



Finance
and
Systems

Scrutiny Committee Update

10 November 2021

DRAFT BUDGET PROPOSALS 2021/22

Medium Term Financial Plan (MTFP) 2022/23 to 2026/27

<i>Summary of the Budget Proposals</i>	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Budget Gap (Oct 21)	21,752	11,334	10,529	9,320	8,572	61,507
Policy Choice Funding Proposals						
General Increase in basic Council Tax to 1.99%	(2,183)	(2,289)	(2,400)	(2,520)	(2,647)	(12,039)
Reinstate Social Care Precept increase 2.0%	(2,296)	(2,356)	(2,412)	(2,533)	(2,661)	(12,258)
Contribution from Budget Support Reserve to Support COVID-19 Pressures	(7,097)	7,097	0	0	0	0
Total Policy Choice Funding	(11,576)	2,452	(4,812)	(5,053)	(5,308)	(24,297)
Savings and Income proposals	(5,523)	(2,836)	(1,796)	(1,000)	(1,000)	(12,155)
Revised Budget Gap (Oct 21)	4,653	10,950	3,921	3,267	2,264	25,055

Examples of components of the Gross Gap 2022/23

Expenditure examples :-

- Pay Award (+2% plus catch-up from 21/22) £2.4m
- National Living Wage £1.5m
- Loss of Strategic Income from Manchester Airport £5.6m (budget in 2019/20)
- Temporary increase to general contingency £1.5m
- Contractual Inflation £2.3m
- Demand and cost pressures – Adults and Children’s £4.5m
- Income from Asset Investment Strategy dropping out £1.1m
- Budget gap from 21/22 which was met from reserves £2.8m

Key Budget Assumptions

- Position includes for a 3.99% increase in council tax (1.99% base, 2% ASC)
- COVID pressures time limited, met from reserves of £7.1m in 2022/23
- Inflation – Contractual 2.5% RPI (will RPI be higher for longer ?)
- Pay award impact from 2021/2022 1.75% largely contained within existing MTFP
- National living wage - £1.5m if increase to £9.24 from £8.91 (3.7% increase)
- Savings Programme from 2021/22 largely delivered (some realignment and pressure in Adults)
- Investment Programme – recycling the fall out
- Increased cost of Council Tax Support in 2021/2022 is only temporary
- D2A Beds revert to the budgeted level of 30 from 31/3/22.
- Impact of social care charging reform not built in (Consultation awaited)
- Service demand pressures in 2021/2022 impact built in:-
 - Children's in year demand – 50% increase in referrals and currently projecting £0.8m o/s. £1m built in
 - Adults – budget in 2021/2022 was one off increase of £1m. Now assumed recurrent.
 - Children's demographic growth in future will be absorbed through equal savings
 - Ongoing impact on income streams in Place to be considered

Savings and Income Proposals

Theme/Title	Service Area	Description of Saving	2022/23 £000's
Targeted savings on Children Placements (absorb demographic growth)	Children's	A review of demand and placements for looked after children.	(1,358)
Staffing Efficiencies	Children's	Review of staffing establishment outside of the main redesign programme.	(110)
Sub-Total Children's			(1,468)
Direct payments	Adults	Boost the uptake in DP usage to reduce commissioned or other expenditure.	(50)
Smoking Cessation	Adults	Reduce prevalence of community smoking and thereby improve long-term individual health and reduce support demand.	(40)
Weight Management	Adults	Address issue of community obesity and reduce long-term health conditions that result.	(16)
Liberty Protection Safeguards (LPS)/Portal – Reshaping.	Adults	The implementation of the LPS scheme and a whole system portal which will drive through efficiencies and costs savings.	(100)
Learning Disabilities - supported accommodation	Adults	Retender the learning disability supported living accommodation commissioned within Trafford, on a patch basis.	(113)
Sub-Total Adult's			(319)
Review of estates income	Place	Realignment of 21/22 savings assumed in 22/23	(90)
Expand number of EV charging points on a revenue share model	Place	Expand number of EV charging points on a revenue share model	(150)
Recycle Strategic Investment Income Falling Out	Place	To maintain net income at its current level.	(1,040)

Savings and Income Proposals (cont)

Reduction in Waste Levy and use of smoothing reserve	Place	Savings from GM Waste contract and use of smoothing reserve.	(1,000)
Review of resident parking permits and parking charges	Place	Review of a range of options will be undertaken to ensure charges are suitable whilst also recognising potential impact on users and businesses.	(100)
Safety at Sports Grounds certificates	Place	Increased charge – to better recover costs	(20)
Decarbonisation of Public Sector Buildings	Place	Expected energy savings	(75)
Sub-Total Place			(2,475)
Traded Services	Strategy & Resources	Traded Services income inflation increase	(214)
Flexible use of capital receipts/one off resources to cover transformational activity (phase 1)	Strategy & Resources	To utilise the flexibility in the use of capital receipts to fund transformational activity.	(500)
Sub-Total Strategy & Resources			(714)
Traded Services	Finance & Systems	Traded Services income inflation increase	(72)
Digital Strategy	Finance & Systems	Increased use of digital technology to deliver better and more efficient services.	(100)
Sub-Total Finance & Systems			(172)
Civic function/ Mayoral Attendant/Car	Governance and Community Strategy	A range of temporary measures.	(54)
Sub-Total Governance & Community Strategy			(54)

Savings and Income Proposals (cont)

Voluntary Redundancy/Severance Scheme	All Services	Introduction of a VR/VS scheme which allows colleagues to apply to leave the Council's employment through voluntary means. Year 2 impact of 2020/21 scheme.	(211)
Additional Savings from Advanced Pension Payment	Council Wide	Realisation of recurrent savings from advance pension payment	(100)
9 day fortnight	Council Wide	Continuation of the voluntary scheme	(10)
Sub-Total Council Wide			(321)
TOTAL SAVINGS AND INCOME PROPOSALS			(5,523)

Other areas to be considered

- The implementation of integrated care systems and more joined up work with our partner providers will help drive efficiencies and improve the sustainability around the health and social care system and delivery of the Locality Plan priorities of Living Well at Home, Living Well in My Community and Short Stay in Hospital.
- Review the Discharge to Assess System Flow and use of Ascot House jointly with the CCG;
- One Stop Resource Centre and equipment review;
- Use of technology to allow more residents to remain independent in their own home;
- A review of the learning disability service;
- A review of a shared Fostering Service across Greater Manchester;
- Greater collaboration with the rest of GM on the procurement and provision of high cost children's placements'
- A review of allowance payments in Children's social care
- Review short break criteria and smarter commissioning in Children's services;
- A review of property estate and civic buildings;
- Opportunities within Traded Services;
- Review of discretionary council tax reliefs and support;
- Review of procurement savings from large contracts.

Next Steps

Draft Budget

- Draft budget report to Executive 11 October (available on web under Democratic Services)
- Develop Business Cases for Savings identified to date
- Which are subject to consultation and with who (public/staffing/partners)
- Work with CLT/Modernisation Team to identify other areas of potential savings/income

Before Final Budget

- 3 year Comprehensive Spending Review 27 October (broad departmental resource levels)
- Provisional local government settlement mid December (detailed local government level and council tax thresholds)
- Review minimum level of reserve balances to support the range of risks the Council faces. Available balances will not be material and nowhere near the level used to support budget in 21/22 or 22/23
- Further review of budget assumptions (pay award, National Living Wage, October inflation, savings targets 21/22)
- Trafford Leisure support – currently understanding likely trading position in 2022/23 and into the medium term. Currently reserves of £1.7m earmarked to support trading position in 2021/22.



Questions ?
