

THE CABINET

MEETING, 14TH JANUARY, 2013

Councillor Morris	Executive Cabinet Member
Councillor Mrs Thomas	Executive Cabinet Member
Cabinet Members	
Councillor Adia	Human Resources, Organisational Development and Diversity
Councillor M. Connell	Adults
Councillor D. Burrows	Community Safety and Police
Councillor Peacock	Sports, Libraries, Youth and Culture
Councillor Murray	Looked After Children ,Safeguarding and Early Years
Councillor Chadwick	Highways and Transport
Councillor Sherrington	Waste and Recycling
Councillor J. Byrne	Economy, Housing and Skills
Councillor McKeon	Schools
Councillor Zaman	Neighbourhood and Community Services

Other Members in Attendance

Councillor Jones
Councillor Greenhalgh
Councillor Morgan
Councillor Ashcroft
Councillor Mrs Fairclough
Councillor Hayes

Officers

Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Deputy Chief Executive
Mr. K. Davies	Director of Development and Regeneration
Mrs. H. Gorman	Borough Solicitor
Ms. M. Asquith	Director of Children's and Adults Services
Mr. M. Cox	Director of Environmental Services
Mr. J. Livesey	Assistant Director
Ms. B. Allen	Interim Assistant Director (Adults)
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillors Bashir-Ismail, Peel and Francis.

53. MINUTES

The minutes of the proceedings of the meeting of the Cabinet held on 17th December, 2012 were submitted and signed as a correct record.

**54. MINUTES OF THE AGMA EXECUTIVE AND
COMBINED AUTHORITY – 14th DECEMBER, 2012**

The Chief Executive submitted a report that detailed the key decisions taken by the AGMA Executive Board and Combined Authority on 14th December, 2012.

Resolved – That the report be noted.

55. BUDGET UPDATE AND SAVINGS OPTIONS 2013/15

The Deputy Chief Executive submitted a report that outlined the updated financial forecast for 2013/14 and 2014/15 and sought approval to the initial budget options presented to the Cabinet in September 2012 following feedback from consultation.

The Government had announced its proposed Revenue Support Grant for Local Government which indicated that total savings required over the next two years would amount to £43.6m or £8m more than was forecast in September, 2012. The controllable budget from which the majority of savings would have to be made was £178m.

The report contained an updated assessment of the likely increased financial demands facing the Council.

The report reminded members that, owing to the additional risks being borne by the Council with having a local council tax benefits scheme and the transfer of the risk on business rates collection, balances should be increased to £10m from April 2013. Balances were increased to £10.3m as part of the 2011/12 final accounts process. The Waste Disposal Authority had indicated that they were likely to make a fairly significant refund to District Councils during 2012/13 and once this figure was confirmed it would add to the Council's overall Balances position.

The medium term financial strategy 2013-17 was set out in detail in Appendix A.

A summary of the Council's overall reserves was attached at Appendix C. This identified reserves of £130m, all of which were identified against specific requirements. In developing the savings proposals for 2013/14 and 2014/15, there was a possible cash flow shortfall in 2013/14 and the possibility of one in 2014/15. It would therefore be necessary to identify

where this was to be funded from and this would be reflected in the budget report to the Cabinet on 11th February, 2013.

It was stressed that maintaining reserves and funds at an appropriate level was a key element in the Council's strategy for managing its budget savings. It was considered important to make the most effective use of reserves/funds and maintain them at a level that was appropriate. The reserves/funds would therefore be re-evaluated each year and any balances that were not required for their original purposes would be considered for one-off investment.

The Government also announced the availability of a Council Tax Freeze Grant for 2013/14, equating to 1% of the current years Council Tax base or £1m. Freezing Council Tax and accepting the Grant resulted in the overall savings required increasing by a further £600,000.

The Government had announced a 2% Referendum limit for Council Tax increases. Levies were treated separately in calculating whether this limit had been breached. This meant that the Council could increase its element of Council Tax by 2%, but the overall increase to the public would be a higher percentage because of the increase in levies. It was proposed that the decision on the appropriate level of Council Tax be deferred until all the information was available at the 11th February, 2013 Cabinet meeting.

Savings of £43.6m were now required to balance the budget over the next 2 years; however, based upon the information available in September, savings of £34.6m were identified in 2013/14 and 2014/15 and, after identifying savings in financing costs and contingencies of £8m, savings options of £26.6m in service spending were identified (this left a net £1m of savings still to be identified). The proposals to meet these targets were set out in Appendix B.

Additional savings amounting to £9m were required and it was recommended that the Chief Executive and Deputy Chief Executive explore options for meeting this additional £9m and report back to the Cabinet on the 11th February, 2013.

Areas to be examined included capital financing, loan repayments, service and corporate budgets and Council Tax options.

With regards to the impact on staffing the report indicated that it was not possible to accurately identify the actual number of posts that would be lost until detailed proposals were developed. However, based upon the outline options detailed in Appendix B, it was anticipated that approximately 486 posts may be involved. There were currently 240 vacancies which left approximately 246 posts where there was a potential redeployment/redundancy. However, in the recent Voluntary Severance and Voluntary Early Retirement initiative there were approximately 150 people who had accepted an offer to leave, which should significantly reduce the numbers at risk. In addition a large number of staff who expressed an interest to go were waiting for the outcome of a service review which should reduce the numbers at risk even further.

However, it was anticipated that there may be considerable other job losses in the trading activities within Environmental Services such as cleaning, grounds maintenance as an indirect result of some of the other savings options and also as a result of a reduction in the number of support contracts with other agencies and schools.

With respect to 2015/16 and 2016/17 Appendix A included an initial assessment of the potential additional savings that would be required in those years which could be in the region of a further £40m. However, this was dependent on the Government producing their next Comprehensive Spending Review and issuing figures for Local Government in December 2014.

The £34.6m savings had been the subject of a formal consultation exercise and a report summarising the feedback from the consultation exercise was included in Appendix D.

A consultation response had been received from the Joint Trade Unions and was attached at Appendix E.

An Equality Impact Assessment had been prepared alongside the proposals which were considered by the Cabinet in its deliberations.

Resolved – (i) That the updated financial position for the period 2013/14 and 2014/15 be noted.

(ii) That the initial savings options of £34.6m for 2013-2015, as outlined in the report, be agreed for implementation.

(III) That the Chief Executive and Deputy Chief Executive be requested to identify further options to meet the additional savings required and report back to the Cabinet on 11th February, 2013

56. SAVINGS AND EFFICIENCIES – LEISURE SERVICES

The Director of Development and Regeneration submitted a report that advised the Cabinet of the proposals being developed to achieve the savings target for 2013-15 financial years in relation to the Leisure Budgets.

As part of the identified savings target the Development and Regeneration Department had been requested to progress the corporate target of £400,000 in 2013-15 from the Council's budget to support leisure provision.

The report set out the proposals for achieving the above as follows:-

- Bolton Community Leisure Trust (BCLT) - £300,000;
- Bolton Middlebrook Leisure Trust - £80,000; and

- Bolton Council's Leisure Budget - £20,000

The report explained that, as the most significant amount of savings were to be delivered by BCLT, the main focus was the options BCLT and Serco had been examining, although reference was made to the subsidy reduction to Bolton Middlebrook Leisure Trust.

A range of proposals had been developed and agreed by BCLT to meet the £300,000 reduction in grant commencing 1st April 2014 and these focused on investing in facilities in order to continue with the rationalisation of the leisure portfolio and to generate and sustain income levels over the remaining period of the contract. The proposals were as follows which were detailed in the report:-

- Revised Management Arrangement at Ladybridge Dual Use Centre -£130,000;
- Revised Management Arrangement at Little Lever Dual Use Centre -£40,000;
- Expansion of Fitness Facilities at Leverhulme Park Community Club -£75,000; and
- Expansion of Fitness Facilities at Farnworth Leisure Centre - £55,000.

The investment in facilities would be spread over the three financial years 2011-12 to 2013-14.

BCLT had agreed in principle to funding £300,000 of the proposed £890,000 investment and, if additional BCLT surpluses became available, a further £95,000 could be made available and therefore increase the investment programme to £985,000.

The proposed investment programme would therefore be funded as follows:

Investment	£'000
BCLT	300
Bolton Council Capital Contribution	510
Bolton Council Additional Revenue Contribution to BCLT	80
	890
Potential Additional BCLT Surpluses	95
Total Investment Programme	985

Serco were responsible for all staff which may be affected by any of the proposals and any changes would be dealt with by Serco in line with their HR policies and procedures.

This report also contained details of other investment opportunities within the Borough's leisure portfolio which would complete BCLT's rationalisation programme to provide appropriate borough wide access to sport and leisure facilities of a consistent standard. The investment programme would be dependent on funding becoming available.

The Bolton Middlebrook Leisure Trust and the Council had agreed, under the Managing Agency Agreement, to reduce the subsidy payable by £40,000 in 2013-14 and a further £40,000 in 2014-15.

Furthermore, a fund to provide one off activities was included within the Council's Leisure budget and it was proposed that this would be reduced by £20,000 from 2014-15.

Following the necessary approvals from the Council and BCLT further communication would take place with staff, schools, governing bodies and customers to ensure continuity of access and clear communication of alternative offers where appropriate.

An Equality Impact Assessment had been prepared alongside the proposals which were considered by the Cabinet in its deliberations.

Resolved – (i) That the progress made by Bolton Community Leisure Trust and Bolton Middlebrook Trust in identifying budget savings be noted.

(ii) That the proposals detailed in the report be approved, in principle, to achieve the necessary savings.

(iii) That the Director of Development and Regeneration be authorised to:

(a) finalise the budget options in Section 4 of the report, leading to the reduction in grant; and

(b) in consultation with the Borough Solicitor, amend the grant agreement between the Council and Bolton Community Leisure Trust, as appropriate.

(iv) That the Borough Solicitor be authorised to carry out all necessary legal formalities.

57. BUSINESS RATES POOLING

The Deputy Chief Executive submitted a report which sought approval to the Council entering into a pooled business rates arrangement with other AGMA Authorities.

The Local Government Resource Review (LGRR) would result in significant changes to the methodology for funding local government, particularly in relation to Business Rates and the calculation of the council tax base. The changes would come into effect from 1st April, 2013.

An application had been submitted on behalf of 9 of the Greater Manchester Council's to the Department of Communities and Local Government on the pooling of business rates.

However, the Deputy Chief Executive reported that following a meeting between the treasurers of Manchester City Council and Trafford Council with the District Valuer it had been established that the proposed pooling scheme was not viable at the present time owing to issues relating to valuations in the other districts and that consequently the matter should be deferred for 12 months.

Resolved – That the Cabinet agrees in principle to the Council entering into a pooled business arrangement with other AGMA Authorities but that the matter be deferred for the reasons outlined and re-examined in 12 months time.