

Cabinet

Date: Monday, 10 November 2014
Time: 14:00
Venue: Festival Hall
Address: First Floor, Town Hall, Bolton

AGENDA

Open to Public and Press

1	<u>Fire Evacuation Procdures</u>	1-2
2	<u>Apologies for Absence</u>	1-2
3	<u>Declarations of Interest</u>	1-2
4	<u>Urgent business,if any,introduced by the Chairman</u>	1-2
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6	<u>Council Tax Base 2015/16</u>	9 - 12
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THE CABINET

MEETING, 20TH OCTOBER, 2014

Councillor Morris	Executive Cabinet Member
Councillor Adia	Executive Cabinet Member
Councillor Peel	Executive Cabinet Member

Cabinet Members

Councillor J. Byrne	Culture and Youth
Councillor Cunliffe	Public Health
Councillor Chadwick	Highways and Transport
Councillor McKeon	Education and Schools
Councillor Bashir -Ismail	Community Services
Councillor Peacock	Adult Social Care
Councillor Zaman	Development and Regeneration
Councillor Lewis	Housing and Social Inclusion

Other Members in Attendance

Councillor Murray	
Councillor Greenhalgh	
Councillor Mrs. Fairclough	
Councillor Cox	
Councillor Allen	
Councillor Hayes	
Councillor Richardson	(as deputy for Councillor Parkinson)

Officers

Mr. S. Harriss	Chief Executive
Mrs. H. Gorman	Borough Solicitor
Ms. S. Johnson	Borough Treasurer
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillors D. Burrows, A. Ibrahim, Jones, Parkinson and Mrs Thomas.

12. MINUTES

The minutes of the proceedings of the meeting of the Cabinet held on 18th August, 2014 were submitted and signed as a correct record.

13. MINUTES OF AGMA/COMBINED AUTHORITY

The Minutes of the meeting of AGMA/Combined Authority held on 29th August and 26th September, 2014 were submitted for information.

Resolved – That the minutes be noted.

14. CORPORATE STAFF SURVEY AND IIP FEEDBACK 2014: RESULTS AND ACTION PLAN

The Chief Executive submitted a report that set out the key conclusions from the Council's recent IIP re-assessment and bi-annual staff survey, together with a continuous improvement action plan.

It was explained that the combined feedback from the two pieces of research provided a strong endorsement of the Council's approach to leading and managing people. Results across staff satisfaction, motivation and engagement measures

were all at least as, or more, positive than the last set of assessments.

The key messages highlighted were that:

- Staff felt there was a clear strategic vision; staff knew how they contributed and were well motivated at work;
- Staff were aware of and understood the need for change, although the latter had fallen since 2012;
- Staff wanted to do their job well, were clear what they were expected to achieve and had a good relationship with their colleagues. There were concerns about pay levels, job security and development opportunities;
- Line managers were seen positively across all areas; and
- Training and development was prioritised and robust and had improved since 2012.

Detailed analysis against each piece of research was set out in the report.

The following improvement actions were proposed:

- Maintain and expand the current communications strategy, including management cascade briefings, to ensure all staff had the information about the Council's operating challenges; the savings strategy and the leadership response;
- Review the current "staff suggestion scheme" format and profile, to identify more effective ways through which people could feed in their ideas to make cost savings/work differently and ensure the scheme was accessible to staff from all groups;
- Continue to seek to raise awareness of Bolton's Best and seek views from staff as to other recognition arrangements that would further recognise their contributions as appropriate;
- Review and revisit the Leadership and Management Competency Framework to ensure it remained valid and relevant to the changing climate; and
- Develop a Council Health and Wellbeing Strategy.

Resolved - That the response to the results of the corporate staff survey and IIP feedback be agreed.

15. RESPONSE TO THE HEALTHIER TOGETHER CONSULTATION

The Chief Executive submitted a report that provided an outline of the Healthier Together programme and consultation and the responses submitted by Association of Greater Manchester Authorities (AGMA) and Bolton NHS Foundation Trust (FT).

Members were reminded that Greater Manchester's health and social care reforms were focused on ensuring people had access to excellent quality services to support their needs at every stage of life.

There were three elements to the reforms as follows

- the integration of health and social care services within communities;
- improved access to and quality of primary care services; and
- reconfiguration of some hospital services (Healthier Together)

Bolton's ambition was to fully integrate health and social care services within the Borough and ensure a joined up approach to care with a roll-out in April 2015. These included Integrated Neighbourhood Teams to carry out assessment and care planning of people at high risk of being admitted to hospital; a Care Coordination Centre to bring together access points with a single number to ring, 24-hours per day; an Intermediate Tier Review, resulting in the expansion of home based services; and the Staying Well project, to prevent, delay and reduce the risk of future needs in older people. A project to test out a new approach to people with Complex Lifestyles was also underway.

The Healthier Together consultation had highlighted some of the changes that were proposed within primary care over the next two years, which included:-

- supporting people to manage their own health better;
- seven day a week working;
- the management of complex conditions; and
- the integration of hospital and social care records.

The principles of the hospital changes as outlined in the Healthier Together programme emphasised that:-

- planning such services would take account of the sustainable transport needs of patients and their carers;
- hospital changes would take place only after community-based services had been improved;
- every hospital would meet higher standards;
- some services would be relocated to other hospitals but hospitals would work together; and
- as part of this consultation no District General Hospitals would close and no accident and emergencies would close.

A number of configurations and combinations of the above principles had been suggested as part of the Healthier Together proposals, some of which included Bolton as a general hospital, and some of which included Bolton as a specialist hospital.

Consultation regarding the proposals finished on 24th October, 2014 and the next stage would include a period of analysis, which was expected to be around 3 months.

Greater Manchester Combined Authority had prepared a collective response to the Healthier Together consultation. With Bolton being at the forefront in developing the response, which supported the case for change and highlighted a number of areas of specific issue or concern (appendix 1).

Bolton NHS FT had responded with an agreed statement of shared intent from Bolton, Salford Royal and Wrightington and

Leigh NHS Foundation Trusts (appendix 2) with the trusts supporting the case for change. However, whilst the Trusts acknowledged the proposal for the creation of specialist hospital sites, the collective preference was to see the development of a sector based model which supported specialist care being concentrated onto the sites best able to deliver that care.

The report outlined a clear rationale for Royal Bolton Hospital to be one of the five specialist hospitals, including:-

- superior accessibility for non-elective care;
- Bolton was one of the best performing yet busiest Accident and Emergency departments;and
- choosing Bolton would mean fewer patients requiring a transfer by ambulance.

Resolved – That the Cabinet supports the Association of Greater Manchester Authorities (AGMA) submission and the Bolton NHS Foundation Trust (FT) in its response to become a specialist hospital for emergency high-risk surgery as attached in the appendices to the report.

Report to: Cabinet

Date: 10th November 2014

Report of: Borough Treasurer

Report No:

Contact Officer: Sue Johnson

Tele No: Ext 1502

Report Title: COUNCIL TAX BASE FOR 2015/16

Non Confidential:

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

This report sets out the calculation of the taxbase to be used in the calculation of the Council Tax and Business Rates for 2015/16 (the tax base for tax setting purposes).

Recommendations:

It is recommended that the Cabinet approves:-

- (a) the report of the Borough Treasurer for the calculation of the Council's tax base for tax setting purposes for the year 2015/16.
- (b) that the Council Tax base for the year 2015/16 shall be 70,176 band D equivalents.

Background Documents:

1. **INTRODUCTION**

This report sets out the calculation of the taxbase to be used in the calculation of the Council Tax and Business Rates for 2015/16 (the tax base for tax setting purposes). This is a technical and complicated issue and is presented in some detail on the advice of the LGA.

2. **THE COUNCIL TAX BASE FOR TAX SETTING PURPOSES**

Appendix 1 shows the calculation of the Council Tax base for tax setting purposes for 2015/16, in accordance with the method stipulated by the regulations. This is complex, but is included for completeness and information. The main features of the calculation are:

- based on past trends, 322 new properties have been assumed, distributed between bands pro-rata to recent growth
- exempt properties are removed (e.g. unoccupied and unfurnished etc.)
- disablement relief is based upon those eligible
- discounts (including the Council Tax Support Scheme) are included based upon current levels, based on current trends.

The above changes result in a taxbase before adjustment for losses on collection of 71,608 band D equivalents.

Over and above the factors mentioned above, the Council needs to determine its collection rate for the year, which is to take account of collection difficulties. Based on an assessment of past collection performance, this has been maintained at 98% and results in a taxbase for tax setting purposes of 70,176 band D equivalents, an increase of 1.5% on the 2014/15 tax base.

Council Tax base for tax setting 2015/16

For each property valuation band, the total number of properties is calculated by adjusting the actual number of properties in the band shown on the Council Tax valuation list for:

- * the estimated full year effect of changes in the year (i.e. new properties less demolished properties)
- * the estimated full year effect of discounts in the year (for single persons, Council Tax Support Scheme, students etc.)
- * the appropriate fraction of the band D tax payable in that band (to reflect the fact that properties in bands below band D will pay less than band D and properties in bands above band D will pay more than band D)

The figures for each band are then totalled and multiplied by the authority's estimate of its overall collection rate for the year.

The calculation is set out on the next page.

Council tax base for tax setting 2015/16 (Items A to J relate to specific references in the regulations).

	Band A*	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total no of dwellings on the valuation list	63,748	21,260	18,185	10,297	5,350	2,194	1,787	233	123,054
<u>Known changes</u>									
less demolished properties	0	0	0	0	0	0	0	0	0
less exempt dwellings	(1,391)	(306)	(235)	(96)	(42)	(19)	(12)	0	(2,101)
Disabled relief-net change	81	44	(48)	(29)	(20)	2	(7)	(23)	0
Changes following appeals	72	(11)	(26)	(17)	(11)	(1)	(5)	(1)	0
<u>Adjusted number of dwellings (Item H of calculation of ctaxbase)</u>	62,510	20,987	17,876	10,155	5,277	2,176	1,763	209	120,953
<u>Total number of single person/student discounts etc. (Item I of calculation of ctaxbase)</u>	(32,089)	(8,080)	(5,286)	(2,389)	(1,049)	(410)	(357)	(38)	(49,698)
<u>Rate of discount (Item E of calculation of ctaxbase) - 25%</u>									
Total discounts in property equivalents ie item I multiplied by E	(8,022)	(2,020)	(1,322)	(597)	(262)	(103)	(89)	(10)	(12,425)
Adjustment for Discounts under the Council Tax Support Scheme	(18,461)	(2,656)	(1,304)	(361)	(148)	(31)	(20)	(1)	(22,982)
Net property numbers (after known changes)	36,027	16,311	15,250	9,197	4,867	2,042	1,654	198	85,546
<u>Adjustments</u>									
New properties in 2015/16	136	123	31	11	11	7	3	0	322
Demolished properties/boundary change in 2015/16	0	0	0	0	0	0	0	0	0
Additional discounts in properties claimed during the year	(50)	(90)	(32)	(4)	(2)	(1)	(2)	0	(181)
<u>Total adjustments (item J)</u>	86	33	(1)	7	9	6	1	0	141
Net property numbers after adjustment	36,113	16,344	15,249	9,204	4,876	2,048	1,655	198	85,687
<u>Calculation of band D equivalents</u>									
<u>Band proportion (item F)</u>	6	7	8	9	11	13	15	18	
<u>Band proportion for band d (item G)</u>	9	9	9	9	9	9	9	9	
Relevant amount for valuation band net property numbers multiplied by F divided by G	24,065	12,712	13,555	9,204	5,960	2,958	2,758	396	71,608
<u>(Item A of calculation of ctaxbase)</u>									
<u>Estimated collection rate for the year (item B of calculation of ctaxbase)</u>									98.0%
<u>Council tax base for 2015/16 ie item A multiplied by item B</u>									70,176

*includes band A properties entitled to disabled relief

Report to: The Cabinet

Date: 10th November 2014

Report of: The Chief Executive **Report No:**

Contact Officer: S Harriss **Tele No:** 1001

Report Title: **Financial Forecast and Budget Process 2015-17**

Part A

Non Confidential: This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose: To outline to the Cabinet the Financial Forecast for the next 2 years, including the projected requirement for savings of up to £43m by 2016/17, together with the proposed strategy for delivering this budget as a basis for consultation.

Background Papers 2015-18 Budget Update and Strategic Approach
Report approved by the Council's Cabinet, November 2013

Recommendations: As a basis for consultation the Cabinet is asked to:

- Note the very challenging financial context in which the Council is operating, specifically the projected reductions in government grants and increases in costs that have been highlighted in the medium term financial strategy
- Approve the allocation of associated savings targets across departments, to achieve savings of up to c£43m by 2016/17
- Approve the outline strategic approach to meeting this challenge with a two year budget for 2015-17, including the proposed strategic principles; the support for staff and use of one-off resources as set out in the report
- Note the stakeholder consultation process set out for this budget strategy, including an immediate launch of a further voluntary severance campaign for staff
- Approve the strategic approach to the £500k pilot Community Empowerment Fund as set out in the report and appendix

1.The Purpose and Structure of This Report

The 2015-17 budget report is comprised Part A and Part B sections.

The purpose of this report (Part A) is to outline the following:

- The context for the Council's Policy and Budget for 2015-17
- strategic proposals for meeting the financial and policy context
- The detailed process for consultation with the public, trade unions and staff.

The report is structured as follows:

Section 2 sets out the context for this budget and describes the Council's strategic priorities, which will continue to be pursued throughout this budget period

Section 3 provides the financial forecast and the detail behind a projected savings requirement of c£43m over 2015-17. It explains the projected reductions in government grants of c£31m; forecast increased costs of £18m but offset by additional income of £5.5m

Section 4 outlines the Council's budget strategy to deliver the savings required. It describes the basis for approving a two year budget; sets out potential funding streams, including Council tax income, which will mitigate the scale of savings required and proposes savings targets for each department

Section 5 describes the proposed strategic measures to deliver the budget savings, including further service reductions and efficiencies across all services; centralised and streamlined support services; a new customer contact strategy; alternative service delivery models; public service reform and a redefined relationship with the community

Section 6 references the Council's capital programme and requirement for one-off investment, in order to both drive economic growth and mitigate revenue reductions

Section 7 summarises the potential, high level impact of these reductions on staff and provides the Council's ongoing workforce strategy.

Part B of this report goes on to provide the detailed individual budget options and associated staffing impact, together with the delivery capacity and resources requirements.

2. Strategic Context

In the Medium Term Financial Strategy, agreed by the Council in February 2014, it was highlighted that the Council was likely to need to identify c£60m of budget reductions by 2018 with c£43m over the period 2015-17. This report outlines the basis of, strategy and detail related to the c£43m over this period.

The focus of much of the debate in respect of this report will be rightly and understandably the impact of the proposed reductions in the Council's budget and what that will mean for impact on services and jobs within the Council. In advance of setting out the specifics of the budget it is vitally important to frame this discussion in the context of what the Council is seeking to achieve for local people.

Through the community strategy the Council has set out clearly those areas that form the context and priorities for our work and budget:

- To maximise economic prosperity in Bolton ensuring economic growth, development, regeneration and job creation. The Council has also invested in a Borough anti-poverty strategy, to help manage the impact of the economic climate on our most financially vulnerable citizens
- Narrowing the Gap in respect of key outcomes in health inequalities, children and young people, crime and disorder, the environment, housing etc
- Ensuring that the most vulnerable are impacted least by budget reductions and the associated implications, as far as possible
- At a Greater Manchester level contributing to economic growth at a City Region level to create growth and employment
- Being at the forefront of Public Service Reform within Greater Manchester, which seeks to ensure public services work effectively together to reduce demand and dependency on public services by developing models of early intervention and tackling complex dependency. This work includes the integration of health and social care and making linkages between economic growth and residents who are workless.

The proposals set out in the report have been developed in this context alongside a continuing commitment to a set of values as an employer which involve seeking to mitigate the impact of the worst aspects of the budget reductions on the council's workforce and remaining a best practice employer.

3. The Council's Financial Forecast

The Council's assessment is that savings of c£43m will be required over the period 2015-17, as a result of reductions in grant and increases in cost, but offset by additional income, as follows:

	2015/16 £000	2016/17 £000
Reductions in grant	20,513	10,851
Increases in cost	7,187	9,239
Total Savings Required	27,700	20,090
Additional income (CT and NDR)	-2,857	-2,717
Total Net Projected savings required	24,843	17 373

The majority of these savings must be taken from the council's net controllable budget of c£170m, within which c£100m relates to Adults and Children's Social care. It is more difficult to reduce the scale and scope of social care services in order to make savings, because it is a statutory requirement to meet individual's eligible needs and provision is largely defined in this context. This means that the proportionate reductions required across other council services are very significant. A summary of the total current budget provision is as follows:

	£ Gross m	£Net m
Adult Services	90.9	65.6
Children's Services	280.4	48.5
Development & Regeneration Services	15.8	8.6
Environmental Services	63.4	24.8
Chief Executive's Department	28.1	8.0
Service Support	115.7	13.4
Corporate Costs	8.3	3.2
Main Controllable Budget	602.6	172.1
Partially Controllable		
Public Health		18.1
Waste & Transport precepts		41.8
Overall budget, Excluding schools		232.0

Although a budget reduction figure of £43m is felt to be generally of the correct magnitude there are a number of factors that could impact on the final level of budget reductions required:

- Final grant settlement figures for the Council for 2016/17 which may change depending on the outcome of the post General Election Comprehensive Spending Review (CSR). Although there is broad consensus about the deficit reduction strategy and the likely share that local government will bear of this, changes to the distribution formula within the overall funding envelope and timing changes could impact positively or negatively by plus or minus c£3-5m. For this reason it is important that the Council retains flexibility in the budget until after the CSR and subsequent grant settlement. Given the length of time that it is likely to take to implement many of the budget options it is not felt that there is any significant risk of budget options being delivered that are greater than any realistically improved figure.
- Changes in a range of assumptions in respect of inflation in respect of pay and prices
- Changes to the assumptions around Council Tax levels and levys.

A summary of the overall budget position for the next 2 years, taking into account local and national pressures and reductions is appended.

Each issue is explained further below.

3.1 Grant Reductions

The indicative Revenue Support Grant figures for Local Government for 2015/16 represent a 28% reduction (£21m) in Revenue Support Grant compared to the current year (2014/15), which is a 14% reduction on the Councils controllable budget.

The Local Welfare Fund Grant is also expected to be removed, which represents a further reduction of £1.2m.

The likely grant position for 2016/17 has also been forecast, which indicates that further savings of approximately £17m will be required in that year.

3.2 Cost increases

The Council is facing a series of increases in operating costs which must be factored into financial planning, as follows

Inflation – An assumption has been made that overall general inflation impacting on the Council will be 2% in each of the next 2 years. In last year's Autumn Statement the Government indicated that they will restrict public sector pay awards to 1% in each of the next 2 years. The forecast therefore assumes a pay award of 1% in each of the next 2 years. The likely 2.2% pay award for 2014/15 and 2015/16 will add c£200 000 to the Council's cost base compared to budget.

Price inflation is generally reducing at the moment, although in specific areas, it is still running at an higher level. It is hoped to offset increases in many areas of Council expenditure by securing cost effective prices through our procurement processes. The area of major concern is energy costs. General inflation of 2% has been included and 10% for energy.

WDA/PTA Funding –the forecast includes the current assumptions for price increases indicated by the AGMA Waste Contract and the forecast levels of tonnages based upon the current waste collection service. Proposed levy savings are included in this report; the final position agreed by the Waste Disposal Authority will be reflected in the February Budget report.

The PTA levy has been included in line with the latest forecast from AGMA. This will see a saving in comparison to the predicted position of February 2014. The final position agreed by Transport for Greater Manchester will be reflected in the February Budget report.

Pensions – It is assumed that a 0.8% increase in the cost of pensions will be required in each of the next two years in line with the Actuaries latest forecast. This equates to a £0.8m increase in costs each year

National Insurance – In 2016/17 new national pension arrangements mean that the lower "contracted out" national insurance contribution for employers will end. The impact of this is estimated to be £1.8m additional cost to the Council.

Other – Forecast increased demand in Children's / Adults Services has resulted in an additional £1m being built into the forecast for both 2015/16 and 2016/17 in addition to the extra Government funding we receive to also support increased service demand.

The actual cost pressures in Adult's social care as a result of demand growth and demographics is potentially considerably higher than this. The Council's plans for greater health and social care integration are pivotal to keeping this figure at this lower level, through collaboration with health and demand reduction. This will be kept under review during this budget period.

The demand for children's social care and number of looked after children is volatile and needs to be kept under review as this could be a future cost pressure.

3.3 Income

The reductions which are forecast around grant levels and increased costs may be mitigated to an extent through projected increases in income, as set out below.

Council tax

The Council will need to consider its options around the level of Council Tax once further guidance on Referendum thresholds and Council Tax Freeze Grant are received. The budget forecast includes extra income of £1.6m in 2015/16 and 2016/17 on the basis of a 2% Council tax increase in each year.

In addition the Council Tax Base for 2015/16 is 1,014 Band D properties higher than in 2014/15 which, based upon a 2% increase in Council Tax from April 2015, will generate £1.3m additional income.

The final figures for 2015/16 and the rules and conditions that the Government set over the Council Tax Referendum threshold and entitlement to the Council Tax Freeze Grant will not be known until December 2014, at the earliest. A concern is that this will not provide very long to evaluate the options and in particular would not leave sufficient time to consult the public should the Council decide to seek views on setting a Council Tax increase higher than the threshold.

Schools Funding – The forecast includes the additional funding for the pupil premium notified by the Government, which increases each year (included within the Direct Schools Grants). In line with Government indications, it is assumed that there is no separate increase for inflation in 2015/16 and 2016/17.

Business Rates - From April 2013 the Government also transferred responsibility for Business Rates to Local Authorities. However, this was only a partial transfer as Central Government still determine the overall level of the business rates charge and also retain 50% of the business rates income. The Council is therefore responsible for 50% of the risk of non-collection of business rates. In the current economic climate there are still a number of businesses who are going into administration and the likelihood of non-collection is therefore more significant. An allowance was made for some losses on collection when the Budget was set in February 2014 and recent monitoring of this position has confirmed that the budget is adequate. Further monitoring will take place over the next few months and the position reassessed for the 2015/16 budget in January 2015. At this stage, as highlighted later in the report, £0.5m additional income is predicted for business rates.

In the 2014/15 Grant Settlement there was an indication from Government that whilst the Business Rates formula suggested an increase of 3.2%, the Government are proposing to cap this at 2%. The Government subsequently confirmed that they would provide additional funding up to the 3.2% to compensate Local Authorities in 2014/15. This compensation is welcome although it has not been confirmed that this will be maintained in 2015/16 and beyond.

Public Health – On the 1st April 2013 responsibility for Public Health transferred to the Council. This transfer was accompanied by additional resources and these are estimated at £18.9m for 2015/16.

The Government have also determined that this funding is ringfenced and must be spent on Public Health. Public Health funding has therefore been included as a separate line in Appendix A. The same figure has been used in each year but will be revised if we get any further information from Government.

Balances – Due 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, minimum balances of £10m should be maintained. Balances have been increased to £10.7m as at 1st April 2014.

In determining the budget for 2013-15, the Council agreed to provide an annual contribution of £2m from Reserves for a 4 year period. 2016/17 will be the last year that a contribution of £2m from Reserves will be made. Therefore during 2017/18 additional budget savings of £2m will be required.

4 Budget Strategy

The implications for the Council in respect of delivering a further c£43m of budget reductions is very significant, given that savings of £100m have already delivered between 2010-14. In doing so, almost all obvious options such as re-financing debt have been exhausted; most Council services have been reviewed and reduced at least once and the Council has significantly reduced management capacity. The budget strategy has been developed in the context of these challenges

4.1 A two year budget

In view of the scale of reductions required / anticipated, it has already been agreed that a 2 year budget should be developed. This is vital for strategic planning and helps ensure that the Council has a realistic chance to deliver the greater proportion of the £43m savings by April 2016. It is, however, anticipated that even producing a two year budget will require significant use of one-off reserves to balance the budgets in 2015/16 and 2016/17.

The delivery of the budget on a staggered basis over the two year period will, however, allow sufficient flexibility to suspend savings activity if the financial position improves over the budget period.

4.2 Other funding and budget mitigation

The 2015-17 budget forecast made in February, of £43m budget reductions, has subsequently been a focus of activity over the past few months. This has led to the following elements at this stage being available to meet the budget gap:

- Better Care Fund (BCF) - £3.1m of the fund has been allocating to protecting adult social care services, in line with the fund's guidance, which has therefore reduced the budget savings requirement by this amount. It has also been agreed that a further £2m will be made available in 2016/17 if the BCF has further resources added to it

and the guidance supports this. Currently this is not regarded as probable unless the overall quantum of Better Care Fund increases in 2016/17

- Public Health funding. The Public Health Grant is ring fenced for use on public health related activity. Through good management and efficiency measures, by 2016/17 it is predicted that £3m of public health grant will be available to support other eligible activity in the Council's budget on top of the currently funded, mandatory and discretionary services. This will reduce the level of budget reductions required from other services by £3m.
- WDA/PTA Levy's. Significant work has been undertaken at a GM level to reduce the Waste and Transport levy's over the next two years, compared to the forecast at February 2014. It is therefore estimated that the transport levy will reduce by £2.1m over the two years and the waste levy by £1.5m over the two years.
- The Council Tax Base for 2015/16 is 1,014 Band D properties higher than in 2014/15, based upon a 2% increase in Council Tax from April 2015 this will generate £1.3m additional income
- Business Rates. Having re-cast the assumptions we now believe it is possible to be confident of £500 000 additional revenue from business rates.
- Accommodation. A review and reduction of the Council's office accommodation will achieve savings of c£1 200 000 without any compulsory impact on jobs or services. This will be delivered through the closure of 4 town centre buildings and condensing the majority of town centre office occupancy into the refurbished Town hall.

The above budget changes are reflected in the corporate budget options which have been proposed.

4.3 Specific 2015-17 savings targets

The allocation of overall savings targets across corporate and departmental services has been undertaken using a similar set of criteria to previous budget rounds:

- That as much as possible should be found from reductions in management and administration and from further efficiency measures
- That the most vulnerable should be protected and lower levels of savings found from children's and adults social care services
- That targeting should take place to protect services to individuals and areas in greatest need and deprivation
- That given the reductions taken so far from front-line universal services such as green space provision (ie grass cutting and street cleansing), these services should be protected from further service reductions if possible, although further efficiencies and non-front line reductions will be necessary.

On this basis the specific level of reductions from each corporate or departmental area is as follows:

- Corporate -£15.9 – 17.9m
- Adult Social Care - £6.25 - £7.75m
- Children's - £2.5 - 3.5m
- D&R - £2.3 – 2.5m
- Environment - £5.3-6.3m
- Chief Executives - £2.25m
- Cross-cutting - £4-5m

Total - £38.5 – 45.2m

As a general indication, these savings represent a 10% reduction for Children's and Adults Services and roughly a 20% reduction across all other services.

The range of budget reductions estimated reflects the complexity and uncertainty of some of the options at this stage, but is felt sufficiently robust to undertake strategic budget consultation. This position will be clarified and finalised as part of consultation and in the light of the 2015 Comprehensive Spending review (CSR). In the meantime, work will remain ongoing to continue to develop other options for savings as it is probable that not all options will deliver 100% of the proposed reductions. Further options may come forward in advance of the February 2015 budget Council, or later in 2015 post the CSR.

5. Meeting the Challenge

5.1 Principles

In order to deal with this scale of reduced funding the Council will need a comprehensive strategic approach, to take every opportunity to maintain critical services with fewer resources. Within this context, with regards to our statutory duties and levels of savings already made, it is proposed that children's social care services will continue to be protected from budget reductions and that no further significant front line reductions will be made in green space provision (ie grass cutting and street cleansing).

Savings will be made across all other services through a combination of the following measures:

- further service reductions and efficiencies
- centralised and streamlined support services internally, to achieve economies of scale and careful prioritisation of capacity
- a new customer contact strategy, to migrate a significant proportion of "front line" transactions to the web or telephone, as far as absolutely possible
- Alternative service delivery models to deliver savings from operating costs
- A new relationship with our community, to reduce demand for and dependency on council services as far as possible
- An examination of potential demand reduction via Public Service Reform principles.

5.1.1 Further service reductions and efficiencies

Significant savings have already been made across the vast majority of Council services however, given the ongoing, extensive reductions in resources faced by the Council, further reductions will be necessary as part of this budget round. Proposals will therefore be developed to take further cost out of all areas practicable, by further reducing the scope and scale of services and delivering efficiencies where this can be achieved.

Capita Consulting have been engaged to provide technical expertise to support this work by:

- reviewing the savings already achieved and validating the proposals being considered as part of the future savings strategy
- advising on how additional savings can be generated through the design and deployment of Alternative Service Delivery Models (ASDM)

An Executive Summary of the Capita work is provided in the appendix to Part B of this report.

5.1.2 Centralised and streamlined internal support services

A fundamental review of support services requirements will be undertaken based on internal and external customer self-service as far as possible and on-line process administration rather than paper-based input and records.

It is also proposed to bring all cross-council administration and generic support services together into a single service which can work cross departmentally and functionally. The single team will include all staff with a shared skills set across such processes as customer communication; administration; record keeping and finance. By operating as a single team there will be some economies of scale in the numbers of posts required and reductions in capacity required to cover contingency e.g. leave. The Council will also seek to stop activity wherever feasible following a comprehensive review of processes.

5.1.3 New customer contract strategy

A core part of the budget strategy will be to widen and deepen the services provided by the contact centre and an assumption that we can achieve significant “channel shift” from our customers, to primarily on-line and digital contact only. This will be a significant programme and will require investment in internal and external behaviour change, support to the public and improvements in technology and the Council’s digital services.

In order to secure these further efficiencies from transactional services it will be essential to minimise face to face service provision as far as possible, as this is the most expensive communication mechanism we operate. The Council’s objective will be to migrate a significant proportion of remaining customer contact to web and telephone access only, to be facilitated by the contact centre as far as possible, with face to face services only available for those vulnerable residents who are unable to use other forms of access.

5.1.4 Alternative Service Delivery Models

The Council has also undertaken considerable work with Capita Consulting to examine the benefits and risks of developing Alternative Service Delivery models (ASDMs). This work has established that there is scope for savings from different delivery models due to:

- growth and increased income, which is not possible legally for services delivered by the council directly
- reduced costs of employment
- efficiency, productivity and cost reduction
- lower costs for support services

For a range of factors, particularly the requirement to retain flexibility for future budget periods, the Council is not proposing to enter into large-scale, whole service outsourcing or joint ventures with the private sector. In examining the potential benefits of ASDMs, the Council is concentrating its efforts on the potential benefits of arms-length companies, shared arrangements with others and not for profit options.

The full scope for ASDMs to mitigate the impact of budget reduction be examined during the 2015/17 budget period and associated business cases will be explored.

5.1.5 A redefined relationship with the community

In a report approved November 2013 (copy attached) the Council identified that a range of new approaches may be required to meet the budget challenge facing the Council over the period 2015-17, including:

- Changing the expectations about what the Council can deliver
- Working more closely with individuals and communities to deliver services. This includes a more direct role in working with and co-ordinating volunteers
- A stronger focus on demand reduction
- The Council should consider commissioning more services

In respect of the option relating to working more closely with individuals and communities to deliver services, the Council has agreed a £500 000 pilot fund as part of the 2014/15 budget to explore how effective this could be.

Although not ruling out ideas in other services, the Council has devised the pilot scheme with the main intention of maintaining or improving the wider environment and youth services, given the level of reductions that have been made in these services and the high priority placed on these issues by local people.

In board terms, the intention is to fund pilot schemes involving local community groups, voluntary organisations, businesses or others who can lever in volunteers, in-kind support, grant funding or other advantages that are not available to the council. Further details of the scheme can be found at the Appendix.

5.1.6 Public Service Reform

The Council, along with other councils across Greater Manchester, is engaged in significant Public Service reform (PSR) work.

As part of this work it has already been highlighted that, long term, health and social care integration is key to seeking to influence the budget by holding down demand pressures for adult social care. In addition the Council is developing an approach to complex dependency to seek to manage individuals and families that have poor outcomes and place high demands on public services. At this stage this activity is not developed to a point where this can be translated into firm budget savings but this is being kept under review for the budget period to see if a financial impact can be made.

6. Capital programme and One-Off Investment

The focus of this report is the Council's revenue budget 2015-17. However, in delivering the organisation's strategy for the Borough, the Council's formal capital programme and approach to the use of one-off resources is also key. This investment over the past few years, especially in economic growth, town centres, housing and highway maintenance, has helped meet both the broader objective of economic prosperity and mitigated budget reductions especially in areas such as highways.

The development of the 2015-17 capital programme is underway and will be formally brought forward for the Cabinet's consideration in early 2015. At a strategic level the Council's intention is to maximise the use of capital resources to both drive economic growth and mitigate revenue reductions and as such will retain current levels of revenue expenditure to maximise capital investment. Future use of one-off resources, such as the 2015/16 airport dividend, not included in the base budget will be considered in parallel to the capital programme dependent on whether this is required or not to support the delivery of the 2015-17 budget.

7. Impact on and support for staff

The council has successfully led its staff through a number of major changes over recent years, throughout which high quality terms and conditions have been maintained; the workforce has been protected from compulsory change and best practice in Trade Union engagement has been applied.

The council has committed publically to delivering the savings required from staffing costs as through voluntary rather than compulsory means as far as possible. Significant investment has been made since 2009 in a strategy to reduce staff numbers by c1350 posts without recourse to compulsory redundancy. This has involved, "freezing" external recruitment; deleting vacancies; running three campaigns to date for voluntary early retirement / severance; facilitating voluntary redundancies and a comprehensive redeployment scheme. It is proposed to continue with this strategy through the 2015-17 budget round and to achieve as much as the savings as possible by re-applying the established policy framework, beginning with another voluntary severance campaign which it is proposed to launch with immediate effect. It will, however, be a challenge to deliver all the change consensually, given the reductions already made and scale of further savings required.

It is not possible to accurately identify the actual number of posts that will be lost until detailed proposals are developed. However, based upon the outline options set out, it is anticipated that a reduction of 400 – 500 posts may be required, of which there are currently around 100 vacancies.

The Council has also developed the workforce strategy further by articulating a set of principles about how staff will be managed and supported within this very difficult operating context and the specific changes proposed. The proposal, as a basis for consultation, is that the Council will aim to deliver the following:

- Retention of existing policies and terms in respect of redundancy, redeployment, protection, VER/VS to minimise risk of compulsory redundancy
- No reductions in pay and terms and conditions for staff who remain with the Council
- To establish alternative models in such a way that staff who TUPE into the new entity should not see any reduction in their terms and conditions for economic reasons.

8.Consultation Process

The Council is intending to commence formal consultation immediately on the overall budget proposals set out, with a view to reporting back to Council in February 2015. Consultation will include:

- Formal consultation with the Trades Unions through the SLJCC and subsequent Corporate Employee Relations Meetings, supported by DJCCs, for the duration of the consultation period
- A detailed explanation of the overall budget position and allocation of savings in the next issue of Scene, to be distributed to every household in November. Scene will also be used to explain to people how they can feed in their views to the consultation as described below
- Development of a public consultation survey which will be posted on-line and also posted to 10,000 targeted households
- An organised briefing event for the public which will be held in December 2014, to explain the budget and the options put forward and to seek people's views
- Target presentations/discussions with specific groups such as the Third Sector Forum, Business Ratepayers, schools and other groups as appropriate
- A comprehensive communications campaign for staff to ensure every employee understands the proposals and how to feed in during consultation. This will involve a letter to every member of staff from the Chief Executive; a special edition of the staff magazine, Bob and briefing sessions held by Directors in each department.

Each budget option will then be subject to separate individual budget report and consultation as appropriate.

9. Equality Impact Assessment

The priorities which the Council wishes to adopt when looking at delivering savings have been re-confirmed in section 2 and provide a framework for the delivery of the 2015/17 budget.

In terms of staffing, the anticipated impact of the budget on the workforce is set out in Part B of this report, along with the strategy for managing this. The Council retains its objective of seeking to be a good employer, including by managing staffing reductions consensually as far as possible; this aspiration has been articulated in a set of proposed principles which underpin all of the proposals made within this budget strategy and are also described in section 7.

It is important to recognise that achieving savings at this level, following the significant reductions that have already been made, will be much more challenging than in previous years. However, the Council continues to aim to minimise the impact of budget savings on front-line service provision. Proportionately different levels of savings have once again been sought from each of the Council's departments to offer a degree of protection to front-line services and to protect the borough's most vulnerable people. This distribution is set out in section 4.3.

The full equality impact assessment is appended to Part B of this report

10. Recommendations

As a basis for consultation the Cabinet is asked to:

- Note the very challenging financial context in which the Council is operating, specifically the projected reductions in government grants and increases in costs that have been highlighted in the medium term financial strategy
- Approve the allocation of associated savings targets across departments, to achieve savings of up to c£43m by 2017
- Approve the outline strategic approach to meeting this challenge with a two year budget for 2015-17, including the proposed strategic principles; the support for staff and use of one-off resources as set out in the report
- Note the stakeholder consultation process set out for this budget strategy, including an immediate launch of a further voluntary severance campaign for staff.
- Approve the strategic approach to the £500k pilot Community Empowerment Fund as set out in the report and appendix

APPENDIX A**MEDIUM TERM FINANCIAL STRATEGY 2015-2017**

	Forecast 2015/16	Forecast 2016/17
	£000s	£000s
Previous Year's Net Budget	477,458	461,091
Additional Public Health Transfer	-	-
Increases:-		
Schools DSG	-	-
Non School Services		
Inflation	3933	4053
WDA / PTA	1,525	1,525
Pensions	804	817
Adults Growth	1,000	1,000
Increased National Insurance	-	1,808
Loss of Local Welfare Fund Grant	1,214	-
Savings Required	-24,843	-17,373
Budget Requirement	461,091	452,921
Resources		
Direct Schools Grant	226,481	226,481
Public Health Funding	18,906	18,906
Education Services Grant (ESG)	4,250	4,000
New Homes Bonus	4,200	5,000
Use of Reserves	2,000	2,000
Retained Local Business Rates	43,040	43,901
Business Rates Top-Up	19,330	19,717
Council Tax Contribution *	90,472	92,280
Government Grants	52,412	40,636
Total Resources	461,091	452,921
Council Tax Increase (indicative) *	2%	2%

Appendix 2:

Pilot scheme for a Community Engagement Fund

The Council will pilot a Community Engagement Fund which provides a small, fixed term investment to community partners in return for leveraging a greater level of capacity to improve the local area. The Council has allocated £500 000 for this exercise, which will be shared across as many partners as possible to enable the startup and / or delivery of creative ideas that will contribute to a long term solution to the demand pressures on local public services.

The fund will be piloted within areas related to the environment and youth services in the first instance, across the clean, green and safe priorities with the specific objectives of:

- reducing demand for Council services and/or
- making improvements to the environment
- Provision for Young People

Bids will be sought from organisations which can demonstrate that they can multiply the value of the investment to achieve the strategic objectives above by, for example:

- leveraging much wider capacity (eg by bidding for £25 000 to appoint a Volunteer Co-Ordinator, who can then organise a group of 50 volunteers in an area)
- making an investment which will reduce demand for municipal services, eg equipment for a local group to “self-serve”
- applying the funding to pursue match funded bids for more structured capacity and/or infrastructure.

Funding will be available for businesses; local volunteer groups or committees (however small) or constituted voluntary and community sector organisations to bid for. There will not be a cap on funding but it is anticipated that most bids will be c£50 000 maximum, to be allocated over the two year budget period on a pilot basis.

Bids will be assessed against the following structured criteria and approved by the Executive Cabinet Members for Regeneration and Resources and Environmental Services

- value of capacity leveraged for the level of investment required
- sustainability of the proposal
- impact of the proposal
- wider contribution to strategic objectives, eg Narrowing the Gap.

It is anticipated that this will be a rolling scheme, with bids accepted to the maximum of the financial provision allowed over the two year period. The intention is to have an initial set of activity approved and ready for implementation from 1 April 2015, but any schemes that are developed before then may be accepted as early implementers.

As a pilot exercise this process and return on investment will be subject to a structured review during the 2015/17 budget round and reported back as part of the performance management cycle.

Report to: The Cabinet

Date: 10th November 2014

Report of: The Chief Executive **Report No:**

Contact Officer: S Harriss **Tele No:** 1001

Report Title: **Financial Forecast and Budget Process 2015-17**

Part B

Confidential: (**Confidential Not for Publication**) This report is exempt from publication by virtue of Paragraphs (1 and 4) of Schedule 12A to the Local Government Act 1972.

Purpose: To outline to the Cabinet the specific savings proposals and relevant delivery issues to meet the Financial Forecast for the next 2 years

Recommendations: The Cabinet is asked to:

- agree, as a basis for consultation, the detailed budget options to deliver the two year budget for 2015-17, as set out in the report
- agree the strategy relating to capacity and delivery and associated allocation of one-off resources of up to c£40m to enable budget delivery, as set out in section 4.
- agree to develop the pieces of work described in sections 2.1 and 2.4, with associated budget, relating to:
 - the development of a detailed business case and delivery plan for the adult services “arm’s length” company
 - the development of a detailed implementation plan for the partnership working with Wigan Council on environmental services
 - the development of a business case and plan for the establishment of a corporate support services function.

1.Purpose of This Report

The purpose of this report is to outline the following:

- The budget options which form the basis for formal consultation for the 2015-17 budget
- The associated policy, financial, capacity and cultural challenges and proposed solutions that relate to the policy and budget strategy 2015-17.

2 Specific proposals to meet savings targets

A summary of proposals for each department, in line with the principles set out in part A of this report, are set out below:

2.1 Adult Social Care

The Council is committed to retaining high quality social care provision which meet both service user's assessed eligible needs and provide quality employment for staff, wherever possible. In the current financial climate, however, options must be sought to achieve this as cost effectively as possible. This is because in adult social care there is only limited opportunity to reduce the level or standard of services provided, as the vast majority of services are provided on an individual, statutory basis.

The traditional way in which local authorities have dealt with this challenge has been by commissioning or outsourcing services to the private or voluntary sector. Such an approach will guarantee a level of savings but can make it more difficult to achieve the Council's objectives around high quality employment practices. As an alternative the Council is therefore proposing further reviews to reduce the costs of provided and commissioned services and developing a hybrid option of an "arm's length" company into which many existing in-house social care services will be transferred, to achieve savings but protect the Council's employment ethos as much as possible. This approach is also focused on maximising the overall quality of services provided to our service users, given the major financial pressures faced.

Proposals for adult social care options are as follows:

- To review and restructure some commissioned preventative/early intervention services in line with integration objectives and outcomes and consideration of demand reduction, to achieve savings of c£1m. The impact will mainly be on services still that were funded by the former "supporting people" grant such as housing and offender support services. There will not be any reduction in Council jobs from this option
- To review practice and care delivery (including assessment services, care packages and direct payments), in line with new requirements of the Care Act 2014, to achieve further savings of c£1 500 000. It is not anticipated that any jobs will be deleted as a result of this option
- To review and re-provide services to those people currently living in our Extra Care schemes. The existing extra care schemes are an expensive method of meeting service user's eligible needs and it is anticipated that a quality service can be

provided at a lower cost. This will achieve savings of c£1 000 000 and will involve a reduction of c40 posts

- A reduction of c£0.25m to be made from general efficiencies and small scale cuts to some support services. This may include transport, community meals and voluntary sector grants. It is not anticipated there will be any impact on jobs as a result.

It is also proposed that the detail of an “arm’s length” company into which the majority of existing in-house social care services will be transferred is examined further and a detailed business case produced during the consultation period. The Council’s intention is that a model is constructed which, over a number of years, will achieve savings of c£2 500 000 – 4 000 000, whilst also protecting the terms and conditions of existing staff as follows:

- all existing staff will be transferred into the new model on current terms and conditions of service. The intention will be to construct the commercial model in such a way that assurance can be given to staff that there should be no reason to reduce terms and conditions for economic reasons
- new starters will be appointed on different and less expensive terms and conditions in order to generate savings. A set of minimum standard would, however, be prescribed around these conditions of employment. As a minimum, payment at a “Living Wage” would be expected, as well as an occupational sick pay scheme and access to a stakeholder pension.

To date work has been undertaken based upon the initial transfer of the following provided services: Adult Placement; Supported Living Services; Learning and Physical Disability Services and Older People’s Day Care. It is possible that towards the end of this budget period, Intermediate Tier could also be considered as part of this approach.

Savings have been calculated based upon an assumption of staff turnover over a two to three year period and have also been benchmarked with other councils who have developed a similar arrangement. During consultation it is planned to develop a detailed business plan and financial analysis to test the proposal in detail and the associated savings. Given the length of time that it could take to achieve savings, one-off resources will be required to bridge the gap. These resources are identified as part of the one-off budget for 2015-17 as described in paragraph 4.2 of this report.

In addition it is proposed that a second service is established with the purpose of securing new business to achieve a potential income stream which will contribute to future savings requirements, for example:

- providing services for clients who are self-funders or in receipt of direct payments
- bidding for other local authority or NHS contracts
- providing services to meet other gaps in provision.

This service may also be able to bid for existing services commissioned by the Council on the expiry of existing commercial arrangements. It will be established without any staff but will recruit or absorb staff through TUPE in accordance with growth. On this basis it is likely

to be a small enterprise which will expand over time. New staff will be appointed on the same terms as new recruits as described above.

The feasibility of this second approach, to establish its viability and potential contribution to the budget will be examined as part of the work to develop a business plan, as outlined above.

2.2 Children's Services

The Council is committed to continuing to protect children's social care services as far as possible. Corporate responsibilities around safeguarding children and providing quality care to Looked After Children are regarded as a significant organisational priority which, combined with the volume of statutory provision involved, means that these services will largely be retained in their current form. Work will, however, be undertaken to establish whether any further efficiencies are possible to assist with budget reduction or containing demand growth.

Savings within Children's Services will therefore be achieved through further reductions in other services and budgets as follows:

- a review and reduction of between 30 – 50% of direct provision in Children's Centres. The Council will work hard with other providers, e.g. schools, to seek to find alternative partners to take on our current provision. Savings of c£1 – 1 500 000 are proposed which may involve a reduction of up to 40 Council jobs
- a further review and reduction of the Youth, Sport and Play services, based on greater targeting of remaining resources to those with greatest need. This option will achieve savings of c£500 – 1 000 000 and a reduction of up to 40 Council jobs and may involve more commissioning from the voluntary and community sector
- other general efficiencies within the department including such areas as transport, office buildings and increased charges to schools, as well as a reduction in voluntary sector grants with a move to outcome-based provision. These proposals in total will deliver savings of up to £1 000 000. It is not anticipated this will impact directly on Council jobs.

2.3 Development and Regeneration

The Council's strategy is to maintain investment in services that support economic growth within the town and bring income to the council. Savings proposals are as follows:

- A review of housing services which will involve moving closer to the statutory minimum and increasing income from certain services. Savings of £500 000 will be achieved, involving a reduction of around 5-10 Council jobs
- A range of measures to reduce costs and increase income from planning, the Work Programme contract, skills, spatial data and building control. This may also involve more joint working with others. It is anticipated that savings of c300 000 may be achieved without any reduction in Council jobs

- A review of funding for leisure services and potential reductions in subsidies and some aspects of free provision, to achieve savings of c£300 000 without any impact on jobs
- A review of staffing levels and operational budgets within housing strategy, economic development and strategic development services. This will achieve savings of c£700 000 and involve a reduction of up to 10 jobs
- The replacement of the town centre promotion and events budget with one-off funding, to achieve a revenue saving of £200 000, without any impact on jobs
- The library and museum services will be retained on the basis of the current network, but reviewed to seek to deliver £300 – 500 000 savings through staffing reductions, reductions in cash budgets and the potential exploration of a not for profit trust model. This could involve a reduction of 10 jobs.

2.4 Environment

A series of service policy changes are proposed to achieve the following savings:

- Further reductions in the Highways insurance budget due to a reduction in claims, along with revenue savings from the street lighting LED scheme. This will achieve savings of £800 000 without any reduction in jobs
- The frequency of waste collection services will be retained for both recycling and residual collection services, but savings of c£1 250 000 will be achieved by reducing the amount of residual waste disposal through a combination of smaller 140 litre grey bins; increased incentives to recycle and education and enforcement around recycling
- Subsidies within Community Services, including to schools and the Albert Halls, will be removed to achieve full cost recovery and achieve savings of c£1m
- the area working and neighbourhood management services will be reviewed to achieve savings of c£250 000 through a combination of reductions in project budgets and staffing levels. This could impact on 2 – 3 jobs

There is a strong view that a further reduction in service levels in areas such as green space (street cleaning, grass cutting etc) would be difficult to achieve without further significant impact on the quality of life of local people. An alternative service delivery model that protects the quality and volume of service provision is therefore seen as being a key outcome for the Council.

Initial work has identified that this might best be achieved through sharing and/or aligning services within the Environmental Services division with Wigan Council. It is anticipated that such an approach would deliver savings of £2 – 3 000 000 without impacting significantly on front line service delivery. Such savings would be made from a range of budgets including through management efficiencies, sharing staff, plant and equipment and re-organising services to work more effectively. It is also anticipated that a contribution to the overall savings target can be achieved through income growth. The joint working is likely to result in a reduction of posts across the department in the region of 40-60.

Further detailed work will be undertaken in parallel with the consultation period to firm up the detail of how the proposed new arrangement will operate, the phasing of the bringing together of the services and more detail about in what areas the greatest levels of efficiency can be created and optimum priorities for income growth.

2.5 Chief Executives

Options for the Chief Executive's Department are also a combination of budget and service reductions, as follows:

- corporate support services will all be reviewed to achieve savings of £2 000 000 through reductions in cash budgets and staffing levels across all services, including HR/OD, policy, marketing and communications, finance, legal and democratic and property services. This will require a reduction of up to 30 Council jobs
- levels of financial support to the voluntary sector will be reviewed, to achieve savings in the order of £250 000

2.6 A Corporate Support Service

The Council will undertake a fundamental review of all administration and support processes, with a view to removing activity and associated capacity as far as possible by process re-design; robust prioritisation including stopping activity and better use of digital technology and Contact Centre access. This will include all generic activity such as record keeping; process administration (finance; change of circumstances; registration; complaints; requests etc) and other customer communications.

Managers and the public will be required to “self serve” remaining administration and record keeping functions as far as possible and an appropriate investment will be made in digital infrastructure to enable them to do so. For example more mobile technology will be made available to staff, to enable administration to be completed as part of professional activity eg during meetings and site and customer visits the use of the Web will be expanded to enable the public to complete more transactions on line, without support from council staff.

The remaining, much diminished, administration and support capacity from across departments will be organised into a single, corporate support service. By operating as a single team there will be some economies of scale in the numbers required and reductions in capacity required to cover contingency eg leave. A single team will also capture cross-Council best practice in order to drive up quality standards and will ensure that consistent judgements are made regarding corporate support priorities.

This means that services will no longer operate with allocated routine administrative support but will be required to meet their own support requirements, with some access to a small corporate pool of generic support staff when essential activity cannot be resourced in any other way. Customers will be required to self-serve processes through digital access as far as possible, with other contact requirements to be directed through the contact centre in the first instance.

Savings of up to £4 - 5 000 000 will be achieved. This will involve the reduction of c200 Council jobs, around 50 of which are currently vacant.

A detailed business case and implementation plan will be developed over the coming months, with the first phase of this work taking place in parallel to consultation.

2.7 Corporate Options

Section 4.2 of the budget report sets out the corporate financing options which mitigate the scale of budget reductions required.

In addition, a series of individual savings options are also proposed which will cut across all departments and services as follows:

- The Council will seek to raise c£2 250 000 in additional income for the financial year 2016-17 by:
 - Reducing the spend on council tax benefit as a result of the improved economic environment
 - Full implementation of the original council tax benefit scheme which was subject to a tapered subsidy
 - Introducing a minimum charge for council tax of 10-15% for working age households through a review of the Council Tax Benefit scheme
 - Increasing income from earlier charges to empty properties
 - A reduction in the Council's discretionary fund from £400 000 to £200 000.
- Reducing the value of the Council's discretionary local welfare scheme from £1 000 000 to £750 000
- Savings of c£200 000 will be secured from governance. This will include all cross-cutting support costs including Chief Officers, Elected Members, Civic functions and the Trade Unions.
- A review of budgets will be undertaken to deliver up to £500 000 savings without any impact on council jobs by:
 - Not applying inflation across budgets as far as practicable
 - Removing miscellaneous expenditure budgets as far as possible
 - Reviewing procurement contracts and processes to continue to pursue the best value for money
 - Diminishing budgetary provision for Computer refreshes.

A summary of all options is provided in the Appendix.

3 What Alternatives are there?

The proposals in this report are put forward as a proportionate and balanced package, to respond to the profound further reductions required whilst ensuring the Council retains its values and identity.

The Council has worked hard to examine every option and consider every alternative to the scale of reductions proposed. It has been concluded that the only alternative to the proposals set out would be to pursue:

- deeper cuts to directly delivered council services which would have a much greater impact on services to the public, especially in universal services such as street cleansing, grass cutting and libraries etc. This would also involve extensive staff redundancies as the majority of Council costs are in staffing

and / or

- more significant" ASDM solutions involving outsourcing or joint ventures with the private sector, at the lowest possible price. This would deliver an initial level of guaranteed savings but would be less flexible and potentially provide less control over costs and quality in the longer term. Such an option would require the Council to compromise its employment values by seeking the lowest cost terms and conditions that could be achieved, without any scope to build in "protection" for existing staff or minimum employment standards (eg Living Wage" values) for new starters

and / or

- To seek to reduce the terms and conditions of the existing employed workforce. The overall cost and quality of the council's employment package is high and there is scope to make significant savings around such areas as value and/or duration of occupational sick pay; enhancements for out of hours working and employer's pension contribution, as well as the value of basic pay and / or leave. Any reduction in terms and conditions would, however, constitute a contractual change which would involve a lengthy and resource intensive process to deliver, as well as presenting a risk that employee relations and staff motivation would be significantly compromised.

4. Delivering the Budget

It will be a huge challenge to deliver budget reductions of the size and scale required within a two year period. Particular issues around the requirement for one off funding and delivery capacity are set out below.

4.1 One-off funding

Significant levels of one-off funding will be required to deliver this budget, with estimates of up to £40m up to 2017, given the following factors:

- Only a proportion of the £25m required for 2015/16 will be delivered in-year and probably not all of £43m by 1st April 2016/17 because:
 - Consultation and plans for development of budget options will not be complete before summer 2015
 - The process of budget reduction takes at least 6 months to deliver for every option; the creation of alternative service delivery models will take much longer than this, given the legal, financial and employment processes involved

It is therefore estimated that up to £20m one-off will be required to bridge the gap to “cash flow” the organisation until the budget reductions are in place.

Further funding of up to £7 m will also be required to give time for savings to be fully realised and/or mitigation before the full effect is seen. This will include, for example:

- £2m to purchase the 140l grey bins, to deliver the ongoing saving of £1 250 000
 - £3-4m to support the transition to the full savings estimated for new models in adult social care and environmental services
 - Transitional funding for the voluntary sector
-
- Redundancy, Pension and redeployment costs are likely to be significant as jobs are deleted and staffing reductions made. It is estimated that £5 - 10m one-off will be required for this purpose and there is a specific reserve at this level already in place. This reserve will also be required to support future budget rounds
 - Significant investment in the various types of extra capacity that is required will be required. It is estimated that up to £3m over 2015-17 will be required; this is explained further in section 4.2, below.

The Council has planned carefully knowing the 2015-18 budget period will be incredibly difficult and will require one-off funding. The position is as follows:

- Specific reserves exist to meet around 60-70% of the anticipated costs highlighted above, which were created as part of the 2013/14 budget outturn and 2014/15 budget process
- A further review of reserves is underway to identify whether the remainder of the funding can be found from existing reserves. In the 2017/19 budget this will present a challenge if major reductions continue as a significant proportion of the council's reserves will have been used to deliver the budget
- To support this an in-year “squeeze” is taking place in 2014/15 to generate an end of year underspend to help with the 2015-17 budget e.g. not filling vacancies and use of the Airport and Yorkshire Purchasing Organisation dividends

The Council has planned carefully for this budget round and earmarked funds and reviewed reserves to ensure the appropriate level of one-off resources are available. Concern exists that the Council's ability to generate one-off revenue will become increasingly difficult as budgets become tighter and with reserves being depleted.

4.2 Delivery capacity

The capacity required within the Council to deliver this scale of change is significant and will require some specialist skills, given the complexity of the budget and detail of some options. In particular, the creation of new models within adults and environmental services is more complicated and time consuming to deliver than traditional options and the expertise required is not widely available in-house. The challenge of delivery capacity is further compounded by the fact that there are considerably fewer senior managers than in previous budget rounds to lead and make the change happen and the “day job” is also increasingly complex with a number of other strategic priorities also demanding leadership and capacity,

including economic growth, health and social care integration, anti-poverty and community cohesion

To manage organisational capacity it will be important that budget options are carefully phased to ensure that they are achievable – this requires detailed planning to create a two year programme which will then be managed by a “Transformation Office”. The Transformation Office will oversee delivery against plan and also co-ordinate the support infrastructure to ensure every option is supported consistently within the Council policy framework and available resources

It is also proposed that part of the £3m allocated for delivery is used to establish a temporary, dedicated delivery team, involving a likely combination of external and internal resources as follows:

- A series of fixed term appointments to be made, at an estimated cost of £500 000, with expertise across finance, HR, policy, communications and programme management. This provision would allow for a temporary team of c10 FTE with suitable levels of experience, who would operate corporately and within individual departments
- the secondment (and backfill) of a number of senior managers from their “day jobs” to concentrate exclusively on delivery of budget options. A further £300 000 should be allocated to meet backfill costs
- specialist advisors to be retained in respect of legal, finance, procurement, contract specification, commissioning and quality assurance issues. Specific expertise will be required to inform the development of detailed business cases and supporting plans for alternative delivery within adult’s social care, environmental service and corporate support services. It is recommended that £500 000 is allocated specifically to progress this work.
- Additional capacity to be allowed for staff training and development and investment in a culture change programme, below.

4.3 Further External Advice and Support

When developing the budget strategy the Council approved and subsequently procured two stages of support from Capita Consulting: initial work to advise on savings options and the scope in principle for ASDMs and then a second stage to assist with the detailed development and implementation of approved budget options.

The first stage of work is now complete and has informed the proposals set out in this report. The Executive Summary from Capita’s report is appended.

Approval is now sought to progress the second stage of this work, which will involve:

- the development of a detailed business case and delivery plan for the adult services “arm’s length” company
- the development of a detailed implementation plan for the partnership working with Wigan Council on environmental services
- the development of a business case and plan for the establishment of a corporate support services function. These will be very significant and complicated pieces of work

involving questions of governance, commercial and financial issues, business planning and employment law.

It is anticipated that this will be an initial 2 – 3 month exercise and that a further £100-150 000 from the £500 000 should be allocated for this purpose.

4.4 Culture change and new ways of working

The cultural change required over the short, medium and long term in order to respond to the new operating principles as set out in section 5.1 requires a radical re-think of the Council's values, skills and working practices. A review of the organisation's structure may also be necessary.

The culture change required will involve staff, managers, Elected Members and the public. Examples of the shift required include:

- re-focussing our ethos to demand reduction rather than growth
- embracing greater service commissioning rather than direct delivery in certain areas
- managing expectations and creating a skills base that can achieve greater internal and external self-service and delivery through digital technology rather than paper based services and generous support infrastructure
- the ability to prioritise resources rather than meet every demand

Some of this work will be implicit within service structure and process changes made as part of service reviews. Investment will also be required in internal and external communications, as well as skills development and appraisal for managers, staff and Elected Members to ensure new ways of working are embedded across the organisation.

Key to the transformation will be robust leadership of the new approach. Senior leaders and managers must own and champion the new operating model, which will require a fundamental readjustment of organisational values and approach. It is recommended that some external expertise is brought in to achieve this, to provide both the technical skills and objectivity to re-align the organisation's culture and embed the change at every level.

5. Recommendations

The Cabinet is asked to:

- agree, as a basis for consultation, the detailed budget options to deliver the two year budget for 2015-17, as set out in the report
- agree the strategy relating to capacity and delivery and associated allocation of one-off resources of up to c£40m to enable budget delivery, as set out in section 4. .
- agree to develop the pieces of work described in sections 2.1 and 2.4, with associated budget, relating to:
 - the development of a detailed business case and delivery plan for the adult services "arm's length" company
 - the development of a detailed implementation plan for the partnership working with Wigan Council on environmental services

- the development of a business case and plan for the establishment of a corporate support services function.

Appendix: Executive Summary: Technical and Professional Advice

Capita Consulting was appointed to carry out a Service Review for Bolton Council. The work was designed in two phases. This report relates to the work carried out in phase 1.

The scope of the work was as follows:

- A baseline review of current revenue budget expenditure and detailed examination of planned savings options for the period 2015/16 to 2017/18.
- An analysis of how additional savings can be generated through the design and deployment of Alternative Service Delivery Models (ASDM) by applying potential savings models to different types of ASDM in different service areas.

Having looked across all service areas, the focus was on the potential for ASDMs for Social Care, Place-based services (scope subsequently revised to Environmental Services) and Customer Contact, Revenues and Benefits and Support Services.

This work concluded:

- The Council has identified potential savings in the range £27m to £32m.
- These savings plans are well thought-through, rigorous and pragmatic, but the size of the challenge in making the changes required will test the capacity of the organisation.
- potential savings have been identified through ASDMs in the range £4 to £15m.

Recommendations to carry forward into Phase 2 are as follows:

Following the initial advice the Council has decided to pursue an “arm’s length” company for adult social care; a shared services model for environmental services with Wigan Council and a new way of working for customer services and administration, as follows:

1. Adults Social Care:

Develop a business plan to show the viability of an “arm’s length” company, initially to deliver Provider Services, and with the capability to trade and provide services to individuals or run other services in the future.

2. Environmental Services

Develop a business plan to operationalise shared service provision with a neighbouring council (for example, Wigan Council).

3. Customer Contact, Revenues and Benefits and infrastructure and support services:

Consider how these services may be re-organised and improved by establishing a new way of working that:

- increases the scope of the contact centre by “widening and deepening” the range of service requests dealt with and enabling channel shift, principally from face-to-face to online;

- making cross-council business administration functions more efficient by “corporatising” the work that they do and by establishing more common systems, processes and practices;
- making the advisory and administrative elements of corporate support services (such as finance and HR) more efficient.

4. Develop a high level transition and transformation plan to show how a programme to deliver these new delivery models can be designed, phased and resourced.

It is vital to understand that the Council will need to find considerable additional capacity and capability to ensure that the planned changes are properly planned, phased and executed while protecting existing service delivery and realising the planned benefits.

A high level plan is being developed to show how this work can be taken further, in parallel with the budget consultation process.

A summary of savings ranges, including the Council’s existing savings plans and the implementation of new delivery models in adults and environmental services, is shown in the table below.

	Service review Savings £m		ASDM Savings £m			Total Savings £m	
Department	Lower	Upper	Lower	Upper		Lower	Upper
Corporate	15.9	17.9				15.9	17.9
Adult Social Care	3.75	3.75	2.5	4.0		6.25	7.75
Children’s Services	2.5	3.5				2.5	3.5
Environmental Services	3.3	3.3	2.0	3.0		5.3	6.3
Development & Regeneration	2.3	2.5				2.3	2.5
Chief Executives	2.25	2.25				2.25	2.25
Cross Cutting	4.0	5.0				4.0	5.0
Total £m	34	38.2	4.5	7.0		38.5	45.2

Appendix: Summary of Savings Options Proposed

Department	Savings Target	Options	Identified potential £ budget savings
Corporate	£15.9-17.9m	• Corporate finance options:	
		Better Care Fund	3.1-5.1
		Public Health	3.0
		Waste Disposal Authority	1.5
		Transport	2.1
		Council Tax base	1.3
		Business Rates	0.5
		Accommodation	1.2
		Governance	0.2
		Council Tax benefits	2.25
		Local Welfare Scheme	0.25
		Efficiency/Procurement	0.5
		Total options identified	15.9-17.9
Adult Social Care	£6.25 - £7.75m	• Review of commissioned activity within former Supporting People grant	1.0
		• Review of care delivery	1.5
		• Review of Extra Care Service	1.0
		• General efficiencies and small scale cuts	0.25
		• ASDM for adults social care	2.5 – 4.0
		Total options identified	6.25-7.75
Children's -	£2.5 – 3.5m	• Review of children's centres	1 – 1.5
		• Review of youth, sport and play services	0.5 – 1.0
		• General Efficiencies inc vol sector	1.0
		Total	2.5 – 3.5
Development & Regeneration-	£2.25 – 2.5m	• Review of housing services	0.5
		• Income and efficiencies within planning, contracts, skills and building control	0.3
		• Review of funding and subsidies	0.3
		• Review of housing strategy , economic development and strategic development services	0.7
		• Removal of events budget	0.2
		• Review of Library and Museum Service	0.3 – 0.5
		Total options identified	2.3 – 2.5

Department	Savings Target	Options	Identified potential £ budget savings
Environment -	£5.3 – 6.3	<ul style="list-style-type: none"> • Reduction in Highways insurance budget • Review of waste collection service • Review of subsidies within Community Services • Review of area working and neighbourhood management • Joint service provision with another authority Total options identified	0.8 1.25 1.0 0.25 2.0 – 3.0 5.3 – 6.3
Chief Executives	£2.25m	<ul style="list-style-type: none"> • Review of corporate support services • Review of voluntary sector grants Total options identified	2.0 0.25 £2.25
Cross-cutting -	£4-5m	Corporate support service	£4-5 000 000
Total	38.5 – 45.2m		38.5 – 45.2m

STRATEGIC EQUALITY IMPACT ASSESSMENT

Budget update and savings options 2015- 17

Date: 10 November 2014

Prepared by: Assistant Director, Policy, People and Communications

Introduction

This document provides a strategic equality impact assessment (EIA) of the service reductions and changes which the council is proposing to deliver in order to meet the challenge of a further £43m of budget reductions during 2015-17.

This is a strategic analysis only as the detail of each option has not yet been worked up. Individual EIAs will be produced for each option, when developed, as part of the ongoing consultation exercise.

At this stage the council's proposals enable the equality impact of the very difficult changes required to be managed. A number of the proposals have the potential for an equality impact but it is anticipated that this can largely be managed with a detailed and appropriately resourced implementation approach, for which the Council has allocated funding.

Council Priorities

Through the community strategy the Council has set out clearly its strategic priorities :

- To maximise economic prosperity in Bolton ensuring economic growth, development, regeneration and job creation.
- Narrowing the Gap in respect of key outcomes in health inequalities, children and young people, crime and disorder, the environment, housing etc
- Ensuring that the most vulnerable are impacted least by budget reductions and the implications, as far as possible
- At a Greater Manchester level contributing to economic growth at a City Region level to create growth and employment
- Being at the forefront of Public Service Reform within Greater Manchester, which seeks to ensure public services work effectively together to reduce demand and dependency on public services by developing models of early intervention and tackling complex dependency. This work includes the integration of health and social care and making linkages between economic growth and residents who are workless.

The Budget Challenge and Strategy

In the Medium Term Financial Strategy, agreed by the Council in February 2014, it was highlighted that the Council was likely to need to identify c£60m of budget reductions by 2018 with c£43m over the period 2015-17. This is as a result of a combination of increased costs and further reductions in government grants.

The implications for the Council in respect of delivering a further c£43m of budget reductions are very significant, given that savings of £100m have already delivered between 2010-14. In doing so, almost all obvious options such as re-financing debt have been exhausted; most Council services have been reviewed and reduced at least once and the Council has

significantly reduced management capacity. The following budget strategy has therefore been developed in the context of these challenges and the strategic priorities, set out above:

- A two year budget to be delivered, covering the period 2015-17, to allow for strategic planning and the time required to deliver and begin to accrue the financial benefits of the scale of change required
- The budget cuts to be mitigated by maximising income and reducing costs from a range of other options, including accessing funding from the Better Care Fund and Public Health; an assumed increase of 2% in council tax charges and reductions in waste and transport levys and council accommodation costs
- savings targets to be allocated across corporate and departmental services at a general proportion of 10% reduction for Children's and Adults Services and roughly a 20% reduction across all other services
- use of "one-off" monies and Council reserves to give time for savings to be fully realised and/or mitigation before the full effect is seen.

Strategic Approach

Within the context of the Council's strategic priorities, a series of principles to achieve cost savings have been articulated to inform specific savings proposals. These are:

- further service reductions and efficiencies across all areas with the exception of children's social care and green space provision (ie grass cutting and street cleansing), both of which it is proposed to seek to protect
- centralised and streamlined support services internally, to achieve economies of scale and careful prioritisation of capacity
- a new customer contact strategy, to migrate the remainder of "front line" transactions to the web or telephone only, as far as absolutely possible
- Alternative service delivery models to deliver savings from operating costs
- A new relationship with our community, to reduce demand for and dependency on council services as far as possible
- An examination of potential demand reduction via Public Service Reform principles.

The council is also proposing to maintain a workforce strategy that aims to mitigate the impact of the budget on the workforce as far as possible and ensures that the Council remains a best practice employer.

Specific Proposals

The specific options with a potential equality impact are as follows:

- A review of adults social care delivery to deliver savings across provided and commissioned services.
- A further reduction of the council's workforce by up to 500 posts
- A new customer contact strategy whereby services are migrated to web-based and telephone access only, as far as possible
- A review and reduction of provision in Children's Centres and Youth, Sport and Play services
- A reduction of funding to the voluntary sector
- A review of funding for leisure services and potential reductions in subsidies and some aspects of free provision

- A further review of universal services in order that resources may be re-directed to targeted support for the most vulnerable. Specific universal services which will be subject to review include the Library and Museum network and the waste service
- Pursuit of more council tax income by:
 - Full implementation of the original council tax benefit scheme which was subject to a tapered subsidy
 - Introducing of 10-15% for working age households through a review of the Council Tax Benefit scheme
 - Increasing income from earlier charges to empty properties
 - A reduction in the Council's discretionary fund from £400 000 to £200 000.
- A reduction in the value of the Council's discretionary local welfare scheme from £1 000 000 to £750 000.

Consultation

Formal consultation on the strategic budget options set out in the report will now take place including:

- Formal consultation with trades unions
- Consultation with residents and businesses via Scene and a sample survey to 10,000 households. A universal survey will also be made available to other residents who wish to have their say.
- Specific presentations with representatives of the third sector and business rates payers
- A public meeting for residents

In addition there will be specific stakeholder consultation for each individual review as it comes forward.

Equality Impact Assessment questions

1. Describe in summary the aims, objectives and purpose of the proposal, including desired outcomes

The report sets out the strategic context and outline budget for 2015/17, including options to achieve the anticipated requirement for c£43m of savings required for this period.

The initial assessment of impact for 2014/15 budget savings was set out in the Strategic EIA in February 2014. The strategic EIA set out here reflects on this initial assessment and further analyses the potential impact that the savings could have on customers and other stakeholders.

2. Who are the main stakeholders in relation to the proposal?

As set out in previous strategic EIAs, the very nature of the services which the council provides and the scale of the savings required mean that a range of stakeholders are likely to be affected by changes to council activity in some way over the coming years. In particular:

- **Service users/their carers** – both now and in the future, may find that some aspects of service provision change. Some services may change fundamentally and be delivered in a very different way; some services may reduce or stop; and some customers' eligibility to access services may change.

- **Members of the general public** – will be affected by further reductions in universal services and changes in council tax and full implementation of the benefit scheme
- **Benefit Claimants** who will be affected by a minimum charge for council tax and reduced access to the Council's discretionary fund and Local Welfare scheme
- **Organisations working with or supported by the council** – the reducing level of resources available will continue to have an effect on the extent to which the council can provide financial support for the work of partner organisations. Equally, whilst difficult to quantify, the reduction in services provided by the council may also have an effect on the demands for the services provided by these partners.
- **Staff** – given the ongoing scale of the savings required, there will continue to be an impact on staff, whether through loss of employment or associated restructuring and change. The council's workforce has already reduced by over 1,350 posts, entirely through voluntary means, since 2009 by, for example, freezing external recruitment, deleting vacancies, offering voluntary early retirement / severance and a comprehensive redeployment scheme. It is intended to continue with this strategy during the next two years and a further c500 redundancies may be required. In discussions with the unions the council will work hard to avoid compulsory redundancy.

3. **In summary, what are the anticipated (positive or negative) impacts of the proposal?**

The philosophy set out by the council to deliver its budget is very clear about the priorities in relation to protecting the most vulnerable and enabling economic growth. Budget proposals have been put forward in the context of these strategic priorities, however the extent to which this can be achieved will be limited by a much reduced controllable budget.

The positive impacts of this proposal are that all eligible needs for statutory services will continue to be met and children's social care and green space services will all be protected from reductions as far as possible.

The potentially negative impacts are reduced universal services for children and young people; a reduction in grants to the voluntary sector; an increase in council tax and reduction in local welfare provision; and a further reduction of c500 Council jobs.

The potentially negative impacts will be mitigated through careful targeting to protect the most disadvantaged in the borough; ongoing investment in and review of the Borough anti-poverty strategy to ensure that resources are appropriately targeted, and a workforce strategy to see to mitigate the impact of the reductions on staff as far as possible.

Council tax

The forecast included in this report is for a 2% increase in council tax for 2015/16 and 2016/17; this will increase income to the Council and therefore reduce the amount of savings which may otherwise need to be achieved by cutting or reducing service provision for customers, including those who may be from vulnerable groups. An increase in council tax values will, however, have a financial impact for the majority of households in Bolton, which may be particularly difficult for those who are already under financial pressure.

4. **Is there any potential for (positive or negative) differential impact or adverse impact with regard to the identified stakeholders and the diversity groups (race, religion, disability, gender, gender reassignment, age, sexuality, caring status, pregnancy and maternity, marriage and civil partnership, socio-economic)? Can this be justified/what mitigating actions will be taken?**

The impact on stakeholders and diversity groups together with appropriate mitigation actions is set out below.

Council stakeholders

Service users (Including parents and carers)

The council is committed to continuing to protect children's social care services as far as possible. Reviews are, however, proposed in services for children and young people including changes and reductions to play and youth services and children's centres. Limiting the impact on the most vulnerable children and young people is a priority, however and care has been taken to ensure that the potential impacts of proposals are mitigated as far as possible through targeting and engaging partners to deliver diminished council services.

The way in which adult social care is provided will change, but throughout this process the Council has worked hard to ensure that Bolton's older people and their families continue to receive appropriate, accessible and safe care services. Service users and their families and/or carers will, however, see specific changes as a result of the budget savings through a general review of care practice and delivery and within the Extra Care service

Members of the general public

The council has a clear strategy to make savings by moving from universal to targeted services in order to offer a degree of protection for services for the borough's most vulnerable people. The strategy continues to be pursued through these proposals which include, for example, a review of the waste collection service and library and museum network

If the current forecast is approved there would be a further, specific financial impact on those who pay council tax in Bolton, as they would be asked to pay an increased level of council tax. By raising council tax, however, the council is able to increase its income and therefore reduce the amount of savings which may otherwise need to be achieved by cutting or reducing service provision for customers, including those who may be from vulnerable groups. The current forecast would have a financial impact for a number of households in Bolton, which may be particularly difficult for those who are already under financial pressure, but the Council has sought to strike a balance between the impact on the general public of a council tax increase and the impact on the public in terms of service reductions.

Benefit claimants

The changes in local welfare provision and council tax benefit scheme would have an economic impact on benefit claimants. The council will monitor this impact and continue to direct one off resources towards mitigating the impact through the Borough anti-poverty strategy.

Organisations working with or supported by the council

As in previous years, the council must look at making savings from across the range of services which it provides, including commissioned and grant funded services. This means that partners who receive funding from the council may see a change or reduction in their funding, which may in turn have an effect on their service delivery. This may affect partners from the voluntary, community and faith sector; as well as private or charitable organisations which deliver services in partnership with or on behalf of the council.

Clearly, it will be essential to make sure that the council continues its good working relationships with partners from across the private, voluntary, and charitable sectors to understand and, where possible, manage the impact of possible funding changes. In addition, it will be necessary for individual reviews to consider any potential impact on partner service delivery e.g. where shared building space or complementary services are being reviewed.

Staff

Given the ongoing scale of the savings required, there will continue to be an impact on staff, whether through loss of employment or associated restructuring and change. The council's workforce has already reduced by over 1,350 posts, entirely through voluntary means, since 2009 by, for example, freezing external recruitment, deleting vacancies, offering voluntary early retirement / severance and a comprehensive redeployment scheme. The proposals set out in the report have been developed alongside a continuing commitment to a set of values as an employer which seek to protect the council's workforce from the worst aspects of the budget reductions and remain a best practice employer. The proposal as a basis for consultation is that the council will aim to deliver the following:

- Retention of existing policies and terms in respect of redundancy, redeployment, protection, VER / VS to minimise risk of compulsory redundancy
- No reductions in pay and terms and conditions for staff who remain with the council
- To establish alternative models in such a way that staff who TUPE into the new entity should not see a reduction in their terms and conditions for economic reasons

Diversity Groups

Throughout this process, the council will need to consider the impact of its proposals on its duties under national equalities legislation, which require it to have due regard to the outcomes below, while also ensuring that the council can set a legal, balanced budget:

- Eliminating unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act
- Advancing equality of opportunity between people who share a protected characteristic and people who do not share it
- Fostering good relations between people who share a protected characteristic and people who do not share it

Analysis on those defined groups with protected characteristics is as follows

Race, religion, disability, gender, gender reassignment, age, sexuality, caring status, pregnancy and maternity, marriage and civil partnership,

The headline analysis reported in the previous strategic EIA indicated potential impacts around age, disability, caring status, and socio-economic deprivation.

The further detail included in this strategic report indicates that equality issues must be examined around customer access, as the Council intends to move towards a greater use of technology as the primary access route. This must be supported by a digital inclusion strategy for our community.

Specific impact around race, religion, gender, gender reassignment, sexuality, pregnancy and maternity, and marriage and civil partnership has not been identified at this early stage, but will be analysed as part of detailed EIAs for individual reviews.

Socio-economic deprivation

The council and its partners have a long-standing commitment to achieving economic prosperity and narrowing the gap in Bolton, which sits at the heart of the council's aim to protect the most vulnerable in the borough. Many of these people live in Bolton's most deprived areas, and Bolton's strategy continues to be to target resources to support people in these areas – although resources are much more limited than in previous years.

However, as resources continue to reduce, there is potential for the savings options to have an effect for people who are experiencing socio-economic deprivation. Reviews of housing services; strategic development (which seeks to grow economic investment and therefore improve prosperity in Bolton) and council tax levels will all have an impact on those who are worst off financially.

Within reviews, significant consideration has therefore been given as to how to limit the potential impacts for those on the lowest incomes. In addition, one-off funding will continue to be made available over four years to support priority work which includes stimulating the economy and a borough anti-poverty strategy. The Council is also taking forward other national initiatives and pilots including the "Troubled Families" programme (as part of a wider initiative to tackle complex dependency) and the Working Well pilot, both of which are seeking to ensure that as many families as possible have support to access employment and improve prosperity.

5. Are there any gaps in your evidence or conclusions which make it difficult to quantify the potential adverse impact? If so, please explain how you will explore the proposal in greater depth.

Yes, this strategic EIA provides a high level response to the council's standard EIA questions. It will, however, be necessary to bring forward detailed proposals for each of the savings options, including detailed analysis of equality impact, and this will take place on a phased basis over the next two years. It will also be necessary to consult with Trades Unions and appropriate stakeholders on each of the individual reviews as they come forward. The consultation processes will help to inform a full assessment of equality impact.

In conclusion, the council continues to make every effort to protect the most vulnerable as far as possible, and to respond appropriately to its duties under the Equality Act. However, this strategic EIA recognises the significant challenge which the financial position presents for Bolton, and the likelihood that many of the strategic budget options – whilst seeking to deliver the "least worst" outcome for Bolton – may well have an impact on a range of stakeholders as the council seeks to set a legal budget for the coming two years.

Please confirm the outcome of this EIA:

No major impact identified, therefore no major changes required – proceed

☐

Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed

☐

Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification

☒

Stop and rethink - the EIA identifies actual or potential unlawful discrimination	
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