

THE EXECUTIVE

MEETING, 13TH FEBRUARY, 2012

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

Non-Voting Members

Councillor A. Connell
Councillor Burrows
Councillor J. Walsh
Councillor Greenhalgh
Councillor Ashcroft
Councillor Morgan
Councillor Hayes
Councillor Wilkinson

Officers

Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources
Mr. A. Eastwood	Director of the Chief Executive's Department
Mr. M. Cox	Director of Environmental Services
Mr. K. Davies	Director of Development and Regeneration
Ms. M. Asquith	Director of Children's Services
Mr. J. Rutherford	Director of Adult Services

Ms. S. Johnson	Deputy Director of Corporate Resources
Mr. A. Donaldson	Assistant Director
Mr. D. Grogan	Assistant Director
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillors Bashir-Ismail and Mrs Brierley.

36. MINUTES

The minutes of the proceedings of the meeting of the Executive held on 9th January, 2012 were submitted and signed as a correct record.

37. COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD KEY DECISIONS

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 27th January, 2012.

Resolved – That the report be noted.

38. CAPITAL PROGRAMME 2012/13 TO 2014/15

The Director of Corporate Resources submitted a report that outlined the proposed capital programme; a Minimum Revenue Provision and Capital Prudential Indicators for the next four years.

It was explained that additional expenditure may be possible in the course of the year if sponsoring services identified additional sources of finance or obtained 100% grant support.

A report reviewing the current year's projected capital expenditure and resources would be submitted to the Executive

Member for Health and Corporate Resources meeting on 21st February, 2012. It was likely some commitments from 2011/12 would be carried forward to be met in 2012/13. Matching resources would be carried forward but additional expenditure commitments for schemes with potentially limited VAT recovery would require individual appraisal.

The budget had been prepared on the basis of a MRP calculation at 4% of opening debt for non HRA services as required under previous practice. A further debt repayment provision was made for advances taken under the Equal Pay Capitalisation Directive to repay those amounts in equal instalments over 20 years. For non-Housing schemes financed from unsupported borrowing from 1st April 2008 MRP would be made for repayment equal to the estimated depreciation charge on those assets calculated on an equal instalment basis calculated in accordance with normal accounting practice. For Finance Leases and the PFI scheme the capital element of the lease or unitary payment would be taken to be the MRP.

Appendix 1 to the report set out a proposed Capital Programme including identified slippage, which could be funded from anticipated resources.

Resolved – That the Council be recommended to approve the Capital Programme for 2012/13 to 2014/15 as set out in Appendix 1 to the report; the Minimum Revenue Payment policy and the Capital Prudential Indicators as set out in report.

39. BUDGET 2012/13

(a) Executive Member Portfolio Budgets - 2012/2013

The minutes of the proceedings of the meetings of the following Executive Members held to consider their proposed strategic budgets 2012/13 were submitted, together with their individual strategic budget reports, viz:-

Health and Corporate Resources	-	24th January, 2012
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C4

Regeneration, Housing and Skills	-	24th January, 2012
Adult Services	-	23rd January, 2012
Children's Services	-	24th January, 2012
Cleaner, Greener, Safer	-	25th January, 2012
Environmental Services	-	23rd January, 2012

Resolved - That subject to minute (c) below concerning the 2012/13 budget report, the recommendations of the various Executive Members, as detailed in the minutes of their proceedings, be approved.

(b) Proceedings of the Council's Scrutiny Committees

The minutes of the proceedings of the undermentioned Scrutiny Committees regarding their consideration of the various budget proposals were submitted:-

Adult and Community Services and Children's Services Scrutiny Committee	-	8th February, 2012
Corporate Issues Scrutiny Committee	-	6 th February, 2012
Environmental Housing and Skills Scrutiny Committee	-	1st February, 2012

Resolved - That the proceedings of the Scrutiny Committees be noted.

(c) 2012/13 Budget Report

The Director of Corporate Resources submitted a report that:-

- (a) set out the budget for 2012/13 indicating the major variances from the 2011/12 original budget;
- (b) set out the recommend level of Council Tax for 2012/13;
- (c) showed the transactions on the Collection Fund; and
- (d) reported on the Financial Arrangements Account for 2012/13.

The projected 2011/12 outturn expenditure (excluding Schools) was £249.4m and, as a consequence, General Fund balances were expected to be approximately £7.2m at the 31st March 2012.

It was explained that the Police Authority and the Fire Authority had yet to formally determine their precepts. A Council Tax Freeze by both Authorities had been assumed in calculating the figures and any differences to that assumed in the report would be submitted to the Council's meeting on 22nd February, 2012.

The Government had recently confirmed the final Revenue Support Grant Settlement for 2012/13. Revenue Support Grant had been notified as a negative grant of £248,000, the continuation of the 2011/12 Council Tax Freeze Grant at £2.526m and the Council's share of the National Non Domestic Rates of £117.478m. In addition, the Government had provided a small number of other grants to contribute to the Council's delivery of services. The major ones were the Early Interventions Grant of £15.5m and Learning Disabilities Grant of £7.7m.

The report explained that the Greater Manchester Integrated Transport Authority Levy would be lower than forecast and their budget was likely to be set at a 0.7% increase. This was because it included 1.5% for the Transport Infra-structure Fund based upon the current cashflow projections for the programme, rather than the 3% originally budgeted. (However this would result in a further 1.5% levy for the infra-structure programme in year 7). In addition they had made savings in their core activity costs. This provided a saving to the Council of approximately £1.2M and it was suggested that this be used instead of an equivalent sum from Balances. This would result in Balances being £8.4m which was closer to the £10m minimum that the Director of Corporate Resources would be recommending the Council set for its Balances from April 2013 onwards.

C6

The Executive had previously agreed specific budget proposals to meet the projected 2012/13 budget savings. Subsequently individual detailed reports had been submitted and approved for each of the options by Executive Members and a majority of these savings had already been delivered.

The agreed savings required in 2012/13 were as follows:-

	Savings 2012/13 £000
Adults	4,625
Children's	5,561
Environment	675
Development & Regeneration	769
Central Departments	2,548
Accommodation	500
Leisure	500
Financing Costs	2,165
Senior Management Changes	800
Total	18,143

As reported previously to the Executive, it was forecasted that, based upon the Comprehensive Spending Review, the Council was likely to need to make further savings in the order of £35m over these 2 years. An updated Medium Term Financial Strategy (MTFS) based upon any further information received from the Government, would be presented to the Executive later in the year. However, it was considered important that at both a Corporate and Service level proposals regarding potential options that may be brought forward to meet this scale of reductions needed to be considered if savings were to be generated by April 2013, particularly where there was a significant lead-in time for delivery.

The Government announced that for 2012/13 Council Tax was to be frozen and they had provided a one-off grant to offset the loss of income to the Council, equivalent to a 2.5% increase. The figures in the report were based upon a Council Tax increase for Bolton Council of 0%.

The basic amount of Council Tax for that part of the Council's area where no Parish Precepts applied (but including the Police and Fire and Civil Defence precepts) was £939.89 for a Band A property and £1,409.83 for a Band D property.

A full Equality Impact Assessment had been undertaken which was considered by the Executive in its deliberations on the proposals.

Resolved – (i) That the savings from the Transport Levy be used to reduce the contribution from Balances to the 2012/13 Budget.

(ii) That the balance on the Airport Dividend be used as follows:-

- **£75,000 be used to offset the planned increase in community meals charges within Adult Services for 12 months; and**
- **£100,000 be used to maintain the school meals charge at £1.25 until September, 2012**

(iii) That, taking into account the above amendments, the Revenue Budget for 2012/13 be recommended to the Council.

(iv) That a zero Council Tax increase for Bolton Council for 2012/13 be recommended to the Council.

(d) Treasury Management and Investment Strategies 2012/13 to 2014/15

The Director of Corporate Resources submitted a report that outlined the Council's prudential indicators for 2012/13 – 2014/15 and set out the expected treasury operations for this period.

The report fulfilled two key legislative requirements, namely

the treasury management strategy statement which set out how the Council's treasury service would support the capital decisions, the day to day treasury management and the limitations on activity through treasury prudential indicators (the key indicator was the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term) and the investment strategy which set out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

Resolved – That the Executive recommends the Council to agree the Treasury Management Strategy 2012/13 to 2014/15 and the treasury limits on activity contained within this report; the Authorised Limit Prudential Indicator and the Investment Strategy 2012/13 contained in the treasury management strategy.