

THE EXECUTIVE
MEETING, 27TH JUNE, 2011

Councillor Morris	Strategy and External Relations
Councillor Mrs Thomas	Health and Corporate Resources
Councillor Sherrington	Cleaner, Greener, Safer
Councillor Kay	Human Resources, Organisational Development and Diversity
Councillor Ibrahim	Regeneration, Housing and Skills
Councillor Bashir–Ismail	Adults Services
Councillor Peel	Children's Services and Safeguarding
Councillor Zaman	Environmental Services

Non-Voting Members

Councillor A. Connell	
Councillor Burrows	
Councillor J. Walsh	
Councillor Greenhalgh	
Councillor C. Wild	As deputy for Councillor Mrs. Brierley
Councillor Ashcroft	
Councillor Morgan	
Councillor Hayes	
Councillor D.A. Wilkinson	

Officers

Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources
Mr. A. Eastwood	Director of Chief Executive's Department

Ms. M. Asquith	Director of Children's Services
Mr. M. Cox	Director of Environmental Services
Mr. K. Davies	Director of Development and Regeneration
Mr. A. Donaldson	Assistant Director
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillor Mrs. Brierley.

1. MINUTES

The minutes of the proceedings of the meeting of the Executive held on 18th April, 2011 were submitted and signed as a correct record.

2. AGMA EXECUTIVE BOARD AND COMBINED AUTHORITY

The Director of Chief Executive's Department submitted a report that detailed the key decisions taken by the AGMA Executive Board and Combined Authority on 28th April and 27th May, 2011.

Resolved – That the report be noted.

3. FINANCIAL FORECAST 2012/13 – 2014/15 AND BUDGET PROCES

The Director of Corporate Resources submitted a report that outlined the Financial Forecast for the next 3 years and proposed financial guidance to Services.

Members were reminded that the Grant Settlement did not provide figures for 2013/14 and 2014/15; however, by using the figures outlined in the CSR it was estimated that the Council may need to find savings in those years in the order of £30M.

At this stage it was not known whether the Government would re-issue figures to cover the next 3 years or whether the Revenue Support Grant Settlement would be extended to cover 2013/14 as well as 2012/13.

An updated assessment had been made of the likely increased financial demands facing the Council in 2012/13 which included the following areas with details on each:-

Inflation;

Capital Financing;

Schools Funding;

Waste Disposal Funding – the amounts previously provided for the cost of the new AGMA Waste Contract showed a shortfall over the next 3 years in the order of £1.5m mainly due to other Councils reducing their residual waste tonnages at a faster rate than Bolton. It would be possible to spread this additional cost over the next 3 years with an additional £400,000 being included in 2012/13 and a further £500,000 in 2013/14 and £600,000 in 2014/15;

Pensions; and

Other – the original forecast for 2012/13 suggested that demand growth in Children's and Adult Services would reduce from £2m to £1m. Currently the demand in both services was continuing to grow and changes put in place to seek to reduce demand in the long term had not yet made a significant impact on this growth. This demand growth had therefore been increased to £2m for 2012/13.

In addition, £600,000 was included for the full year cost of the school meals promotion. During 2011/12 the cost of a meal was planned to increase from £1 to £1.50 but was still below the actual cost. The subsidised school meals price had so far been funded from one off resources and it was explained that if the

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Council wished to maintain this as the ongoing charge, it would be necessary to increase the budget by £600,000.

With respect to the 2013/14 and 2014/15 forecast the report reminded members that as part of the 2011/12 grant settlement, the Government indicated that there was funding from the Health Service included in PCT budgets to fund Local Government expenditure, particularly in Adults Services. £3.7m was included in the PCT budgets for 2011/12 and agreement had been reached with the PCT to transfer that funding to the Council. The Government's budget forecast also included this funding for 2012/13. However, on recent Government documents the funding was referred to as "Non Recurrent". Therefore, there was some concern that from 2013/14 onwards the Council would no longer receive this funding from the PCT. Attempts had been made to clarify this position but without success and it was assumed that the funding may cease in 2013/14 and this had been built into the forecast.

Furthermore, in 2011 the Government announced details of their New Homes Bonus scheme which rewarded Councils for the numbers of new properties which were built within their areas. In 2011/12 Bolton received £759,000, the figure for 2012/13 was at present unknown. However, from 2013/14 onwards, whilst the New Homes Bonus was planned to continue, the Government would recover these amounts by top slicing from the overall Revenue Support Grant Settlement. It was considered that there was a major risk that the Council would lose more Revenue Support Grant in the top slicing than it gained in the New Homes bonus. Therefore, it had been assumed that the Revenue Support Grant (net of the New Homes Bonus) would reduce by £1m more than previously assumed in 2013/14 and 2014/15.

On the basis of the above assumptions, overall savings in the order of £40m would be required over these 2 years with the original assumption that Council Tax increased by 2% per year.

The original 4 year forecast assumed a Council Tax increase of 2%. However, on the basis of the Government's financial assumptions in the CSR a 4% annual increase in Council Tax was assumed from 2012/13 onwards. Furthermore, inflation was currently running at above 4% and the forecast set out in Appendix A therefore assumed a 4% increase in Council Tax in each of the next 3 years, although the actual Council Tax would be determined by the Council on an annual basis.

With respect to the 2013/14 and 2014/15 forecast the report indicated that the updated forecast suggested that savings in the order of £36m may be required over the above 2 years assuming a 4% increase in Council Tax. It was considered important that the 2013/14 savings plan be identified as part of the 2012/13 budget process and that this was done in the context of similar savings also needing to be identified for 2014/15.

Services would therefore be asked to consider what the potential impact of identifying savings in the order of 10% for 2013/14 would mean for their services with a view to pulling together overall service savings targets to be approved as part of the 2012/13 budget process. Services would then be asked to identify specific options in detail by no later than June, 2012 so that formal consultation could be commenced early enough to secure delivery of the options by April, 2013.

Appendix B to the report detailed the further savings options for 2012/13 for each service.

Resolved - That the following guidance be agreed:-

(a) Revenue

- **that for schools, plans be based upon an increase in DSG in line with Government forecasts for the next 3 years;**
- **that for other services the updated position for 2012/13 as set out in the report be noted;**
- **that for 2013/14 services commence consideration of savings in the order of 10%, in the context of further similar savings also likely to be required in 2014/15; and**
- **that consultation on the above proposals commence immediately .**

(b) Capital

- **that for all services capital resources are likely to continue to be constrained and that all services should plan on the basis of annual allocations over the next 3 years of no more than those in the current year.**

4. FINANCIAL OUTTURN 2010/11

The Director of Corporate Resources submitted a report that advised the Executive of the outcome of the Final Accounts exercise for 2010/2011.

The report summarised the results of the final accounts exercise for 2010/2011 and considered:

- the General Fund Revenue Monitoring;
- the Aggregate Capital Monitoring;
- issues from service accounts closure; and
- monitoring of the Capital Prudential Guidelines.

Overall the corporate revenue balances position of £7,200,000 was £84,000 higher than forecast in the third quarter report to

the Executive Member for Corporate Resources and Health on 4th April, 2011.

In the final quarter the level of corporate revenue balances had increased as a result of a number of offsetting variations the major factors being further capital financing and VAT savings.

Capital Expenditure for the year was £97,196,000 which had been fully funded and scheme slippage to 2011/12 would be reviewed as part of the first quarter monitoring exercise for that year.

Monitoring of Capital Prudential Indicators showed that no indicators were beyond those approved by the Council.

Resolved – The Executive noted the aggregate General Fund balances position, which was £200,000 higher than anticipated when the 2011/12 budget was set in February 2011; the Capital Outturn; issues from Individual Services and compliance with Capital Prudential indicators.

5. INVESTORS IN PEOPLE ORGANISATION IMPROVEMENT FRAMEWORK REVIEW REPORT AND ACTION PLAN

The Chief Executive submitted a report that detailed the findings of the recent Investors in People corporate assessment and detailed a proposed action plan.

The corporate assessment, which overlaid the rolling programme of departmental reviews, examined how effectively the Council was engaging, managing and developing staff whilst still focusing on the achievement of the Council's key priorities.

The review concluded that the Council continued to meet the requirements of the standard very well despite the nature and scale of the change that currently faced the Council. One of the key reasons identified was that the senior team continued to put the Council's people practices at the forefront of any change

that they were tasked with leading. Furthermore, the assessment indicated that people strategies were integral to the Council's planning processes and were embedded within the culture.

Specific areas of strength identified included:-

- Strong strategic leadership;
- Positive Trade Union relationships;
- Input from and engagement with employees at all levels of the organisation;
- Learning and development strategy;
- Employee support; and
- A culture of continuous improvement

The main challenge for the Council was to seek to maintain such high standards of staff engagement and development in a climate of reduced resources. An action plan had therefore been produced which provided 3 main areas for development:

- to Refresh corporate organisational development and learning and development strategies, including leadership development, to enable the Council to continue to maintain high standards of people development in a climate of limited resources;
- to review the Council's provision of employee health and wellbeing support against liP Health and Wellbeing award standards, to ensure staff continued to be supported to good practice standards through times of organisational change; and
- to review PDR process in the context of refreshed corporate business plans and processes.

Resolved – That the action plan be approved and that those staff involved in securing such a positive outcome but thanked for their efforts.

6. CORPORATE PERFORMANCE REPORT YEAR END 2010/11

The Chief Executive submitted a report that provided the Executive with an overview of the Council's performance during the 2010/11 financial year.

The past year had been a time of significant change and unprecedented financial challenge for the public sector. The Council and its partners had to respond quickly to a difficult set of circumstances, by identifying ways to achieve significant financial savings for 2011/12 and 2012/13, whilst also maintaining its focus on its main aims of economic prosperity and narrowing the gap.

In broad terms, progress continued to be made around a number of priorities, such as health, crime and attainment. However, the scale of the savings which the Council needed to make would inevitably impact upon their delivery going forwards.

As a result, the Council had refreshed its economic strategy; and was working with its partners to review its priority activities and outcomes around narrowing the gap for the short and medium term. This work would form the basis of a refreshed community strategy, supported by revised business planning and performance management arrangements, which would be brought forward in the autumn.

Resolved – The Executive noted the changing context and agreed that a revised community strategy and delivery plan be brought back to the Executive in the autumn.