



Efficiency Plan 2017 / 2020

Foreword

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

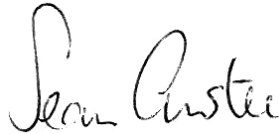
Trafford Council accepted the four multi-year funding settlement offer made by the Secretary of State for Communities and Local Government in September 2016.

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

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



Theresa Grant
Chief Executive
Trafford Council



Councillor Sean Anstee
Leader of Trafford Council

Introduction and Purpose of document

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

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

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

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

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

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

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

Section 1 – Our Approach

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

Size of the Challenge

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

2017/2020 Efficiency plan

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

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

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

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

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

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

Section 2 Capital Receipts Flexibility

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

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

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

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

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

Section 3 Prudential indicators

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

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

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