;
- Changing the way local authorities fund the early years providers in their area; and
- Making sure that children with special educational needs or disabilities attract the extra funding they need.

5.2 Pressures on schools

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

- Pay awards of 1% or higher;
- Increased pension contributions; and
- Inflation at a prevailing average on supplies and services.

5.2.2 The f40 Group have calculated that a typical secondary school would require a further £350k to meet additional cost pressures from 2017/18. This is equivalent to ten teachers, however the additional cost pressures are far more significant to schools such as those in Trafford, which are relatively low funded.

5.2.3 As a consequence of funding pressures on the non-schools areas of the budget, some Educational Support Services are either being reduced or moving into a buy-back or trading service as the Council can no longer subsidise them. Therefore, going forward, schools will need to pay for these services in future.

5.2.4 Some schools have reserves they can call on, and the Council will work closely with any maintained school that is experiencing financial difficulty to draw up a recovery plan. Short term loans are available based upon a balanced recovery plan, and there is a centrally held organisational change provision to assist with reorganisation.

5.3 Overall Position

5.3.1 The DSG budget excluding academies for 2016-17 is £121m, period 4 (July 16) budget monitoring shows an estimated overspend of £1.09m. An element of this can be funded from a remaining balance on the general DSG reserve of £787k with additional in-year savings to be identified to meet the remaining shortfall.

5.3.2 The current level of spend compared to budget is not sustainable. It is 6 years since the government's White Paper formally acknowledged that school funding was unfairly allocated and that a change would be made. The delay in implementing the National Funding Formula means the poorest funded schools have to cope with the current cost pressures without any relief from a fairer funding formula, after being promised that 2017/18 would be the year funding would improve. Schools and the Local Authority will now need to take urgent action to find ways of managing with insufficient funding for a further year. A number of schools in Trafford are likely to face increasingly difficult times.

6. CONSULTATION & BUDGET TIMETABLE

6.1 Consultation

6.1.1 The following budget consultation process is recommended:

- As there were disappointing levels of public engagement in last year's consultation process as much activity as possible will be undertaken online and via social media. All public engagement activity will be promoted as 'conversation' rather than consultation, again in an effort to encourage greater public participation.
- The new budget context will be presented at 2 sessions for the public in November/December. One will be held in the North and one will be held in the South of the borough.
- At these sessions, the public will be informed about those things which could directly affect them and the neighbourhood they live in. There will be opportunities for the public to ask questions at these meetings and share their views openly with Members, Officers and others in attendance.
- It should be recognised that the sessions in November/December mark the start of a longer period of engagement. As proposals mature and clarify, relevant stakeholder groups will be consulted with as the proposal requires; this could be at any point between 2016 and 2019/20. There is no agreed schedule for this at this stage and it will take some time to define, particularly for the latter years.
- Specific consultation activity will be proportionate in scale to the proposal concerned and targeted to the stakeholder group concerned.
- Staff will have budget briefings at the same time. Any efficiency proposals affecting staff will be dealt with separately and internally through routine staff consultation arrangements. Staff consultation on some of the specific proposals begins on 7 November 2016 and public and stakeholder consultation will start on 16 November 2016. Public consultation will conclude on 16 December 2016 but some staff consultations will conclude beyond this date.
- Details of the public and stakeholder consultation are available on the Council's web site on the 2017/18 Budget pages. There will also be a review of this report and its proposals by the Council's Scrutiny Committee.
- Detailed planning work on some proposals is still taking place. The draft Local Government Finance Settlement is expected in December 2016, however with the Council accepting the four year settlement, DCLG is expected to respond soon after the 14th October to confirm the constituent elements of the multi-year offer for the remaining years.
- All of the above will be brought together by the end of January 2017 when the Executive will make final changes to their draft proposals. These will then be recommended for approval at the Public Executive, and the final determination of the budget made at Budget Council, on 22nd February 2017.

6.2 Impact on staff

- 6.2.1 Employee costs form a large proportion of the Council's expenditure; it is therefore inevitable that savings will have an impact on the Council's workforce.
- 6.2.2 This will be particularly important in the Children, Families and Wellbeing Directorate, where there is a dedicated programme to support the delivery of significant savings targets. This will mean working collaboratively and innovatively with partners and residents to explore alternative options for service delivery, with the aim of protecting employment across the borough, as far as possible. It is inevitable, however, that there will be an impact on the number of budgeted jobs within the Council.
- 6.2.3 A range of options relating to service redesign have been explored and these will be shared as part of the staff and trade union consultation process on potential workforce reductions.
- 6.2.4 It is currently anticipated that the proposals may result in more than 20 staff being dismissed on the grounds of redundancy; in these circumstances, the Council is required to issue a S.188 notice to the recognised trade unions in order to mark the commencement of formal collective consultation. The period of collective consultation is likely to commence on 7th November 2016 and will run for a minimum of 30 days. Should it become evident that the proposals will affect more than 99 staff, this period will be extended to a minimum of 45 days.
- 6.2.5 During the consultation period, as always, the Council will strive to minimise the number of redundancies and support employees by:
- continuing to operate robust vacancy management systems;
 - operating a centrally managed redeployment process;
 - considering options for voluntary redundancy or early retirement where these are cost effective and operationally viable;
 - considering secondment and temporary project assignment opportunities where appropriate;
 - considering options for other employees to take voluntary redundancy or early retirement to enable a redeployment opportunity for displaced staff, where this is cost-effective and operationally viable;
 - providing an employee assistance and outplacement support programme for staff at all levels.
- 6.2.6 In addition to the savings relating to service reviews, there is also a Council-wide proposal which relates to changes to staff terms and conditions. In 2014, the Council introduced a number of changes to staff terms and conditions which realised savings in the region of £1.7m. Whilst most of these changes related to permanent contractual changes, the introduction of 3 days mandatory unpaid leave was made as a temporary variation until 31st March 2016; this was further extended for one year until 31st March 2017.

- 6.2.7 Since the introduction of mandatory leave, the Council has worked to try and reduce the number of mandatory days that staff are required to take. In this respect, a Voluntary Additional Unpaid Leave Scheme has been introduced and this has helped to achieve savings via voluntary measures. A variation of the existing scheme is still required which will result in 1.5 days mandatory leave for those employees who haven't opted to take voluntary unpaid leave in order to achieve the full savings of £0.5m assigned to terms and conditions.
- 6.2.8 This proposed variation requires the Council to undertake a period of statutory collective consultation as it may result in the dismissal and re-engagement of the workforce. Therefore, on 7th November 2016, the S.188 notice that will be issued in relation to service reviews will also include details of the terms and conditions proposal. This consultation will run for a minimum period of 45 days.

6.3 Draft Budget Timetable

Draft Budget Timetable	
Budget proposals presented to Executive	15/11/2016
Social Media Campaign commences	16/11/2016
Initial Budget Scrutiny meeting	16/11/2016
Public consultation event	23/11/2016
Public consultation event	03/12/2016
Budget Scrutiny	Dec-16
Output of online and public conversation.	Jan-17
Executive Member Workshops	Jan-17
Final budget is presented to Council	Feb-17
Service Plans in place by April for the following year	Apr-17

MEDIUM TERM FINANCIAL OUTLOOK - BASE BUDGET ASSUMPTIONS

Base Budget Assumptions	2017/18
Service Expenditure	
Pay	1.0%
	£0.6m
Pension	1.0%
	£0.5m
Prices – General inflation (certain services have specific inflation, e.g. energy)	2.0%
	£2.2m
Demography : Children	£1.2m
Adults	£1.5m
Waste (GMWDA): Total Levy Increase (after adj for smoothing reserve)	£0.7m
Transport (GMCA) Levy increase	0.0%
	£NIL
Treasury Management & Funding	
Investment Rates	0.5%
Debt Rates	3.50%
Council Tax rate increase	1.99%
Adult Social Care Precept (Council Tax)	2.00%
Council Tax base increase	0.50%
Reduction in Start-up Funding	12.5%
	£7.1m
Reduction in overall Government support	10.5%
	£9.3m

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	76,563	32,198	16,938	21,621		147,320
<u>Cost Pressures:</u>						
Pay	925	92	419	(1)		1,435
Inflationary	483	96	205	2		786
Contractual Obligations	713	789	0	0		1,502
Living Wage	2,024	50	74	0		2,148
Levies	0	700	0	(2)		698
Demographic	2,700	0	0	1		2,701
Grants, Legislative & Service Transfers	552	0	113	722		1,387
Loss of Income	0	105	0	0		105
Treasury Management *	0	0	0	590		590
Other	(68)	(578)	302	630		286
Total Cost Pressures	7,329	1,254	1,113	1,942		11,638
<u>Approved Budget Updates (Feb 2016):</u>						
Income Generation	0	(200)	(230)	0		(430)
Savings Proposals *	(8,916)	0	0	0		(8,916)
Total Approved Budget Proposals	(8,916)	(200)	(230)	0		(9,346)
<u>New Budget Updates (Oct 2016):</u>						
Income Generation	0	(1,202)	(460)	0		(1,662)
Savings Proposals	(1,028)	(438)	(562)	(800)		(2,828)
Total New Budget Proposals	(1,028)	(1,640)	(1,022)	(800)		(4,490)
PROPOSED NET BUDGET	73,948	31,612	16,799	22,763	0	145,122
<u>Funding:</u>						
Council Tax					(83,663)	(83,663)
RSG					(15,276)	(15,276)
Redistributed Business Rates					(33,985)	(33,985)
Business Rate Growth					(3,578)	(3,578)
Collection Fund Surplus					(300)	(300)
Total Funding					(136,802)	(136,802)
<u>Additional Funding (Oct 2016):</u>						
Council Tax - 2% Adult Social Care Increase					(1,673)	(1,673)
Council Tax - 1.99% General Increase					(1,665)	(1,665)
Council Tax Support Scheme					(160)	(160)
Additional Funding Total					(3,498)	(3,498)
PROPOSED FUNDING					(140,300)	(140,300)
<u>Additional Use of Reserves (Oct 2016):</u>						
Budget Support Reserve					(2,800)	(2,800)
Additional Use of Reserves Total					(2,800)	(2,800)
USE OF RESERVES					(2,800)	(2,800)
BUDGET GAP						2,022

Make Trafford a Destination of Choice (Tourism, visitor attraction, economic growth)

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)
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.
				(100)	(100)	0	

Accelerate housing and economic growth

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)
Page 35 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	

Supporting communities and businesses to work together to design services, help themselves and each other

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)	
Page 36	EGEI	Parking	Parking fees	Income	(702)	0	0	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 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.
	ASS&CW	Care Management	Reablement – phase 2	Efficiency	(946)	0	0	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.

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.
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.
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.
F	Terms and Conditions	Staffing	Policy Choice	(500)	0	0	Extension of the voluntary and mandatory leave scheme
F	Provisions	Provisions and Contingency	Policy Choice	(200)	0	0	Review of provisions and contingencies
F	Finance – Exchequer Services	Council Tax support scheme	Policy Choice	(160)	(40)	(40)	A review of the support scheme to align to national benefits.
F	Treasury Management	PFI Contract	Cashable	(50)	(50)	0	Anticipated savings in the unitary service payment on the Sale Waterside PFI agreement
F	Insurance	Insurance Premiums	Cashable	(50)	0	0	Reduction due to lower than anticipated insurance premiums and level of self-insured provision due to a lower claim payments.
F	Base Budget Review	Budget Revisions	Cashable	(332)	0	0	Review and removal of on-going budget underspends.
				(3,279)	(90)	(40)	

Working together for Trafford

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)
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.
T&R	School Crossing Patrols	Traded Service	Income	(350)	0	0	Schools crossing patrols to become a traded service which will be offered to schools and/ or community groups.
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.
EGEI	One Trafford Partnership – Grounds Maintenance	Transfer of maintenance to bowling clubs	Policy Choice	(18)	0	0	The Council will 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.
				(949)	(307)	(656)	

Creating a national beacon for sports, leisure and activity for all

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)
T&R	Leisure	Franchise income Trafford leisure	Income	0	(100)	(100)	If proposed investment is agreed, additional revenue will be generated by the leisure company based on increased take up of services.
				0	(100)	(100)	

Optimising technology to improve lives and productivity

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)
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.
EGEI	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).
F	Finance – Exchequer Services	Business scanning	Efficiency	(100)	(28)	0	Business efficiency savings from enhanced use of scanning technology.
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)	

This page is intentionally left blank

TRAFFORD COUNCIL

Report to: Executive
Date: 15 November 2016
Report for: Decision
Report of: Executive Member for Communities and Partnerships

Report Title:

Increasing Physical Activity across the Borough

Summary:

Following on from an extensive review of leisure provision, current and anticipated areas of demand and commercial opportunity within the leisure market this report sets out the case for investing capital to improve and modernise the Council's leisure centres. Investment is predicated on increasing usage of leisure centres with some consolidation of facilities in order to generate income sufficient to meet the capital costs over a reasonable period of time.

It is set within the context of ever increasing cost pressures on the health and social care system and the absolute imperative to secure improved health and wellbeing outcomes through a strategy of increasing everyone's level of physical activity.

Recommendation(s):

That the Executive;

- 1) Adopt the Physical Activity Vision;
- 2) Note and approve, in principle and subject to further consultation where required, the recommendations of the Commercial Prospectus.
- 3) Approve the principle of the Council making a capital investment of £24.39m identified as necessary in the Commercial Prospectus for all three phases/lots of works and subject to the need for further Executive approval, of any investment, once detailed business cases are produced demonstrating sufficient income growth to fund the capital costs;
- 4) Delegate authority to the Deputy Chief Executive and the Corporate Director, Resources to procure project management support and develop detailed schemes for the first two phases and release £250,000 to fund this development work;
- 5) Approve consultation on proposals for the closure of George H Carnall Leisure Centre and the consolidation of leisure services in that area at an improved Urmston Leisure Centre;
- 6) Note the proposals for the consolidation of golf facilities in the Flixton area and delegate authority to the Corporate Director, Resources to enter into negotiations with existing providers to bring forward a detailed proposal in this regard;
- 7) Approve the appointment of Trafford Leisure Community Interest Company Limited as the operator of leisure services at the Council's leisure facilities and delegate authority to the Corporate Director, Resources in consultation with the Director of Legal and Democratic Services to negotiate the terms of and enter into a new operating agreement to support the delivery the Physical Activity Vision;

Contact person for access to background papers and further information:

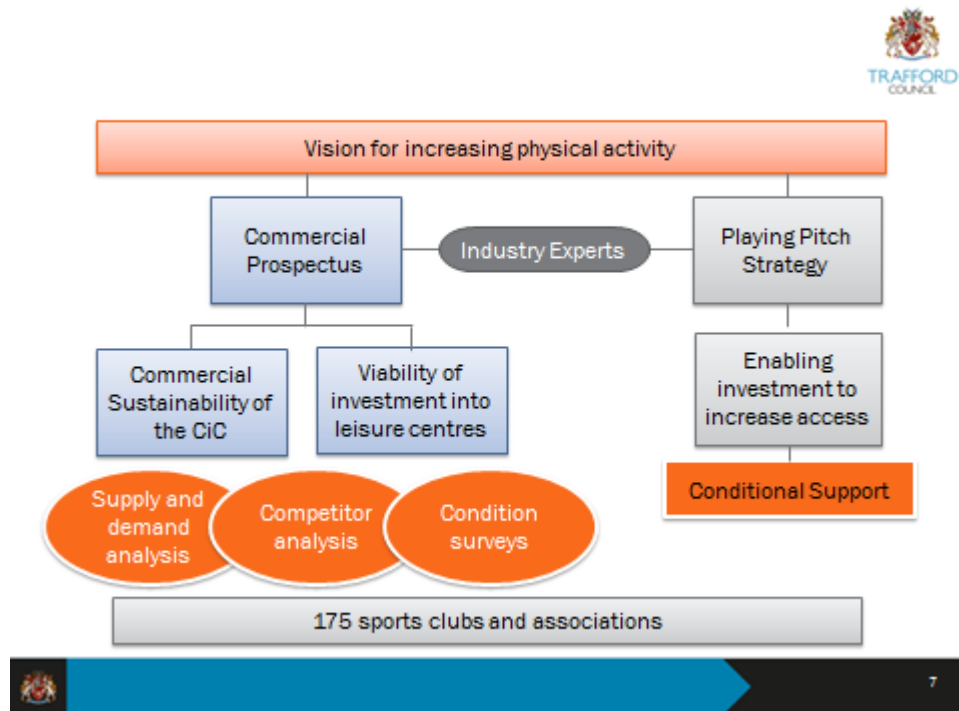
Name: Paul Helsby
Extension: 07739 856664

Background Papers: 2016 Mapping Summary;

1 Background

- 1.1 In October 2015 Trafford Leisure Trust ceased its operation of Council owned leisure facilities having served notice of its intentions in that regard earlier in that year.
- 1.2 In order to ensure the continued operation of sports and leisure services from Council owned centres the Council established a company and appointed a board of directors to oversee the company and maintain services.
- 1.3 The company, Trafford Leisure Community Interest Company Limited (“Trafford Leisure”), commenced trading on 1st October 2015 and has been operating now for over a year. It has been established as a Teckal company which, because of its special relationship with the Council confers certain advantages, particularly in relation to exemptions from the need to follow EU Procurement Regulations.
- 1.4 The company has now been trading for over a year and is financially independent.
- 1.5 In order to plan effectively for a sustainable leisure strategy for the Borough the Council appointed consultants with leisure sector expertise to undertake a thorough review of all indoor and outdoor leisure provision across the Borough, following demand mapping criteria set nationally by Sport England. This enabled them to assess the effectiveness of current provision against the level of demand. It was recognised that considerable investment would be required to modernise and improve the existing facilities and they have therefore carried out a detailed assessment of the commercial viability of investing in a programme of rationalisation and modernisation of Council owned leisure centres.
- 1.6 In parallel to this the Council has, together with local partners, developed a Physical Activity Vision (“Vision”) aimed at providing a basis for improving health and wellbeing outcomes for Trafford residents through a strategy of increasing levels of physical activity.
- 1.7 There are three key outputs resulting from these activities;
 - A Physical Activity Vision (the Vision)
 - A Commercial Prospectus
 - A Playing Pitch Strategy
- 1.8 These proposals have three key aims;
 - Reducing ill health;
 - Increased take up of leisure facilities in all localities reflecting that these facilities are clearly adding to the ‘sense of place’ in Trafford’s localities;
 - The provision of leisure facilities that are economically sustainable;

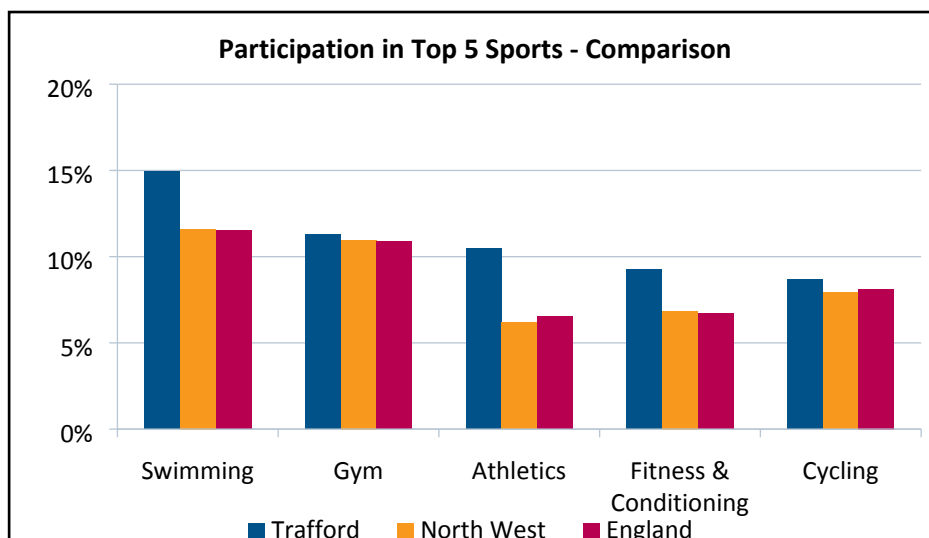
The following diagram depicts the structure of the outputs and the interdependencies on the key aims;



2 Physical Activity Vision (See appendix A)

- 2.1 The health and wellbeing of the nation is a critical social and financial issue. Reducing physical inactivity to bring about better individual and community wellbeing, and reducing pressure on the Health and Social Care system is a priority.
- 2.2 Central government published “Sporting Future: A new strategy for an active nation” in December 2015 and Sport England published “Towards an Active Nation” in May 2016.” These documents emphasize the need to reduce inactivity which is now Sport England’s main objective. This replaces the previous emphasis on sporting excellence. This is indicative of the shift in thinking. Every individual’s enjoyment of leisure activities is now the focus.
- 2.3 This change in emphasis is highlighted by some key statistics quoted by Sport England. “1 in 6 deaths are caused by inactivity” and “48% of inactive adults want to do more exercise.”

It is acknowledged that Trafford residents, partly because of the demographic profile, are more ‘active’ when compared to the North West of England or England as a whole. This is demonstrated by the following table, which shows that more people are taking part in sporting activity in Trafford.



2.4 However the fact that a substantial proportion of people still may not take part in a healthy lifestyle means that work to reduce ‘inactivity’ is as valid in Trafford as it is anywhere else – not least to reduce pressure on health and social care costs.

2.5 Trafford’s Joint Strategic Needs Assessment (JSNA), produced in 2016, identified increasing physical activity levels in Trafford as its top priority, with the health cost of inactivity estimated at £4.8m in Trafford. The JSNA suggested that:

- 46% of adults in Trafford who are inactive want to take part in sport, which demonstrates the future opportunity;
- 34% of year 6 children and 61% of adults are overweight or obese;
- 21% of adults have a high anxiety score;
- 114 deaths could be prevented per year if 75% of the population aged between 40-79 years were engaged in the recommended levels of physical activity.

2.6 The JSNA recommends clearly that leisure activities are vital to encourage everyone to be active.

2.7 The Vision for Trafford has been developed in conjunction with a number of partners, specifically the partners associated with the Health and Wellbeing Board and the Sport and Physical Activity Partnership. The partnership work has focused on the biggest issue and the biggest opportunity; reducing physical inactivity.

2.8 The Public Health team within the Council has also worked with the partnership groups to highlight and discuss solutions regarding the health issues facing Trafford and neighboring localities.

2.9 The Vision has also been informed through information collected from market leaders in the leisure and health sectors as well as local groups and the board of Trafford Leisure.

- 2.10 There are evidenced reductions in ill health following an individual's participation in physical activities (particularly concerning heart disease, obesity, mental health and other related conditions). A wide body of research from within the UK and internationally, unequivocally identifies that investment in encouraging and enabling participation in physical activity whilst reducing inactivity is a cost effective method of increasing population health and reducing avoidable demand and expenditure.
- 2.11 Increasing the take-up of leisure opportunities in all localities is critical as are improved leisure facilities, which will also add to the sense of place in Trafford's localities, improving the public realm and the satisfaction people feel in their neighbourhoods.
- 2.12 The Council's focus on 'place-shaping' sets strategic context and the requirements that flow from the unique nature of the key towns that makes up Trafford and the specific needs of each place.
- 2.13 The Vision will underpin and bring clarity to the role of all relevant partners enabling them to sign up to a series of pledges in order to combine resources and thinking in order to improve physical activity levels at scale and pace with specific focus on groups who have higher levels of inactivity or sedentary behaviour.
- 2.14 This does not mean that those people that have the potential to become elite performers will be forgotten. Trafford's rich heritage of sporting achievement must still be nurtured and valued and opportunities created wherever they exist.

3 Investment Strategy

- 3.1 In February 2016, the Council commissioned a partnership of leisure industry experts (Max Associates, Alliance Leisure and Pozzoni Architects) to evaluate the potential for investment in Council owned leisure centres and to produce an independent, expert analysis of commercial viability. The requirement was to consider the following across the facility portfolio:
- Assessment of traditional sports facilities, but also review options for new, more commercial, leisure and retail activities that can enhance income and enable increased visits in order to identify a preferred facility portfolio;
 - Design concepts for the preferred facility portfolio;
 - Indicative but robust costs for the development of the facilities in the preferred portfolio, together with assumptions used in costing;
 - Five-year revenue business plans for the preferred facility portfolio, identifying assumptions underlying the revenue projections and the anticipated level of financial return;
 - The financial modelling to include the net impact of the income and expenditure for all development areas in the facilities;

- 3.1.1 The output of this work was a Commercial Prospectus (attached as an Appendix to **Part B** of this report), which identifies a level of investment which would be required to modernise the leisure centres in the preferred facilities portfolio and to build a new facility in Altrincham and, establishes that this could be repaid through income growth over a reasonable period of time. The preferred facilities portfolio would be achieved through the rationalisation of the facilities required in Urmston. These proposals would be subject to consultation and if approved, would involve the closure of George H Carnall Leisure Centre, following investment in Urmston Leisure Centre. Consultation, including consultation with ward members on future plans for the site would enable the council to shape and bring forward plans for the site in the event that the leisure activities are relocated and consolidated as proposed
- 3.2 It has also been identified that there is an over-supply of golf facilities in the Flixton area with an independently run nine-hole golf course adjacent to the Council owned golf course at William Wroe. It is therefore recommended that these need to be consolidated.
- 3.3 The overall investment cost totals £24.39m (of which the new centre at Altrincham accounts for £10m).
- 3.4 A technical appraisal, undertaken by the Council in 2014 (detailed in the following table) emphasised the need to address a programme of prioritised maintenance works to leisure centres costing £10.36m over an eight-year period. If the Council adopts the proposals contained in the Commercial Prospectus and approves in principle the investment of £24.39m this will avoid the need to undertake the £10.36m of capital maintenance works previously identified.

PREVENTATIVE MAINTENANCE SCHEDULE

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

3.5

The Commercial Prospectus establishes that, on the basis of this proposed investment and some rationalisation of facilities, additional profits will be realised when full maturity is achieved after five years and makes it clear that, with investment, the Council's leisure portfolio provides a viable long-term commercial proposition.

3.6 However it will also be necessary to consider any potential tax implications and these could either shape proposals differently or impact on commerciality. These issues will be covered fully in any later detailed proposals.

3.7 There are potentially a range of sources of funding available;

- The provision of capital through prudential borrowing;
- The provision of capital through the sale of existing assets;
- There is indication that a grant of up to £2million could be available from Sport England through their Strategic Facilities Funding;

Subject to agreement to these proposals, opportunities to seek grant funding support will be vigorously pursued.

3.8 The overall financing requirement of £24.39m would have associated annual prudential borrowing costs of approximately £1.1m over a 30 year period. The primary argument for proposing such an option is predicated on there being significant commercial return to the Council through increased usage of the centres. We also know that by increasing physical activity rates there will be corresponding improvement to health and wellbeing, which is of course a real benefit and one of our biggest challenges.

3.9 It is proposed that the capital investment has three distinct phases/lots;

Phase 1 – progress schemes at Urmston and Sale Leisure Centres as a matter of urgency. These have the potential to offer excellent commercial returns and should be progressed through procurement to commence works in spring 2017.

Phase 2 – Whilst the building of a new leisure centre in Altrincham is a key priority for the locality, further work is required to agree an appropriate scheme with the developers.

Phase 3 – Stretford Leisure Centre should be progressed once the master planning for Stretford is complete. Development of Partington Leisure Centre will only be fully viable with the significant housing developments in place within that locality. This will provide the increased uptake and income growth needed to repay the investment.

The following table depicts the phased costs of capital investment and repayment costs if prudential borrowing is required;

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

** If fully funded through prudential borrowing – maximum borrowing cost*

- 3.10 Approval is requested in relation to the principle of the Council making a capital investment of £24,39m for all three phases. In order to develop phases 1 and 2, the immediate release of £250,000, to be met from within the capital programme, is requested to procure project management support and prepare detailed schemes and progress through planning stages. Further Executive approval will be sought for any investment once detailed business cases are produced demonstrating sufficient income growth to fund the capital costs.

4 The Playing Pitch Strategy

- 4.1 The Vision sets out a clear mission to reduce inactivity across the borough by improving access to a broad range of sport and leisure facilities. Reducing physical inactivity and improving health outcomes is dependent on maximising the use of all Trafford's assets. The Strategy is being developed by independent industry specialists Knight, Kavanagh and Page (KKP).
- 4.2 Parks and open spaces contribute greatly, as do the 175 clubs and associations that operate in Trafford and provide a rich infrastructure of sport and leisure opportunities for Trafford residents. The Strategy will ensure that the space available is used in the most effective way to maximise uptake and accessibility. The Strategy will identify priorities for outdoor facilities in each locality. It involves consultation with all the major sports' governing bodies and technical assessments of the quality and suitability of each facility. The approach being taken strictly adheres to the methodology set out by Sport England.

- 5.2 With this Strategy in place the Council will be able to consider requests for increased security of tenure for these clubs and associations according to their strategic importance.
- 5.3 With increased tenure, typically 25 years, clubs and associations will be better able to secure grant funding to invest in facilities in order to further broaden access and increase usage. This will have a greater impact on reducing inactivity and social isolation, which should be a requirement of the Council in agreeing to an extended security of tenure.
- 5.4 This Strategy is expected to be completed early in 2017 and will be the subject of a further report to Executive.

6 Recommendations

That the Executive;

- 1) Adopt the Physical Activity Vision;
- 2) Note and approve, in principle and subject to further consultation where required, the recommendations of the Commercial Prospectus.
- 3) Approve the principle of the Council making a capital investment of £24.39m identified as necessary in the Commercial Prospectus for all three phases of works and subject to the need for further Executive approval, of any investment, once detailed business cases are produced demonstrating sufficient income growth to fund the capital costs;
- 4) Delegate authority to the Deputy Chief Executive and the Corporate Director, Resources to procure project management support and develop detailed schemes for the first two phases and release £250,000 to fund this development work;
- 5) Approve consultation on proposals for the closure of George H Carnall Leisure Centre and the consolidation of leisure services in that area at an improved Urmston Leisure Centre;
- 6) Note the proposals for the consolidation of golf facilities in the Flixton area and delegate authority to the Corporate Director, Resources to enter into negotiations with existing providers to bring forward a detailed proposal in this regard;
- 7) Approve the appointment of Trafford Leisure Community Interest Company Limited as the operator of leisure services at the Council's leisure facilities and delegate authority to the Corporate Director, Resources in consultation with the Director of Legal and Democratic Services to negotiate the terms of and enter into a new operating agreement to support the delivery the Physical Activity Vision;

Financial Impact:	<p>Estimated capital investment in the Council's leisure centres of £24.4m to be financed from a combination of capital receipts, external grants and borrowing. It is intended that any associated borrowing costs will be recovered from Trafford Leisure CIC Ltd and where appropriate also provide an additional income stream to support the future revenue budget.</p> <p>More specific proposal for new borrowing will require approval by Council and details will be reported in February 2017 as part of the Capital Investment Proposals 2017/20.</p> <p>Initial development costs of £250k to be financed from savings in the current capital programme.</p>
Legal Impact:	The immediate steps which will be required to be taken as a consequence of the approval of these recommendations are those related to the negotiation and finalisation of a new operating agreement to be entered into between the Council and Trafford Leisure. Further approval will be required before any other actions, which are approved in principle consequent upon the Commercial Prospectus, are taken.
Human Resources Impact:	With investment and growth in leisure centre usage, there is potential to create a greater number of local jobs and apprenticeships.
Asset Management Impact:	See report
E-Government Impact:	None
Risk Management Impact:	See report
Health and Safety Impact:	See report

Consultation

Detailed consultation with Sport England is underway as is a formal process for consulting with the main sporting bodies through the development of the Playing Pitch Strategy. Consultation will take place with the relevant user groups for those facilities that are part of the proposals for consolidation.

Other Options

Invest £10,363m over eight years to rectify an urgent backlog of maintenance.

Reasons for Recommendation(s)

By investing £24.39m in the modernisation and new build of leisure centres, it will increase the usage and generate significant additional income to meet the investment requirements. It will also offset the need to spend £10.363m on the backlog of routine maintenance, which would have no perceivable impact on

improving the customer facing aspects of each centre and would therefore not generate additional revenue. There is also a risk of falling customer numbers without visible improvements, which would severely jeopardise the Council's ability to sustain a leisure centre offer in each of its key localities.

Also, of prime importance, this proposal aims to secure a significant improvement in health and wellbeing outcomes by improving the opportunities for residents to improve their physical activity levels with a resultant financial benefit in reducing pressure on health and social care services.

Key Decision: yes

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

Finance Officer Clearance: GB

Legal Officer Clearance: JLF

CORPORATE DIRECTOR'S SIGNATURE:

A handwritten signature in blue ink, appearing to read 'Joanne Hyde', is written over a light blue horizontal line.

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

PHYSICAL ACTIVITY VISION

October 2016

1. EXECUTIVE SUMMARY

Trafford Council has worked collaboratively with its partners to set out an ambitious vision to improve health and social outcomes for the residents of Trafford through a strategy of increasing everybody's level of physical activity. This work marks the start of a journey which will see Trafford's partners pledge their support to driving up levels of physical activity in the Borough.

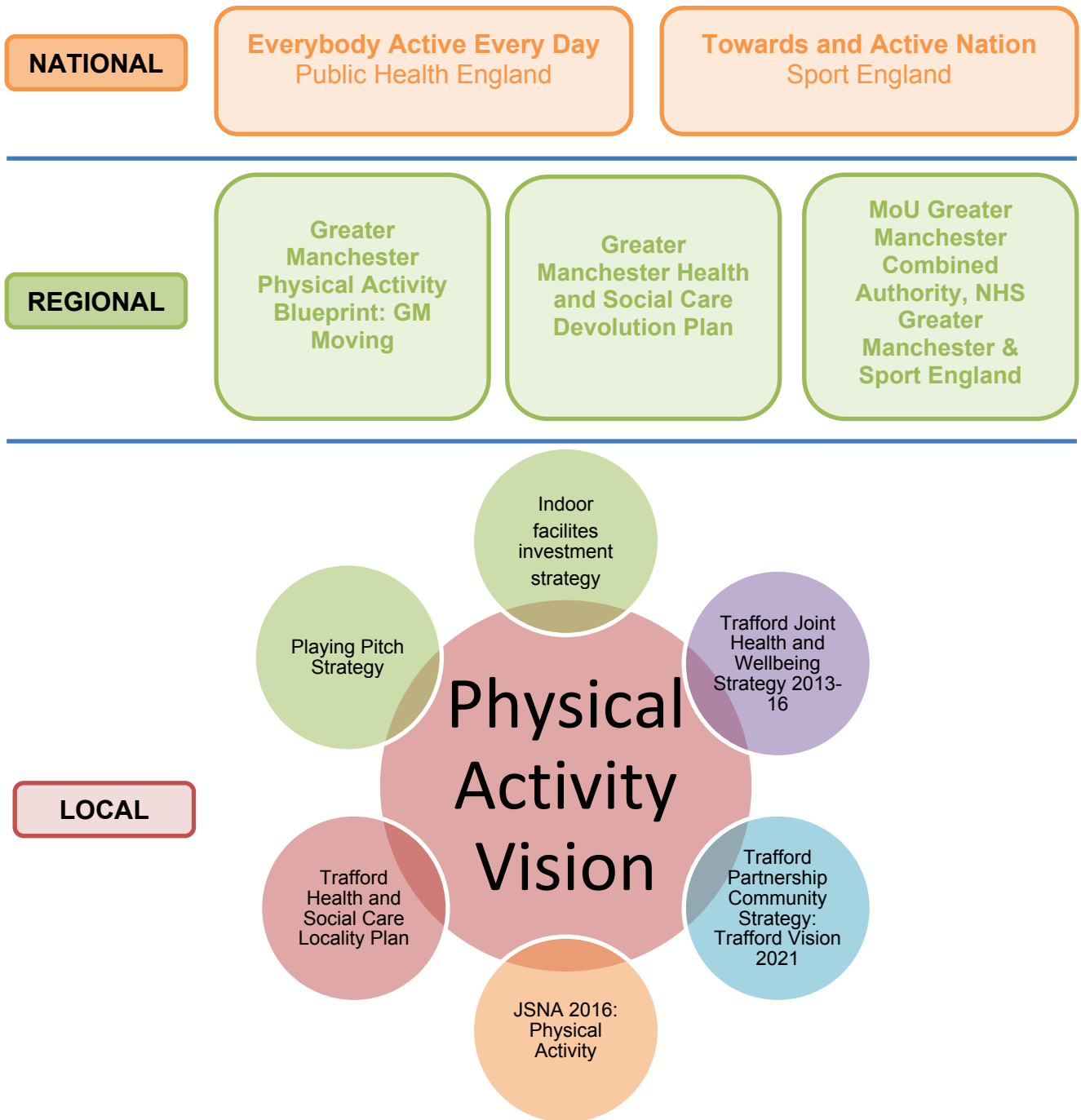
The vision seeks to define the ambition to transform the Borough's leisure facilities and to maximise the major opportunities presented by devolution in Greater Manchester and public sector reform agendas, particularly in the integration of Health and Social Care. The fundamental ambition is for every resident to become more active because we know it has immeasurable benefits to people's health and wellbeing.

Sport and Leisure is an incredibly important part of Trafford's long history. Trafford stages some of the world's biggest sports events. This brings local and international recognition that Trafford is one of the best sporting destinations in the world. We are harnessing this passion and energy to deliver a real difference to every resident in Trafford. This will be achieved through accessible opportunities for increased participation in physical activity with the core aims of our residents becoming more active as well as ensuring elite performers can reach their full potential in Trafford. Tackling inactivity is pivotal in addressing many of our local health, social and economic priorities.

Trafford's Physical Activity Vision has been developed through discussions with the Sport & Physical Activity Partnership and shared with the Trafford Health and Wellbeing Board. The vision is underpinned by a strategic review of leisure centres to inform investment priorities and an assessment of the rich variety of outdoor leisure and sporting facilities (Playing Pitch Strategy) used by the 175 sporting clubs and associations that thrive in Trafford. The Playing Pitch Strategy aimed at broadening sustainable access to the wide range of sporting and leisure opportunities that exist within Trafford and to bring together these opportunities within a strategic framework that will ensure that Trafford residents have greater opportunity to access a wider network of sports and leisure facilities that increases the opportunity for every resident to become more physically active.

Diagram 1 sets out the relationship between this vision, regional plans and the national context which creates a framework upon which to build a cohesive case for changing the way that leisure and sport has been traditionally viewed and moves the imperative for it to become a fundamental enabler of improved health and wellbeing outcomes.

DIAGRAM 1



2. INTRODUCTION

The local picture

There has never been a more important time for Trafford to articulate its vision for physical activity. The UK faces an epidemic of physical inactivity as social changes mean we are an increasingly sedentary society. Inactive residents live in every community in Trafford. Over one fifth (22.3%) of Trafford adults (aged 16 and over) take part in less than 30 minutes of physical activity each week. Furthermore one fifth (20.6%) of these adults take part in no weekly activity whatsoever. That is some 36,000 to 40,000 adults in Trafford who are inactive. Females in Trafford are statistically more likely to be inactive (29.3%) than males (14.9%). Inactivity is also more prevalent in older people aged 65 and over (41.2%). So too are people in Trafford living with a limiting illness or disability (45.5%). And inactivity is more prominent among people in lower socio-economic groups (34.8%). Encouragingly, however, we know that 23% of the current inactive population in Trafford would like to be more active. It is vital that we encourage our inactive residents to change their lifestyle in order to make a step change improvement in health outcomes across the Borough.

Trafford's Joint Strategic Needs Assessment (JSNA), produced in 2016, identified increasing physical activity levels as its top priority, with the health cost of inactivity estimated at £4.8m. It recommends that leisure activities are vital to encourage everyone to be active.

Shaping place

Leisure will be a key element in shaping the sense of community in the borough. Facilities should act as 'anchors' to attract regeneration and inward migration into the borough, and should support wider economic aims for localities.

Partners across health, community development and education sectors will work to maintain this strategic approach to provision across Trafford. The opportunities for integrating public service facilities with leisure in 'community hubs' will be actively pursued, particularly concerning future plans for health services.

The health and social care burden of inactivity

Globally, physical inactivity is the fourth largest risk factor for death behind high blood pressure, smoking and diabetes, and it is estimated that physical inactivity is directly responsible for 1 in 6 premature deaths.

Being physically inactive causes 6% of coronary heart disease, 7% of type 2 diabetes, 10% of breast cancer and 10% of colon cancer. By contrast, an active lifestyle shows clear benefits in the treatment, management or prevention of all these.

“If exercise were a pill, it would be one of the most cost-effective drugs ever invented, and being physically active reduces the risk of developing a long term illness, osteoporosis and improves mental health and reduces the likelihood of requiring health and social care interventions”.

Physical activity in older people has low risks of adverse health responses or injury and is the most powerful intervention in preventing frailty and promoting successful ageing.

In comparison to an active person, an inactive person will spend 38% more days in hospital, have 5.5% more GP visits and 12% more nurse visits. If these individuals then become active, an estimated £1,760-£6,900 could be saved per person each year. Annual costs of physical inactivity in England are estimated to be £8.2 billion; costs of obesity alone being a further £2.5 billion. Sickness absence costs employers a minimum of £18 billion each year, which roughly equates to 16% of salary costs.

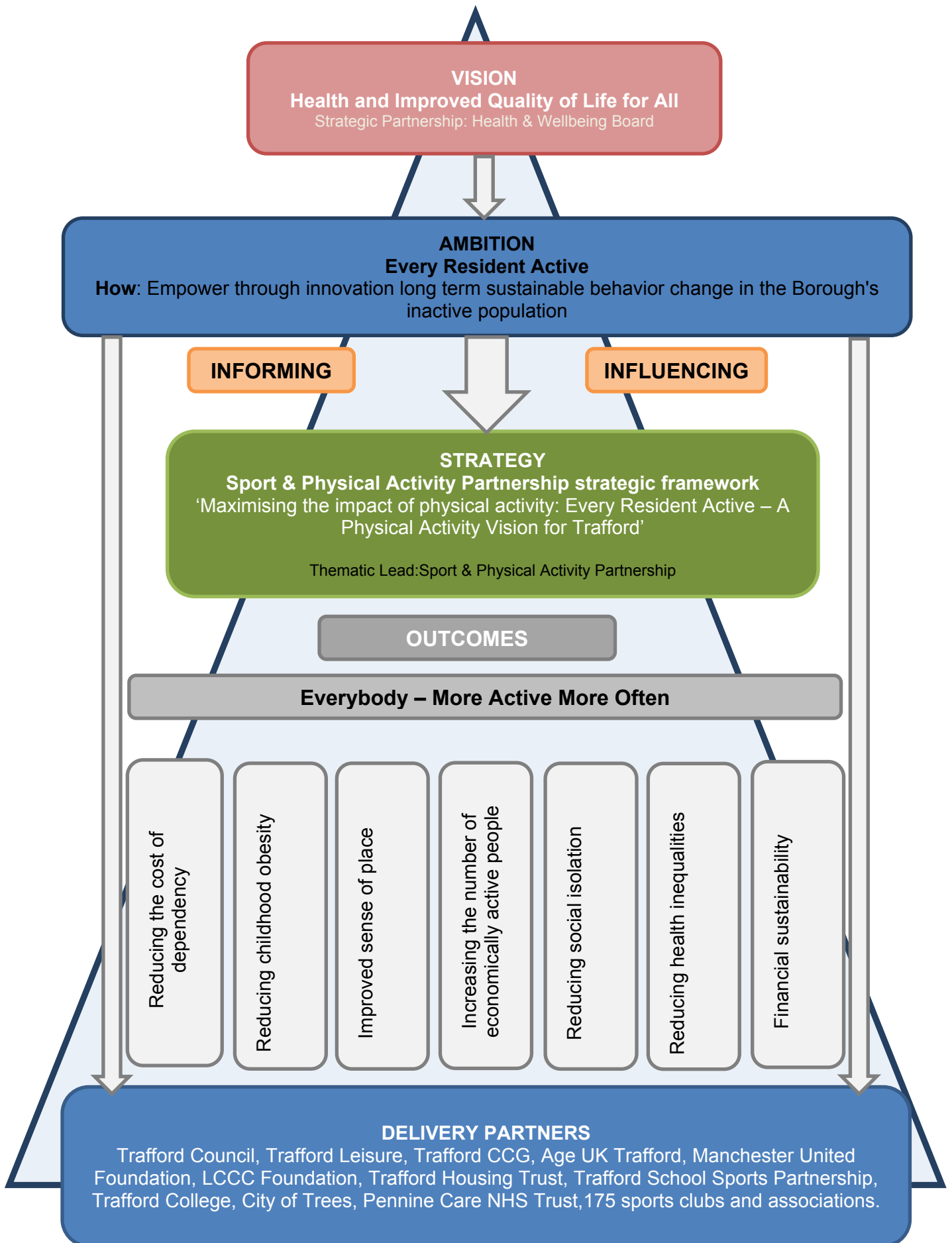
In addition to reducing premature death and the incidence of disease, participating in physical activity also has positive benefits for improving mental health, quality of life, wellbeing and maintaining independent living in older age.

The case to make a real difference is compelling; we now need to turn this potential into reality!

3. TRAFFORD'S AMBITION

The Physical Activity Vision has set out the ambition for Trafford. The Health & Wellbeing Board will own and oversee the delivery of the outcomes through the Sport & Physical Activity Partnership which has the support of all the key partners required to drive this transformation. A delivery plan will be developed with partners based on them formally pledging their support and contribution to the outcomes required.

Strategic Framework



4. PARTNERSHIP WORKING

The vision can only be delivered through partnership working. Physical activity must become a core part of every partner's business in their pledge to support this approach – we must put our residents at the heart of everything we do, and use the principles of behaviour change to inform our work as a partnership. We will collaborate together, sharing a common purpose. Some of the challenges inherent in this strategy will require a long-term approach. Tackling inactivity we know will require a coalition of partners, some of whom may not have worked together before.

We need to encourage and facilitate a more diverse range of partners to better understand why, how and where they connect into a collective contribution to eradicate physical inactivity in Trafford. As a minimum we will ask partners to pledge their support to this work and embrace the physical activity vision as a shared and common goal.

As a result of recognising physical activity in its broadest sense there will be local strategies, action plans and delivery that drive forward the different strands. Activities that will have previously been overlooked, such as gardening, will become increasingly relevant and will bring to the table a whole new group of partners with a vested interest – adding to the resource and capacity to deliver change. By recognising positive lifestyle choices, such as taking the stairs rather than the lift, we will also provide additional entry points for inactive residents. Having a broader strategic scope will ensure opportunities are not missed.

5. BEHAVIOUR CHANGE

Applying the principles and practical learning of behaviour change will be important. Residents will have different needs and display different behaviour across the life course. Therefore, there is a need to focus on different priorities at each stage – as follows:

- Young children need to learn to value the importance of physical activity from as early an age as possible.
- Children and young people need to be presented with the right opportunities in a style and setting that is appropriate.
- Adults of working age and older people need to be encouraged and empowered to be physically active on their own terms.
- People with additional and/or complex needs must be supported and enabled to engage in appropriate and meaningful physical activity.

Physical activity must be easy to access and Trafford residents must be more forthcoming, at scale, in their desire to engage in physical activity and then inactivity levels will begin to decrease. Young children will demonstrate the skills, confidence, physical competence, motivation and enjoyment to take responsibility for a lifelong engagement in physical activity. The physical activity “drop off” will be a thing of the past. More adults will be regularly physically active and there will be an adequate supply of activities that meet the needs of its customers. Encouraging greater use of green space and active travel initiatives will see transformational shifts in activity levels.

We should therefore ensure that physical activity is included in a number of wider strategies including, but not limited to the Trafford Partnership Community Strategy: Trafford Vision 2021; the Trafford Health and Social Care Locality Plan and the Greater Manchester Spatial Plan.

6. DELIVERING THE VISION

In order to support the delivery of this vision each partner will make its own pledge(s) and reflect this work in everything we do in Trafford. It is about making physical activity everyone’s business. We will develop an action plan which will influence supply, demand and the delivery system.

The overarching vision provides the framework for every partner’s accountability to improving health and wellbeing outcomes. Delivering a series of collective pledges aligned to this vision will be crucial to achieving higher levels of physical activity in Trafford. In order to deliver these pledges the collection of evidence based indicators will assist all partners to constantly learn and develop in order to optimize health and wellbeing outcomes.

Example Pledge

- Promote population level understanding of the importance of physical activity & supporting communities to be more active **#BeBold**
- Encourage & promote physical literacy from birth through partnership working, to promote lifelong physical activity
- Invest in & promote the use of active travel
- Promote & support behaviour change & influence healthy behaviour across our residents by:
 - Implementing NICE guidance on walking & cycling,
 - Make every contact count and encourage primary care & front line staff to promote physical activity. Support staff to encourage people to exercise using local opportunities and partners.
 - Make sure the activities offered promote encourage everyone to be active. Activities offered should be evidence based, accessible & appropriate to difference age groups and needs. There should be a variety of activities both sport & leisure that encourages our residents to be active for example running clubs, led walks and dancing.

7. MEASURING SUCCESS

Trafford has the potential to be one of the most active boroughs nationally. Success would be a culture where physical activity becomes the norm and where we make it as easy as possible for Trafford residents to make healthy lifestyle choices.

Some tangible examples include:

- Active travel becoming the norm for all journeys under 5 miles – this will have the added advantages of improving air quality and reducing congestion.
- Health professionals and referral agents becoming physical activity advocates who confidently signpost in to appropriate physical activities. Care pathways should be inclusive of physical activity.
- Activities that have previously been overlooked, such as gardening, becoming increasingly relevant and will bring a whole new group of partners, adding to the resource and capacity to deliver change.
- Better recognising positive lifestyle choices, such as taking the stairs rather than the lift, will also provide additional entry points for inactive residents.
- Young children demonstrating the skills, confidence, physical competence, motivation and enjoyment for a lifelong engagement in physical activity.
- Increasing use of the Borough's parks and open spaces.
- Trafford residents with additional and/or complex needs being supported to engage in appropriate and meaningful physical activity.

8. NEXT STEPS

To work with all partners to develop an integrated delivery plan with key milestones linked to each of the outcomes based on partner pledges to include as example;

- The Playing Pitch Strategy implementation
- Investment strategy for the boroughs key leisure centres and implementation plans
- Developing pledges with the sports clubs and associations and the implementation plans that flow from each pledge
- The development of the data sets that track achievement of the outcomes

This page is intentionally left blank

TRAFFORD COUNCIL

Report to: Executive

Date: 15 November 2016

Report for: Discussion

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

Report Title:

Budget Monitoring 2016/17 – Period 6 (April to September 2016).

Summary:

The purpose of this report is to inform Members of the current 2016/17 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that:

- a) the Executive note the report and the changes to the Capital Programme as detailed in paragraph 19.

Contact person for access to background papers and further information:

David Muggeridge, Finance Manager, Financial Accounting Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue and Capital expenditure to be contained within available resources in 2016/17.
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
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer Clearance **NB**.....

Legal Officer Clearance **JLF**...

CORPORATE DIRECTOR'S SIGNATURE:



REVENUE BUDGET

Budget Monitoring - Financial Results

1. The approved budget agreed at the 17 February 2016 Council meeting is £147.32m. In determining the budget an overall gap of £22.64m was addressed by a combination of additional resources of £6.26m, including projected growth in business rates, council tax and use of general reserve and £16.38m of service savings and additional income.
2. Based on the budget monitoring for the first six months, the year end forecast is showing a small overspend figure of £214k, the Corporate Leadership Team will be working with operational areas over the next six months with the aim of delivering a balanced budget out-turn.
3. The summary details of service variances against budget are shown in Table 1 and Table 2 below.

Table 1: Budget Monitoring results by Service	2016/17 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	29,911	32,233	2,322	7.8%
Adult Services (Inc. Public Health)	46,652	46,910	258	0.6%
Economic Growth, Environment & Infrastructure	32,198	31,919	(279)	(0.9)%
Transformation & Resources	16,939	16,239	(700)	(4.1)%
Total Service Budgets	125,700	127,301	1,601	1.3%
Council-wide budgets	21,620	20,233	(1,387)	(6.4)%
Forecast outturn (period 6)	147,320	147,534	214	0.1%
Dedicated Schools Grant	119,428	120,595	1,167	1.0%
Public Health	13,334	13,414	80	0.6%

Main variances, changes to budget assumptions and key risks

4. Historically service variances at year end have been moved into service earmarked reserves and the current balances on those are detailed in Paragraph 12. A number of firm commitments already exist on those reserves largely to support transformational projects which limit the ability to absorb the full extent of the in-year pressures, particularly in CFW. It is proposed that where any in-year overspend cannot be funded from that particular service reserve then it will be met from the in-year underspend of the other directorates. If management actions are not able to reduce the current projected overspend of £214k, a balancing contribution will be required from the uncommitted CFW service earmarked reserve as detailed in paragraphs 12 & 13.
5. 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 the

pressures is likely to continue into 2017/18 and the implications of this are being considered as part of the budget process for 2017/18.

6. The main variances contributing to the projected overspend of £214k, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	2,322	<p>The variance in the children in care placements budget in part relates to the following factors:</p> <ul style="list-style-type: none"> • The Placements Budget continues to be under pressure due to the continued incremental increase in the number of children in care which translates directly to an increase in demand for placements. In August 2015 there were 324 children in care, this figure has increased annually and incrementally, with 331 children at 31st March 2016 and 356 children in care at the end of September 2016. • The complexity of the presenting needs of children, who enter care, has translated into a demand for placements that require high levels of supervision and longer placement periods. In particular there are currently 3 children who are placed in high cost secure children's homes; the collective costs of these placements are £513k. <p>The above has resulted in an increase in the number of placements in external homes (6.05 whole time equivalents), agency foster care (7.02 whole time equivalents) and secure homes (0.73 whole time equivalents). This is expected to cost £1.82m.</p> <p>The Placement budget also accommodates the social care cost of placements made out of borough for CYP with an Education, Health and Care (EHC) plan. The number and cost of these placements has increased since the EHC reforms came in to place.</p> <p>Extension of leaving care duties and the introduction of Staying Put placements has also led to an increase in Placement costs.</p> <p>The authority has 3 Unaccompanied Asylum Seeking young people currently looked after, with limited additional funding, and a further 4 expected, at least, from Calais.</p> <p>Action has been taken to mitigate against the continued</p>

		<p>increase in the placement budget, including:</p> <ul style="list-style-type: none"> • A further foster care recruitment campaign, “You Can Foster” which will run for 6 months. Trafford has been a very successful recruiter of foster carers thus, despite the increase in the numbers of children in care, only 10% of all LAC have been placed with independent fostering agencies. It is predicted that this 6 months marketing campaign will increase internal fostering capacity by 5 to 8 foster carers for older children and children with complex needs. • Monthly monitoring meetings chaired by the Director of Safeguarding monitor every placement ensuring that predicted end dates are on target and considers options for cost reduction strategies for each placement. • The task of commissioning placements was transferred to the Commissioning Team and through improved commissioning practices they aim to reduce unit costs of placements and review high cost placements looking for alternative, cost effective placement solutions. • All in house placement resources continue to be used to full capacity and both of Trafford’s children’s homes are, in the main, at full occupancy level. <p>Whilst all management action will be taken to address the forecast overspend, given the additional number of children in care already at month 6, the budget is unlikely to be brought back to balance by year end.</p>
<p>Adult Services / Public Health</p>	<p>258</p>	<p>This forecast overspend is mainly as a result of a combination of higher levels of care being needed and the number of new entrants being higher than was anticipated for the year. This situation has been exacerbated by the Greater Manchester initiative which is currently underway to reduce the number of delayed discharges from hospital.</p> <p>The original savings programme for CFW was developed with an overall target of £9.799m. This was subsequently reduced by £280k reflecting a Member’s decision to amend the policy on social care transport. However the adverse impact of this change remained to be addressed within the overall CFW budget.</p> <p>It is now clear that some projects cannot deliver against their original targets e.g. social care transport and public health (*)), but that the savings derived from the continuation of the Stabilise and Make Safe project should offset those shortfalls.</p>

		(*) At the end of 2015/16 there was additional expenditure on public health of £153k. Due to the recovery of this in 2016/17 the in-year savings target of £800k has not been fully met with a current shortfall of £80k.
Economic Growth, Environment & Infrastructure	(279)	The projected underspend, which has increased by £130k since the last report, includes additional income from Oakfield Road car park remaining open for the early part of the financial year £171k; increased income from planning above expectations £145k; an underspend on staffing of £174k after taking account of agency costs (there are 16 vacancies in the Directorate in the process of being filled). These are offset by a shortfall in building control income £84k and other reductions in income and increased running costs of £127k.
Transformation & Resources	(700)	Includes £562k underspend from staff vacancies after taking account of agency costs, which is a £140k increase since P4. There are currently 40 vacancies in the Directorate in the process of being filled which equates to 2.8% of the total staffing budget (This is lower than the levels experienced in 2015/16, which were in excess of 6%, and reflects the ongoing efforts to fill outstanding vacant posts); £79k underspend from cost control of running expenses; £147k from higher levels of income, which includes government grant related budgets in Exchequer Services; other minor adverse variances £88k.
Council-wide budgets	(1,387)	<p>A positive movement of £300k over the previous period relating to the housing benefit budget, resulting in a year end projected outturn of £800k below budget. The projected variance relates to the continued success in the recovery of previous years' housing benefit overpayments, coupled together with a higher in-year percentage of subsidy being reclaimed from the Government. The latter, relates to a lower in-year overpayment error rate being identified. Previous years' overpayment recovery is one off in nature and should reduce as recovery tapers off.</p> <p>A further £49k under budget is estimated to be achieved, relating to overpayment recovery of previous year's Council Tax Benefit; this is a small improvement of £16k from Period 4.</p> <p>A projected saving of £499k in the levy payable on business rate growth which is forecast to be lower than anticipated due to unexpected business rate appeals (see paragraph 17);</p> <p>Additional costs on treasury management of £151k as a result of reduced interest rates following the announcement of the Monetary Policy Committee in August and delayed savings in respect of an up-front investment in the pension fund.</p>

		A review of our balance sheet, usually undertaken at year end, has been completed early and a one-off amount of £190k has been identified which can be released, relating to historic balances for goods received but not invoiced.
Dedicated Schools Grant	1,167	<p>This is mainly attributed to the increase in costs within the high needs block of the DSG. The demand for high cost special school places, both within the borough and out of borough, has exceeded the level of grant allocation in recent years.</p> <p>Since period four, expenditure has been incurred on additional top-up payments for increasing numbers of statemented pupils at mainstream schools, additional out of borough placements and increased top-up payments at special schools. This projected overspend exceeds the level of available in the DSG reserve by £380k and whilst all attempts will be made to control expenditure for the remaining part of the year any deficit will need to be recovered from future years' DSG allocations which could impact on the level of school funding in 2017/18. (Note – the level of DSG allocation in year has been adjusted due to Partington PS converting to an academy in September).</p>

Progress against Locality Plan

7. A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the Council and CCG vision for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2020. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other.
8. Work is ongoing on the locality plan and it is anticipated that further work will be required in the coming months to understand how any budget gaps will be addressed. Financial performance against the locality plan is highlighted below (note budgeted figures are shown gross and inclusive of specific grants).

Table 3: Locality Plan Update	2016/17 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Public Health	13,334	13,414	80	0.6%
Adult Social Care	52,874	53,052	178	0.34%
Children and Families	29,911	32,233	2,322	7.8%
Total	96,119	98,699	2,580	2.7%

MTFP Savings and increased income

9. The 2016/17 budget was based on the achievement of permanent base budget savings and increased income of £16.38m. At Executive in March 2016 there was a decision to amend the policy on social care transport impacting on the overall savings programme. The savings target was subsequently reduced to £16.10m, with the adverse impact of this change being included in the overall CFW monitoring position. Full details are included in the latest Transformation Programme Board Report.
10. The latest forecast indicates that total savings of £16.34m have been or are projected to be delivered by 31 March 2017. This represents an overachievement against target of £242k.

RESERVES

11. The General Reserve balance brought forward is £7.89m, against which there are planned commitments up to the end of 2016/17 of £1.89m leaving the balance at £6m which is the approved minimum level.

Table 4 : General Reserve Movements	(£000's)
Balance 31 March 2016	(7,894)
Commitments in 2016/17:	
- Planned use for 2016/17 Budget	1,850
- Planned use for one-off projects 2016/17	44
Balance 31 March 2017	(6,000)

12. Service balances brought forward from 2015/16 were a net £5.95m and are largely allocated to support transformation projects in 2016/17 and later years. Since the previous period monitor, a detailed review has been completed and identified £5.66m of firm commitments against the brought forward figure.

Table 5: Service balances	b/f April 2016 (£000's)	Firm Commitments (£000's)	Est Balance (£000's)
Children, Families & Wellbeing	(1,837)	1,590	(247)
Economic Growth, Environment & Infrastructure	(1,740)	1,701	(39)
Transformation & Resources	(2,372)	2,372	0
Total (Surplus)/Deficit	(5,949)	5,663	(286)

13. It is proposed that no further commitments are made against the CFW service reserve in order to balance the Period 6 projected year end overspend of £214k.

COLLECTION FUND

Council Tax

14. The 2016/17 surplus on the Council Tax element of the Collection Fund is shared between the Council (84%), the Police & Crime Commissioner for GM (12%) and GM Fire & Rescue Authority (4%).
15. As at September 2016 the total in-year surplus is forecasted at £0.68m, a marginal improvement of £0.02m over the previous period. After taking account of the planned application to support the 2016/17 budget of £0.36m and reductions as a consequence of back-dated valuations and awards of discounts or exemptions of £0.10m, the end of year surplus balance is forecasted to be £2.07m. The Council's share of this is £1.73m, and is planned to support future budgets in the MTFP.
16. Council Tax collection rate as at 30 September 2016 was 58.8%, which is above the targeted collection rate of 58.6%.

Business Rates

17. The 2016/17 budget included anticipated growth in retained business rates and related S31 grants of £4.51m. Latest forecasts of business rate income indicate a potential one-off shortfall in retained business rate income of £1.38m caused by an unexpected increase in the level of appeals. Whilst this has a benefit in that it reduces the overall levy payable on growth (See comments on the Council-wide budget in Table 2) it means there will be a deficit on the collection fund. This position will be monitored during the remainder of the year but if the deficit position remains then it will need to be financed and therefore it is proposed to earmark reserves to cover this, including the MAG earmarked reserve.
18. Business Rates collection rate as at 30 September 2016 was 56.88% compared to a targeted collection rate of 56.62%.

CAPITAL PROGRAMME

19. The value of the indicative 2016/17 Capital Programme reported in the P4 monitor report was £45.30m. Taking into account re-phasing and new external contributions the budget is currently estimated at £42.55m. The changes to the budget are detailed below and are summarised as follows :

Table 6: Capital Investment Programme 2016/17	P4 Programme (£000's)	Changes (£000's)	Current Programme (£000's)
Service Analysis:			
Children, Families & Wellbeing	13,608	(325)	13,283
Economic Growth, Environment & Infrastructure	28,404	(2,429)	25,975
Transformation & Resources	3,287	-	3,287
Total Programme	45,299	(2,754)	42,545

➤ **Rephasing to 2016/17 and 2017/18 - £(2.77)m**

- School Capital Maintenance Programme: £ (325) k. A small number of kitchen improvement projects have had to be re-programmed to 2017/18 due to time constraints to undertake the work in the last summer holidays. As a result £325k has been re-profiled to 2017/18.
- Relocation of depot facilities: £ (1.00) m. The construction element of the project is expected to complete in September 2017. To reflect this £1.00m has been re-phased into 2017/18.
- Cycling Initiatives: £ (1.704) m. The TfGM funded City Cycle Initiative Programme and the Altrincham & Ashton-on-Mersey Cycle Link projects are now expected to complete in 2017/18. Due to 3rd party land ownership negotiations and design issues relating to planning applications agreement has been given by TfGM for the deadline for spending the grant to be extended to November 2017.
- Asset Management Systems: £250k. New asset management computer facilities originally expected for implementation in 2017/18 is now being delivered in 2016/17. The budget has been accelerated accordingly.

➤ **New schemes and increases to existing budgets - £25k**

- Countryside Infrastructure Programme: £10k. A grant of £10k has been secured from City of Trees for additional infrastructure works on Broad Ees Dole at Sale Water Park, taking the total budget for that project up to £31k.

- Altrincham Crematorium – Office Refurbishments: £15k. Works are required to bring the public areas of the office to an acceptable standard. A scheme with a value of £30k has been added to the capital programme which is to be funded partly from savings on the replacement cremators at the crematorium project (£15k) and a contribution from a crematorium related revenue reserve (£15k).

20. Resourcing of the capital investment programme is made up of both internal and external funding. Details of this are shown in the table below.

Table 7: Capital Investment Resources 2016/17	P4 Programme (£000's)	Changes (£000's)	Current Programme (£000's)
External:			
Grants	17,536	(2,032)	15,504
Contributions	7,937	10	7,947
Sub-total	25,473	(2,022)	23,451
Internal:			
Receipts	7,371	253	7,624
Borrowing	12,008	(1,000)	11,008
Reserves & revenue	447	15	462
Sub-total	19,826	(732)	19,094
Total Resourcing	45,299	(2,754)	42,545

Status and progress of projects

21. Since the budget was set in February 2016 reports detailing planned projects covering schools, highways, greenspace and corporate landlord to be undertaken during the year have been agreed. These plans provide the basis on which the Capital Programme is monitored for both financial and physical progress.
22. As part of the monitoring process a record of the “milestones” reached by each project is kept to show the progress of the scheme from inclusion in the Programme through to completion. The table below shows the value of the programme across the milestone categories.

Table 8: Status on 2016/17 Projects	Current Budget (£m)	Percentage of Budget
Already complete	8.20	19%
Underway	23.56	56%
Programmed to start later in year	9.85	23%
Not yet programmed	0.94	2%
Total	42.55	100%

23. The first three categories give a good indication as to the level of confirmed expenditure to be incurred during the year. As can be seen £41.61m (98%) of the budget has now been spent, committed or is programmed to start in the year.

24. Schemes with a value of £942k are classed as “Not yet programmed” and relate to budgets where specific projects have not yet been agreed or budgets that have yet to have a start date planned. Priority will be placed on progressing schemes as soon as possible. Major areas included in this category are:

- **Social Care Investment - £650k.** Assessment of the options available in respect of the refurbishment of Ascot House and a programme of technological innovations continued to be assessed. There is potential that, due to the ongoing option assessment, not all this budget will be spent in year and some may need re-phasing to 2017/18.
- **ICT projects - £266k.** A number of projects currently remain on hold until the full effect of the reshaping agenda and its impact on the Council’s ICT infrastructure requirements is known.

25. The table below provides a more detailed analysis by service area.

Table 9: Status by Service Area	Already complete	Under-way	Programmed	Not yet Programmed
Children, Families & Wellbeing	54%	25%	16%	5%
Economic Growth, Environment & Infrastructure	4%	68%	28%	0%
Transformation & Resources	5%	78%	9%	8%

Summary

26. The monitoring undertaken during the period has resulted in projected outturn expenditure of £42.55m. Whilst there is a total £41.61m of schemes for which there are known milestone dates there may be issues arising which could affect delivery between now and year-end. Also there are projects where delivery is outside of the Council’s control (e.g. Metrolink extension). All schemes will continue to be monitored and any change in expected delivery will be included in future reports.

Issues / Risks

27. The main risk in the area of the capital programme is the timely delivery of the programme and this situation will continue to be closely monitored and any issues will be reported as and when they arise.

Recommendations

28. That the Executive note the report and the changes to the Capital Programme as detailed in paragraph 19.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank