

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.

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

C3

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 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.**