



TRAFFORD
COUNCIL



Scrutiny Committee 18 November 2015

Budget 2016/17



Outline of Presentation

Main assumptions and resource gap

Savings – approach and amounts

Council - wide Budget

Risks





Medium Term Forecast – Oct 2015

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Resources:				
Council Tax	80.316	81.017	83.045	84.706
Revenue Support Grant	30.646	23.487	17.511	12.151
Business Rates - redist.	33.054	33.715	34.389	35.077
Business Rates - growth	3.598	0.077	0.077	0.077
Reserves/ Other Funding	1.300	0.654		
Total	148.914	138.950	135.022	132.011
Spending Forecast:				
Base Budget	154.552	148.914	160.037	168.152
Cost Pressures	15.946	11.123	8.115	7.604
Savings	-21.584			
Total Spend	148.914	160.037	168.152	175.756
Shortfall	-	21.087	33.130	43.745





Budget Assumptions 2016/17 – 2018/19

	2016/17	2017/18	2018/19
Pay	1.0%	1.0%	1.0%
	£0.6m	£0.6m	£0.6m
Pension inflation	+0.7%	+1.0%	+1.0%
Pension Auto-Enrolment	£0.4m	£0.6m	£0.6m
	£0.3m	£0.3m	-
Cease 'contracted out' NIC rate in 2016/17	£1.2m	-	-
Prices – General inflation (RPI)	2.0%	2.0%	2.0%
	£0.7m	£0.7m	£0.7m
Contract & Other inflation (e.g. energy)	£1.6m	£1.6m	£1.6m
Demography :	Young People	£1.5m	£0.5m
	Adults	£1.5m	£1.5m
Waste (GMWDA) Levy increase	£0.34m	£0.34m	£0.34m
Transport (GMCA) Levy increase	£0.5m	£0.5m	£1.0m
Investment Rates	1.1%	2.0%	2.0%
Debt Rates	4.5%	4.5%	4.5%
Council Tax rate increase	0.0%	2.0%	2.0%
Council Tax base increase	0.5%	0.5%	0.5%
Reduction in Start-up Funding (Updated)	10.2%	9.3%	9.0%
	£6.5m	£5.3m	£4.7m
Reduction in overall Government support	£7.3m	£6.0m	£5.3m



Overall Position 2016/2017



	2016/17 £m
Budget Gap	21.087
Additional Resources and Financing	
Business Rates	(3.000)
Council Tax Freeze Grant	(0.900)
Maximising Income	(1.299)
Airport Dividend	(1.000)
Financing Related Savings	(1.427)
Reserves	(1.000)
Total – Additional Resources	(8.626)
Balance	12.461
Efficiencies	(5.444)
Policy Choices	(7.017)
Remaining Gap	0

41%


26%

33%



Overall Savings Proposals By Theme

Theme	Savings 2016/17
Buying Better	£3.678m
Working Smarter	£1.031m
Eligibility and Access	£4.000m
Joining Up and Working Together	£0.750m
Promoting Independence	£2.470m
Maximising Income	£2.299m
Terms and Conditions	£0.532m
Financing Related	£1.427m
Total Savings	£16.187m



£14.228m

Buying Better

Project	Savings Total 2016/17	Savings Total 2017/18
Full year effect of One Trafford contract £750k 2016/17 (total full year saving £3m)	£750k	-
One Trafford contract additional business case savings £400k:		
Amendments to grass cutting	£44k	-
Changes to annualised hours scheme	£19k	-
Waste collection removal of bring sites	£27k	-
Waste collection delivery of winter green round efficiencies	£146k	-
Lot 3 Efficiencies	£150k	-
Management of insurance claims ** (tbc)	£25k	-
Additional business case savings for 2017/18 to be agreed	-	£400k
LED rollout - energy savings (incl. dimming) - financing costs (phasing being finalised)	£550k	£550k - £500k

Buying Better

Project	Savings Total 2016/17	Savings Total 2017/18
Extra Care Re-procurement - Savings will be achieved through alignment of the wellbeing charge for extra care services	£80k	£850k
Commissioning / Market Management - range of contracts under review to consider the optimum service model and financial investment	£550k	
Public Health - All aspects of spend from the Public Health budget will be reviewed to reflect the reduced grant allocation from Government	£800k	
Education & Early Years	£200k	
Early Help	£337k	
Total	£3678k	£1300k
Total Savings 2016/18	£4978k	

Working Smarter

Project	Savings Total 2016/17	Savings Total 2017/18
Legal and Democratic Services - collaboration opportunities, court bundling changes	£40k	-
CCTV - Renewal of existing kit as an invest to save; reducing maintenance costs; potential for further savings through a collaborative arrangement with Salford service delivery	£25k	-
Financial Management - The review of financial management concluded in March 2015 has delivered an additional savings	£68k	-
Exchequer Services – Increased financial assessment charges due to data matching	£80k	-

Working Smarter

Project	Savings Total 2016/17	Savings Total 2017/18
Access Trafford - Call volume reduction, system update and lower maintenance costs	£38k	-
HR –Realignment of training budget; Automation of payslip processing and distribution	£25k	-
GMP Collaboration	£75k	-
Management of parking contract and other running costs to reduce inflation pressures	£25k	-
Rationalisation of Senior Management structure to reflect new models of service delivery	£205k	-
Travel Services – adults and children’s - combining processes, policy alignment, exploring opportunities	£450k	-
Total	£1031k	£1000k
Total Savings 2016/18	£2031k	

Eligibility & Access 2016/18

Project	Savings Total 2016/17	Savings Total 2017/18
Reshaping Social Care - deliver new ways of working, Keeping Families together, continuation of ASC project, panel reviews, new procedures	£4000k	£4500k
Looked After Children - review of service and delivery options, market shaping and placement process re-design		
Reshaping Social Care (CAN & Personalisation and Personal Budgets) – revised structure across all elements of the service to deliver an all-age, all-persons offer		
Total	£4000k	£4500k
Total Savings 2016/18	£8500k	

Joined Up and Working Together

Project	Savings Total 2016/17	Savings Total 2017/18
Management structures, support and workforce reform	£750k	£700k
Total	£750k	£700k
Total Savings 2016/18	£1450k	

Promoting Independence

Project	Savings Total 2016/17	Savings Total 2017/18
Pathways (building based day support) - (building based day support) – exploring alternative delivery models for this service	£175k	£250k
Supported Living – working with the provider market to meet the needs of the borough	£250k	
Reablement – to promote independence which will become an ethos rather than a service provision	£810k	
Aids & Adaptations - whole service review will be undertaken to ensure the operation of a more efficient and high quality service	£260k	
Rapid response – review the future viability and delivery options for the service	£175k	
Intermediate Care/Ascot House Review – review the current pilot, develop more detailed proposals to better meet the demands placed upon the health & social care sector	£800k	
Total	£2470k	
Total Savings 2016/18	£2720k	

Maximising Income

Project	Savings Total 2016/17	Savings Total 2017/18
Increased income from Council's property investment estate – Airport, Altair, Stretford Mall, Shaw Street	£192k	-
Media advertising – renegotiation of existing contracts plus new opportunities and digitisation of existing sites - subject to planning	£300k	£200k
Environmental protection – air quality monitoring at Carrington Power station	£38k	£(27)k
Additional income from planning application fees	£100k	-
Income from partnership agreements and other opportunities - £92k (including £67k from Himor partnership)	£92k	£(67)k
Increased Car Parking Income	£183k	-

Maximising Income

Project	Savings Total 2016/17	Savings Total 2017/18
Trafford Services for Education (TSE) - Business plan developed with combination of income targets for each service, launch of new products and process efficiencies	£200k	£300k
Waterside Arts Centre - Business plan developed with income targets set, new business, new programming and review of third party commissioning arrangements	£50k	£50k
Bereavement Services - Review of Fees and Charges and introduction of new product range	£30k	£30k
CFW – implement existing policy and, recover costs of some services	£80k	-
Development of a commercial pricing structure relating to photographic/film opportunities	£15k	-
Airport dividend	£1000k	
HR – Income generation CCG - External DBS;	£19k	£21k
Total	£2299k	£507k
Total Savings 2016/18	£2806k	

Council-wide Budgets (annex F: p73-76)

- £22 million net (15% of total budget)
- Significant gross expenditure of c.£100 million e.g. housing benefit
- Most of Council-wide budget is fixed i.e. little scope for savings
- Fixed budgets include:
 - Combined Authority Transport Levy £17.0m
 - Coroner £ 0.6m
 - Flood Defence / AGMA / LGA / Audit £ 0.7m
 - Debt cost (net) £ 5.1m *
 - Insurances £ 0.9m
 - Redundancy £ 0.4m
- Pensions
 - Auto-enrolment £ 0.3m
 - Additional allowances £ 1.0m
- Apprenticeship wages £0.09m
- Members' expenses £ 0.9m



Council-wide: notable changes

• Provision for slippage in savings programme	£ 0.9m	
• New Homes Bonus	+ £(0.6)m	
• Council tax freeze grant 15/16: transfer to funding	£ 0.9m	
• Council tax freeze grant 2016/17	£(0.9)m	
• Airport Dividend	+ £(1.0)m	
• Business Rates		
• Growth: shown as funding	£(5.3)m	} £(3.0)m
• Levy on growth to GM pool: C-W budget	£ 3.5m	
• Trafford share from pool: C-W budget	£(1.2)m	
• Financing costs:		
• Reduced debt repayment	£(0.9)m	} £(1.4)m
• PFI payments from capital	£(0.2)m	
• Airport loan: cease bad debt provision	£(0.3)m	

Risks and Sustainability

Risks:

- Comprehensive Spending Review 25 November 2015
- Trafford settlement – mid-December 2015?
- Demography (not new)
- Business Rates: appeals, pooling, avoidance, growth (all new)
- Living Wage (new)
- Devolution: Health & social care (new)

Sustainability

- All savings expected to be recurring unless otherwise stated (MTFS requirement)
- Limited use of one-off reserves (MTFS requirement)
- Medium term impact of all decisions needs to be considered

