



Examples of how to save money and keep council tax low

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Trafford Council is the third lowest funded Metropolitan District in the country, receiving only £365 per head against an average of £591, an equivalent loss of £49.3m.

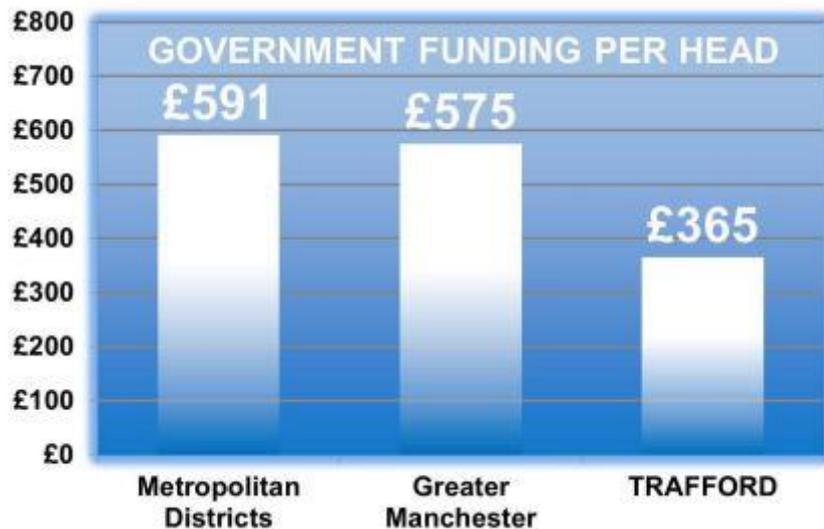
However, Trafford also has the 19th lowest Council Tax in the Country, because it has a culture of delivering a high level of efficiencies to meet the budget deficit across all services, including those that may be classed as politically sensitive. Council tax has been frozen for five years and is the lowest in the North West.

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Background

Figure 1: Government Funding Per Head



The change in the global economy has had far reaching consequences for everyone. The severity of funding reductions, suppression of existing income sources, increasing public expectations and genuine increasing demand in the community means that traditional approaches to budget setting are no longer sufficient and a new approach is needed.

The Council has put measures in place to ensure that it provides the highest quality public services, that meet the continuously changing needs of residents in a fast pace society, at the lowest cost:

- Investing in dedicated Transformation and Procurement teams to reduce existing contract costs, obtain the best value for money, and reduce the impact of rising demand led social care budgets.
- Hosting the Association of Greater Manchester Authorities (AGMA) Procurement Hub, that undertakes to make savings using combined purchasing power for all authorities both across Manchester and the North West. We have established a joint procurement service collaborating with Stockport and Rochdale Councils.
- Leading on the Association of Greater Manchester Authorities Improvement & Efficiency Commission.
- Improving internal capacity to meet the challenge of change and to identify and eliminate inefficiency.

Whilst managing change, the Council has effectively managed risk and budgets to ensure that service expenditure has been controlled and the Council has recently recorded its eleventh successive underspend on its overall budget.

Through harnessing staff innovation, nurturing entrepreneurial flair and exploring new models of working, better outcomes for people can be achieved together with more cost effective delivery.

We have many examples of how we have done this in Trafford and a few case studies are included below that have contributed to the savings required by the Council.

Many of these will continue to provide benefit in the years to come.

Investment in our local fostering service

The Challenge

In 2011 Trafford faced a number of significant challenges:

- The number of children in care was increasing and predictions indicated that the children in care population would continue to grow incrementally in line with or above the predicted increase in the Trafford child population.
- Trafford had made a commitment to make significant efficiency savings across all council departments.
- Trafford aspired to increase the number of children in care who were placed within foster placements inclusive of those children who presented with complex needs or challenging behaviour
- There was an increasing dependency on high cost agency foster placements that were purchased from independent fostering agencies.
- The fostering team had a proven record of attracting potential foster carers. However their ability to recruit, assess and support a larger cohort of foster carers was restricted by limited staffing capacity.

The Response

In response to the above challenges, following a period of consultation, a decision was made to close Greenfields Residential Children's Home and to reinvest the majority of the money saved into increasing the capacity of the fostering service to recruit, assess and support more in house foster carers.

Greenfields was a 2 bedded residential children's home which was situated in the west of the borough. The home was one of 4 CYPS children's homes which Trafford owned and managed. Greenfields was closed on July 4th 2011 and the property was returned to general housing stock.

The decision to close Greenfields was primarily driven by a best practice approach in that it was underpinned by a view that children who are successfully placed with foster carers achieve better outcomes, enjoy improved placement stability and are less likely to go missing from care. However the decision was also influenced by a best value approach in that the cost of in-house foster placements was significantly less than either an independent agency foster placement or a placement at Greenfields Residential Children's Home. This is demonstrated in the table of unit costs below.

It should be noted that in 2015, Trafford Council was inspected the joint highest performing authority in the country for Children's Services and was the first Council nationally to receive an 'Outstanding' rating from Ofsted for children leaving care and leadership and governance.

Table 2: Comparative Costs of Placements

PLACEMENT TYPE	UNIT COST
GREENFIELDS RESIDENTIAL CHILDREN'S HOME	£251,628
AGENCY FOSTER PLACEMENT	£41,184
IN-HOUSE FOSTER PLACEMENT	£17,160

The total amount of money made available for reinvestment from the closure of Greenfields was £384,500.00. The money was invested as follows:

Table 3: Saving and Investment

ITEM	COST
Close Greenfields Residential Children's Home	-£384,500
Purchase two additional beds with agency foster carers	£93,600
Increase the staffing capacity of the Family Placement Team by 3 x Family Placement Supervising Social Workers	£120,708
Fund 2 x Outreach Worker who would support children placed with in-house foster carers who had complex needs or challenging behaviour 2 x band 5 outreach workers	£60,632
Total Money Reinvested	£195,765
Amount of money which was returned to CYPS budget as a cashable savings	-£95,135

The Sustained Effects of the Transformation Project

The reinvestment project has enabled the following outcomes to be achieved.

- The team have been able to recruit assess and support an increased number of Trafford foster carers and consequently more children are now provided with the opportunity to live in a family environment with Trafford carers. In February 2011, 147 children were placed with in-house foster placements and currently 203 children are placed with in-house foster carers.
- The development of a dedicated outreach support service for children with complex or challenging behaviour, who have been placed with in-house foster carers, has enabled more children with such needs to be sustained in family placements.
- The child in care population (as predicted in 2011) has continued to increase. In 2011 the number of children in care was 260 and this has now increased to a current figure of 317. Despite this growing pressure, the dependency on the use of high cost external agency foster placements has been significantly reduced. In 2010-11 £1,484,330 was spent on external agency placements and this high level of spending has been reduced (despite the growth in the CiC population) to £1,229,016 in 2012-13.
- Outcomes for children in care have continued to improve and this relates directly to the increase in the numbers of children who are placed within foster placements .It is significant that measured performance indicators such as placement stability and engagement in education training by care leavers have improved.
- The increased numbers of in-house foster placements allowed the service to develop a 'Staying Put' policy which provides children with the opportunity to remain within their foster placements for a period after their 18th Birthday. Previously the shortage of foster placements meant that priority had to be given to the provision of placements to children of statutory care age i.e. those children below 18 years.

- The immediate cashable saving of £95,135 was achieved as well as a £200k overall reduction in the placement budget (taking into account planned demographic growth monies), at a time of 8% growth in the CiC population.

Stockport, Trafford & Rochdale Shared Procurement Unit

The Challenge

To establish a unified procurement service that will deliver substantial savings across the Greater Manchester region. To achieve this, participating councils would need to reorganise and transform their procurement functions into a shared service arrangement to create a unified team, whilst adopting a category management model to increase professional capacity, expertise and support.

The Response

Trafford, Stockport and Rochdale Councils have agreed to form a shared procurement service to be hosted by Trafford Council, known as STaR (Stockport Trafford and Rochdale.)

The major advantage of the shared service is that it will enable greater influence over the market and will provide for more effective control over the spending of limited resources. It encourages a collaborative approach to purchasing decision providing for further cost savings.

In addition, the STaR is expected to deliver savings through the removal of process duplication and lower staff costs through economies of scale totalling £175k per annum for Trafford.

The service will also offer a higher level of resilience across procurement activity. The overall aim of the STaR is to support the delivery of efficiencies and become a centre of excellence for procurement.

The Shared Service will adopt a category management approach to procurement, taking a more holistic view of a particular category of spend and looking for opportunities arising from a variety of techniques including aggregation, removal of duplication, standardisation of specifications or streamlining processes. Products or services that have similar characteristics and are bought from similar supply markets are grouped together and treated as a discrete group or category.

These categories are then more manageable from a procurement perspective because the items in a category require the same supplier market intelligence, the same sourcing strategies and similar supplier relationship management focus.

Trafford adopted category management many years ago and this will be the primary model to be embedded across the new service.

The design and set up of the STaR will be able to show a commitment to the following key areas:

- Engage effectively with suppliers through market days, pre-procurement dialogue, and provide transparent feedback, making them aware of trading opportunities and securing their input and expertise.
- Engage with the Chamber of Commerce and the Federation of Small businesses, voluntary sector representatives and other representative trade and industry bodies.
- Seek feedback from suppliers and use this learning to further improve procurement processes.
- Centralise opportunities and advertise both nationally and locally (CHEST)

Procurement is an increasingly important issue within local government and this is why the shared service approach of the STaR, can achieve more for less. As part of the STaR's wider work commitments, we can ensure that procurements are more targeted, focused and more effective in a number of practical ways, including:

- Identifying and promoting current good practice within each of the LA's to support local, social and economic regeneration and deliver efficiency savings.
- Supporting work to ensure that the work plan of the STaR is aligned to both local and national strategies, this in part will help the sector overall maximise its resources and buying power.
- Managing the specification process by breaking this down into "lot" specific activity.
- Allowing for greater aggregation of spend (where relevant) thereby leading to enhanced discounts and rebate approaches.

Long Term Accommodation

The Challenge

In 2007, Trafford began to look at options for the future sustainability of the grade II listed Trafford Town Hall on Talbot Road, Stretford - the main council administration building and the seat of democracy within the Borough.

Trafford Town Hall required an immediate and substantial programme of expensive repairs to remain operational and reduce health and safety risks. A number of options were looked into for the future of the Town Hall, including carrying out all the expensive repairs it needed, fully refurbishing it or moving everyone to a new building.

In October 2009 Trafford's elected members voted to redevelop the Grade II listed building and build a new extension to replace the crumbling 1980s extension on the same site.

The full refurbishment was considered to provide the best value for money and provide the most sustainable long term option. Without redeveloping, the Council would have had to spend at least £34 million over a 25 year period to maintain the current building. The budget for the Long Term Accommodation Programme was agreed by the Executive at £28.8m.

The Response

There were three phases to the programme involving decanting from the Town Hall, piloting the New Ways of Working and technology in the temporary location and recanting to the New Town Hall including implementing improvements from the pilot.

The construction element was a design and build contract and involved close working with the developer and architects with stakeholder engagement being critical to ensuring that the decisions taken were appropriate and effective.

The programme was completed on budget and to time in April 2013. The outcomes of the refurbished Town Hall building are many including:

- A more sustainable building which is cheaper to maintain and has reduced overhead costs, saving in the region of £5m in maintenance costs in the long term
- Lower accommodation costs by using the office space more efficiently and exploring opportunities for sharing office space with partners, such as Greater Manchester Police, PCT, and NHS

- There is a flexible workspace capable of adjusting to working and service delivery trends over the next 25 years including opportunities to expand / contract or co-locate with partners
- Transforming the working environment for staff, elected members and partners, improving employee culture and ensuring that civic accommodation is regarded by all as an asset for the borough and a great place to work. This helps to build civic pride and encourage people to take an interest in and get involved in local decision making
- Customers and residents have access to improved civic facilities, a restored sunken garden and a customer service point
- Community use of the building is being encouraged with rooms for community groups to hire and events can be held in the space including weddings and civil ceremonies
- A self-serve library and café has been installed with WI-FI
- All desks are equipped with a 'free desktop' style phone that staff will need to log in / out off on a daily basis. This personal telephone number can be used anywhere in the Town Hall and diverted to mobiles for when out of the office
- Personal storage and paper record storage has been kept to a minimum
- Recycling facilities have been provided throughout the building and the energy efficient lighting and heating design has helped reduce energy usage
- The new building and subsequent new ways of working (sharing of desks, use of mobile technology), allows the Council to reduce and realign its property portfolio, generating income and saving on maintenance costs. Council buildings are being reduced from six to one
- The Long Term Accommodation project used local labour and contractors wherever possible as part of the build, contributing to economic development and regeneration in Trafford, creating local jobs and increasing trade for local businesses
- A drop in facility was set up at Trafford Town Hall for the duration of the redevelopment project and was successful in getting many local people into employment. 29 local apprentices were employed across many trades
- Over 60 local firms were employed across the duration of the redevelopment and build
- The Town Hall accommodated c.600 staff and the redeveloped and new building can hold up to 1000 staff, thereby saving office space and lowering cost/overheads for the council
- Many financial and non-financial benefits have been delivered including the reduction in time and costs on travelling as consolidating and co-locating services in one building has enabled this to happen and been a benefit to the overall project.

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