

Medium Term Financial Strategy 2009/10 to 2013/14



1. INTRODUCTION

Members will recall that the Council's business planning process provides a 5 year perspective in terms of Council plans and financial planning. These are based upon work done last year on the Medium Term Financial Strategy. This strategy guides the Council's planning processes and provides a context in which the Revenue budget and Capital Programme are formulated. This report sets out the updated/revised medium term financial strategy for the Council.

2. MEDIUM TERM FINANCIAL STRATEGY (MTFS)

The Strategy which covers the 5 years 2009/10 to 2013/14 is detailed in Appendix A (this also includes Models of an optimistic and pessimistic situation). This Strategy reflects the overall service plans and strategy that are in place and the identified corporate issues as well as providing guidance and direction to the production of the 2009 to 2012 Bolton Plan and next year's service strategies.

In drawing up the strategy it is acknowledged that the Council faces a fairly changeable situation with new issues arising some times at short notice, new Government legislation or requirements being introduced or changes in local circumstances that will require a changing response. It is also acknowledged that the Council is constantly looking at the way it delivers services and improvements will be sought and implemented throughout this 5 year period. However, acknowledging the above, it is important that the Council is able to plan for its financial situation over the next 5 years and reflect this through its overall strategies and plans.

The MTFS is therefore based upon several factors:

- Community Strategy
- Local Area Agreement
- Bolton Plan
- Service 3 year Strategic Plans and the financial impact of these strategies
- Asset Management Plan
- Financial factors that will affect the Council over the next 5 years
- Cost of capital investment
- Anticipated levels of Government support
- The Council's response to the Value for Money (VFM) initiative
- Overall availability of resources
- Levels of Council Tax

Particularly key in the above Strategies are the Council's overall priorities around:-

- Economic Prosperity
- Narrowing the Gap
- Transforming Services

Economic Prosperity

The Council has been working for a number of years to encourage economic development within the Borough and resources to enable this are included within the Council's main Revenue and Capital Budgets. This has proved to be very successful in recent years with significant developments either underway or in the process of being

developed, particularly in Bolton Town Centre but also in other Centres across the Borough. These developments are expected to bring 10,000 to 15,000 new jobs to the Borough over the next 10 years. However the last 12 months has seen a significant downturn in the economic climate across the country which is clearly linked to funding problems within the worldwide banking system. The Council is constantly monitoring the impact that this is having on the economy within Bolton and is taking a range of steps to, as far as possible, respond to any economic downturn. The Council continues to work with developers with the aim of bringing forward the schemes which are already in the pipeline but the Council recognises that some of these may now be delayed until the economic climate improves. There are still things the Council, working with partners, can do to ensure that some of these developments take place as soon as possible. The main resource impact of this is the effective use of Council land in order to stimulate development and provide Council influence over development.

Recognising the economic downturn the Council agreed to allocate £0.5M towards initiatives to support the economy within the Town. £250,000 was funded from the main Budget and £250,000 from Area Based Grant. In addition, the Council also identified that it would consider allocating a further £0.5M towards improved road maintenance once the Airport Dividend has been received. This will be subject to considering any wider demands or need for investment in the economy at that time.

Narrowing the Gap

The Council is determined to ensure that the growth in economic prosperity across the Borough benefits the citizens of Bolton and particularly those in the most disadvantaged areas of the Town. To do this it is important that the Council is able to “Narrow the Gap”, ensuring that people have the skills and confidence in order to secure the jobs that will be generated from this economic growth. The new investment identified in the Medium Term Financial Strategy contributes towards this. In the proposals put forward in 2009/10 the resources for Area Forums and the additional investment in Educational attainment are all aimed at measures to “Narrow the Gap”. In addition, the use of the Area Based Grant to focus resources on areas of high need and those with the greatest deprivation are again significantly contributing to narrowing the gap. This will also be a major priority in the allocation of the resources for additional investment in 2010/11 to 2013/14. The resources available through the Area Based Grant, as outlined at Appendix D, will again be channelled into measures to help narrow the gap.

As part of the final Budget for 2009/10 the Council allocated an additional £300,000 to Area Forums to support local initiatives.

In order to help with the Skills Agenda the Council is also investing in the Building Schools for the Future programme. The provision of new/refurbished schools accommodation is one of the key elements in seeking to improve educational attainment and to help people develop the skills needed to secure employment in the future.

Transforming Services

As outlined in more detail in Section 3, achieving efficiency savings and value for money is a key driver in the Council's Financial Strategy. However achieving these savings will require a transformation in the way the Council delivers services. There are several aspects to the Council's Transformation programme which includes Business Process Re-engineering, property rationalisation, greater use of mobile and remote working, the integration of services within the Council and developing opportunities with other Authorities/organisations to jointly deliver services. To help this process the Council will

look at opportunities to “Invest to Save” to ensure that efficiencies will continue to be delivered in future years. The Council sees VFM as a major contributor to the Council’s Medium Term Financial Strategy. In this way we will provide the resources necessary to invest in our other main priorities of economic prosperity and narrowing the gap.

The Overall MTFS

The strategy also builds on the MTFS produced 12 months ago. The way all these elements fit together can be demonstrated in the diagram in the Appendix with this MTFS being at the start of the 2009 to 2014 process (See Appendix B).

In addition the various factors that may vary over the next 5 years have been modelled to also produce an optimistic and pessimistic forecast. These illustrate the potential variability in the Council’s financial situation over the next 5 years. However, it is felt that the recommended “likely” strategy is the most appropriate.

3. MAJOR SERVICE ELEMENTS IN THE MEDIUM TERM FINANCIAL STRATEGY

Children’s Services

The financial strategy relating to the Education part of Children’s Services is based upon our understanding of the anticipated Direct Schools Grant over the next 5 years. Changes in Budgets will arise because of inflation, increased pension costs and changes (including reductions) in pupil numbers over the 5 year period. Any scope for growth over the next 5 years within School budgets will be utilised to improve standards and meet Government educational attainment targets.

One of the Council’s main priorities is to improve educational attainment across the Borough and within Children’s Services this will be focussed on both results within schools and the skill levels of children in care. As part of the budget for 2009/10 the Council is investing more in these areas. The Council has also submitted a bid to Government to bring forward our Building Schools for the Future (BSF) programme for Secondary Schools and a decision is anticipated in July 2009. Again, resources have been provided in the budget to support this work.

In Children’s care services there are always demand pressures and these will need to be closely monitored. An additional £200,000 has been provided in 2009/10 and it is assumed that spending will continue at the same real term levels over the following 4 years.

In addition, during the next 5 years schools as well as the full Children’s Service will need to identify and implement efficiency savings in line with the VFM requirements. It is assumed that any VFM savings identified within school budgets will be reinvested within the schools. However, cashable savings identified by the LEA or Children’s Care Services will be available for a range of options as outlined in the section below under VFM.

Adults

The assumptions for the next 5 years are that the resources for Adults Services will be tight. There is therefore limited scope for service development, particularly as there are significant increases in service demands and legislative requirements. In addition,

savings in line with VFM are also required. At this point cashable savings will be available for consideration by the Council as identified in the paragraph on VFM below.

Capital

Capital investment reflects the delivery of the Bolton Plan balanced with assumptions over the availability of resources. The assumption in terms of capital financing is that the Council will provide support for those programmes for which we receive a specific Government allocation, e.g. Transport, Schools, Social Services, Housing etc. In addition it is assumed that the Council will utilise £1/2M of Capital Receipts plus borrow a further £3.7M (£4.7M in 2009/10) through prudential borrowing to support capital investment in other Services (this includes investment to support the Council's Asset Management Plan). This is a reduction on previous years due to lower anticipated levels of capital receipts because of the economic climate. The capital programme reflects the current priorities but because of potentially falling resources the priorities, at the margin, may need to be revisited in the future. At this stage it is assumed that any BSF Secondary School Programme will start in the third year of this planning period.

The Capital Programme also includes for investment in the Council's primary schools as part of the Primary Capital Programme. In particular this programme is aimed at increasing the number of spaces available for primary pupils (as these are forecast to increase over the next 3/5 years), deal with major renovation issues and also seek to transform the education provision.

Appendix G Sets out the Council's Investment Strategy and a summary of the proposed Capital expenditure and funding for the next 5 years

The Council has a comprehensive Asset Management Plan supported by individual Service Asset Management Plans that clearly identify the Council's property assets and the requirements to address backlog maintenance. The investment identified in the Capital Programme plus the Council's strategies for property rationalisation over the next few years are aimed at addressing both these backlog issues and delivering VFM savings. In addition the Capital Programme also includes investment in ICT which is aimed at facilitating improved efficiencies across the Council over the 5 year period. In addition to these resources, the Council may approve individual Invest to Save proposals which will deliver both savings to offset the cost of investment and further savings towards the Council's VFM targets.

Waste Disposal

The Waste Disposal Authority has just completed a major procurement process to provide waste disposal facilities over the next 25 years. In order to achieve Government recycling targets and at the same time reduce the overall amount of waste being generated, investment in new facilities will be required which is likely to increase the waste disposal levy over the next 5/7 years. The waste contract is now virtually concluded and based upon current evaluations the waste disposal levy will increase by 11% in 2009/10 and approximately 12% in each of the following 4 years.

In addition, the Government have introduced a penalty scheme (LATS) for those Councils who do not significantly reduce their residual waste. The Council's Waste Strategy must seek to ensure that these penalties are avoided. However, it is anticipated that 2011/12 will be a key year for LATS penalties. Based upon the Council's current performance in reducing residual waste, the suggested MTFS does not include penalties

but clearly the Council must continue to reduce its residual waste. The pessimistic forecast assumes a penalty of £1M in 2012/13 and a further £1M in 2013/14.

At a local level the Council agreed to allocate a further £30,000 in 2009/10 to pilot a plastics recycling initiative targeted at those items which are currently not recyclable.

Other Services

The MTFS includes provision for the service demands identified as part of the 5 year planning process. These service demands are by and large contractual commitments, service trends or specific funding changes but in particular include the Revenue costs of a new Town Centre Pool in 2009/10 and the following 4 years. The suggested MTFS includes £200,000 per annum for corporate growth items. The pessimistic model increases this to £400,000 on the basis of an unforeseen increased demand arising.

The Council has also reached a settlement of potential claims relating to Equal Pay issues which was funded partly through borrowing and partly through the use of earmarked reserves. £1.4M per annum is included in the MTFS to repay this loan. The Council has received a number of additional Equal Pay claims which it will rigorously defend. Should any claims be successful, then the Council would aim to borrow to meet the cost of these claims.

The Council's Strategy around charges for services is to generally match an increase in charges to offset increased costs of providing the service. The Council's charges for those services which are primarily aimed at narrowing the gap, virtually all have some form of income assessment which means that those on low levels of income will not pay the charges or only a proportion of them. As part of reviewing charges in 2009/10 a review of the main elements that impact on individuals was undertaken to ensure that the overall impact was within the levels of increased benefits that people were receiving.

The downturn in the economy is starting to have an impact on the levels of income received by the Council. Some adjustment as already been made in the 2009/10 budget but it is envisaged that this could get worse in 2010/11. A further £1M reduced income has been reflected in the "Likely" scenario. The pessimistic scenario assumes a further £0.5M loss of income in 2011/12 whilst the optimistic scenario assumes no further loss of income that that included in the 2009/10 budget.

Efficiency Savings (VFM)

In the MTFS it is assumed that all services will achieve a cashable efficiency saving of at least 5% in 2010/11. Savings in 2011/12 and 2012/13 will need to be significantly higher if the anticipated reductions in Government Grant materialise. Cashable savings achieved by the LEA and Children's Care elements of Children's Services, and all other services will be available for the Council to determine how these should be used, which could be to reinvest in services, reduce Council Tax or to add to balances. The MTFS is based upon the savings being used as part of the Council's budget strategy. If fully achieved it is likely that these VFM savings may enable the Council to have resources for some limited investment in priority services or reduce the potential levels of Council Tax indicated in all models.

Council Tax

The assumptions in the MTFS are that Council Tax increases after 2009/10 by 3% per year. Clearly a major factor in determining Council Tax will be the level of external

funding support received from Central Government. However, the Government have now provided 2 year's figures and therefore it is felt that this element of the MTFS for 2010/11 should be fairly reliable. The situation for 2011/12 onwards is not clear at this stage but assumptions are that we will not receive a good financial settlement with real terms grant reductions of 5% in both 2011/12 and 2012/13 and that the Council will have to find significant savings in order to maintain Council Tax at similar levels to those in the first 2 years of the plan. The plan will have to be reviewed each year in the light of actual Government announcements and levels of inflation. The pessimistic model assumes that there is a 7% cash reduction in Government funding in 2011/12 and 2012/13 whilst the optimistic forecast assumes a 1% cash reduction in those 2 years.

Cashflow

The Council monitors its cashflow on a daily basis, borrowing for any short term shortfalls and investing surpluses to gain interest. Net cashflow, including capital financing, balances out to zero over the 5 year period. On average the Council's Revenue cashflow over the 5 years on average stands at a surplus of approximately £25M. This reflects the revenue financing of capital expenditure and a prudent provision for debt redemption.

A detailed cashflow plan is in place for 2009/10 and an outline in 2010/11 and 2011/12. The Council actively manages its debtors and creditors in order to maximise its cashflow. The MTFS assumes that the cashflow on these remains at a similar level, although it is hoped that improvements are made on both over the next 5 years. Whilst we are facing an economic downturn the Council will be assisting local businesses by paying invoices earlier and giving some flexibility in chasing debts where appropriate which will have some impact on our cashflow. This has been factored into these calculations. Other Balance Sheet items are also forecast to remain fairly static over the 5 years but again will be closely monitored. A summary cashflow plan is at Appendix C.

Risks

The separate report within the Revenue Budget Report evaluates the financial risks facing the Council and their impact on the appropriate amount of reserves/balances to maintain. It is not considered that any of the risks will impact significantly on this 5 year MTFS. Risk Assessment is not just about risk mitigation, it is also about not missing opportunities. As part of the Council's strategic planning process, opportunities for improvement are evaluated when they arise. For example, the opportunity to utilise Council land for further developments in the town or options to adopt new technology to generate efficiencies. These will be built into individual service plans as they arise.

The "likely" MTFS identifies the potential scope to reinvest in services over the next few years. Whilst these resources could be used to reduce Council Tax increases, this will need to be balanced with the potential opportunities of investing in key services, the impact on the citizens of the Borough and the longer term impact of any such investment.

4. ITEMS NOT INCLUDED IN THE MEDIUM TERM FINANCIAL STRATEGY

There are several other factors which it is worthwhile commenting on when considering the MTFS.

- The MTFS does not assume any use of Council Balances other than in 2009/10. The separate risk report submitted as part of the Budget identifies that balances should be maintained with a minimum of at least £7.0M up to a maximum of approximately

£12M. The appropriate level of Balances will need to be reviewed each year. So far as the MTFS, it is assumed that there will be no specific use of Balances during the latter years, although Balances may be used, provided they are maintained above the minimum level, as part of the final determination of actual Council Tax levels in each year.

- Services also retain reserves in order to meet exceptional items, e.g. equipment replacements etc. or to help fund service demands not included in main budgets – looked after children placements etc. At present some services have positive reserves and others have negative balances. Overall, reserves stand at approximately £25M and are considered adequate for the above purposes. It is anticipated that whilst there will be fluctuations in individual service reserves, overall reserves will be maintained at the current level over the 5 years of the MTFS period.

5. JOINT PLANNING

There is extensive joint planning with the PCT and the impact of this planning is reflected through the Adult Service Strategic Plans. There are currently (2008/09) 2 areas where pooled budgets are maintained with the PCT. These relate to equipment to assist people with physical needs amounting to £1.2M in total in 2009/10, and a learning disabilities development fund totalling £278,000 in 2009/10. In addition there is considerable joint investment with partners in the LAA. A summary of these resources are attached at Appendix D (a list of the key agencies is attached at Appendix E). These could be supplemented by further funds during the year. There is a comprehensive process for managing and monitoring the LAA which includes both a regular review of delivery against the targets and financial monitoring. Further arrangements for pooled budgets may arise during the MTFS period but should not impact on the overall resource plans.

The Council is in the first year of its LAA and is discussing with partners the revisions that are required to the LAA. Delivery of this agreement will rely on significant proportions of the Area Based Grant, particularly the Working Neighbourhoods Fund and some investment from all partners over the next few years. It is anticipated that these resources will be forthcoming and will enable delivery of the plans without impacting adversely on the first 3 years of the MTFS. This will be kept under review and a copy of the Joint Funding Plan is attached at Appendix F. A major issue facing the Council and its partners is the potential loss of the Area Based Grants after 2010/11. If this grant is no longer forthcoming then it will require a major re-consideration of mainstream funding priorities. This situation will be kept under review and reflected in future versions of this MTFS.

6. CONCLUSIONS AND RECOMMENDATION

That the attached “likely” MTFS be approved.

MEDIUM TERM FINANCIAL STRATEGY 2009- 2014

Likely

	Budget 2009/10 £000s	Forecast 2010/11 £000s	Forecast 2011/12 £000s	Forecast 2012/13 £000s	Forecast 2013/14 £000s
Previous Year's Budget	386,295	400,395	414,628	416,857	419,675
Increases:-					
Schools DSG	6,422	7,479	5,567	5,734	5,906
Plus LABGI not available	1,371	-	-	-	-
Building Schools for the Future	250	500	250	-	-
Non School Services					
Inflation	7,411	4,250	4,350	4,480	4,600
Capital Financing	773	800	800	800	800
Equal Pay Issues etc	1,500	1,500	500	-	-
WDA / PTA	1,793	1,900	1,960	2,020	2,070
Swimming Pool	300	100	100	-	-
Other Corporate	438	200	200	200	200
Pensions	1,000	1,000	1,000	1,000	1,000
New Investment	890	-	-	-	-
VFM Saving	-7,487	-4,496	-12,480	-11,416	-5,442
Contingency	49	-	-	-	-
Loss of Income due to Economy		1,000			
Less Use of Balances	-610	-	-	-	-
Budget Requirement	400,395	414,628	416,875	419,675	428,809
Resources					
Direct Schools Grant	178,086	185,565	191,132	196,866	202,772
RSG/NNDR	123,830	127,630	121,250	115,200	115,200
Council Tax Contribution	98,479	101,433	104,425	107,609	110,837
Total	400,395	414,628	416,857	419,675	428,809
Council Tax (Band D) Bolton MBC Only	£1,198	£1,234	£1,271	£1,309	£1,348
Council tax band A (Bolton only)	£799	£823	£848	£873	£899
Council Tax Increase *	3.9%	3%	3%	3%	3%

* Subject to consideration by Council each year.

The following MTFS Models, i.e. a Pessimistic and an Optimistic view
take into account the following Variables

	Pessimistic	Optimistic
Inflation	+0.5% pa	-0.5% pa
WDA/PTA in 2010/11	+£350k	-
Other Corporate	+£200k pa	
Loss of income	-£1.5m	No loss
Recycling (LATS) – 2012/13 & 2013/14	+£1M pa	
RSG/NNDR funding from 2011/12 onwards	7% cash reduction	1% cash reduction

MEDIUM TERM FINANCIAL STRATEGY 2009 - 2014

Pessimistic

	Budget 2009/10 £000s	Forecast 2010/11 £000s	Forecast 2011/12 £000s	Forecast 2012/13 £000s	Forecast 2013/14 £000s
Previous Year's Budget	386,295	400,395	414,628	414,303	414,862
Increases:-					
Schools DSG	6,422	7,479	5,567	5,734	5,906
Plus LABGI not available	1,371	-	-	-	-
Building Schools for the Future	250	500	250	-	-
Non School Services					
Inflation	7,411	5,100	5,220	5,376	5,520
Capital Financing	773	800	800	800	800
Equal Pay Issues etc	1,500	1,500	500	-	-
WDA / PTA	1,793	2,250	1,960	2,020	2,070
Swimming Pool	300	100	100	-	-
Other Corporate	438	400	400	400	400
Pensions	1,000	1,000	1,000	1,000	1,000
New Investment	890				
VFM Saving	-7,487	-4,496	-16,622	-15,771	-7,562
Contingency	49	-	-	-	-
LATS Penalties	-	-	500	1,000	1,000
Loss of Income		1,000	-	-	-
Less Use of Balances	-610	-	-	-	-
Budget Requirement	400,395	414,628	414,303	414,862	423,996
Resources					
Direct Schools Grant	178,086	185,565	191,132	196,866	202,772
RSG/NNDR	123,830	127,630	118,696	110,387	110,387
Council Tax Contribution	98,479	101,433	104,475	107,609	110,837
Total	400,395	414,628	414,303	414,862	423,996
Council Tax (Band D)					
Bolton MBC Only	£1,198	£1,234	£1,271	£1,309	£1,348
Council tax band A (Bolton only)	£799	£823	£848	£873	£899
Council Tax Increase *	3.9%	3%	3%	3%	3%

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* Subject to consideration by Council each year.

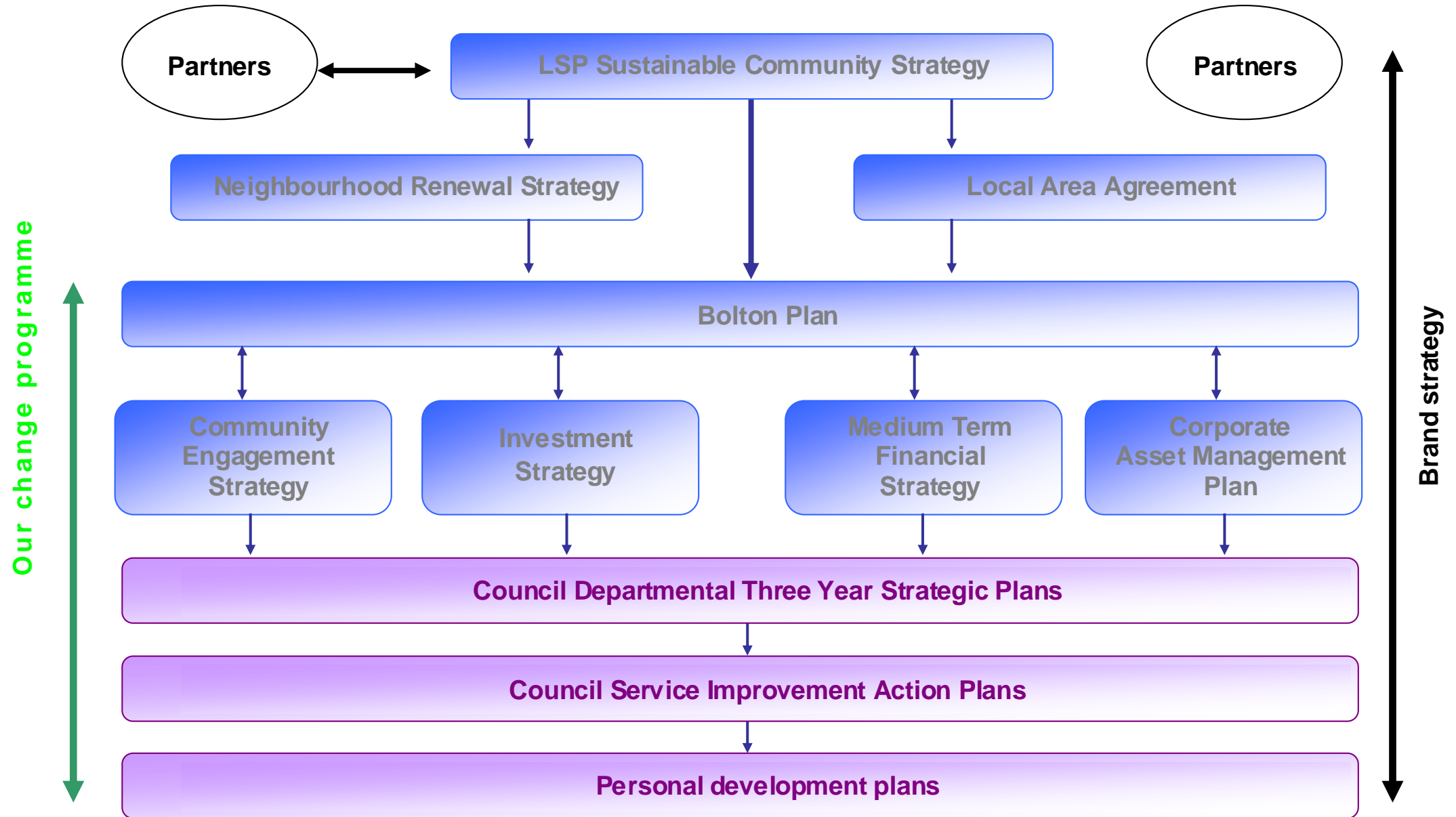
MEDIUM TERM FINANCIAL STRATEGY 2009- 2014

Optimistic

	Budget 2009/10 £000s	Forecast 2010/11 £000s	Forecast 2011/12 £000s	Forecast 2012/13 £000s	Forecast 2013/14 £000s
Previous Year's Budget	386,295	400,395	414,628	421,961	429,565
Increases:-					
Schools DSG	6,422	7,479	5,567	5,734	5,906
Plus LABGI not available	1,500	-	-	-	-
Building Schools for the Future	250	500	250	-	-
Non School Services					
Inflation	7,411	3,400	3,480	3,584	3,680
Capital Financing	773	800	800	800	800
Equal Pay Issues etc	1,500	1,500	500	-	-
WDA / PTA	1,793	1,900	1,960	2,020	2,070
Swimming Pool	300	100	100	-	-
Other Corporate	438	200	200	200	200
Pensions	1,000	1,000	1,000	1,000	1,000
New Investment	890	-	-	-	-
VFM Saving	-7,487	-3,496	-6,524	-5,734	-4,481
Contingency	49	-	-	-	-
Less Use of Balances	-610	-	-	-	-
Budget Requirement	400,395	414,628	421,961	429,565	438,740
Resources					
Direct Schools Grant	178,086	185,565	191,132	196,866	202,772
RSG/NNDR	123,830	127,630	126,354	125,090	125,090
Council Tax Contribution	99,048	101,433	104,475	107,609	110,878
Total	400,395	414,628	421,961	429,565	438,740
Council Tax (Band D)					
Bolton MBC Only	£1,198	£1,234	£1,271	£1,309	£1,348
Council tax band A (Bolton only)	£799	£823	£848	£873	£899
Council Tax Increase *	3,9%	3%	3%	3%	3%

* Subject to consideration by Council each year.

Key Strategies and Plans



Cash Flow Forecast 2009/10 – 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14
	£m	£m	£m	£m	£m
<u>Capital</u>					
Capital Expenditure	85.9	87.8	65.5	63.4	53.4
Pooling to DCLG	2.9	2.9	2.9	2.9	2.9
Repayment of Borrowing	0.6	0.6	2.0	0.6	0.6
Capital Outflow	89.4	91.3	70.4	66.9	56.9
Less					
Borrowing	21.1	7.5	-	-	-
Grants & Contributions	33.0	54.3	41.9	40.5	30.5
Capital Receipts	5.7	4.5	4.5	4.5	4.5
Net Outflow of Capital Cash	29.6	25.0	24.0	21.9	21.9
<u>Revenue</u>					
Employees	315.6	325.1	334.8	344.9	355.2
Other Operating Expenses	331.9	346.1	352.2	358.0	361.9
HB Payments	33.0	34.0	35.0	35.0	35.0
NNDR payment to pool	79.9	82.3	84.8	87.3	89.9
Precepts from Collection Fund	15.2	15.9	16.6	17.3	18.1
Interest Paid	22.0	22.8	23.6	24.4	25.2
Revenue Outflow	797.6	826.2	847.0	866.9	885.3
Less					
Rents (after Rebates)	26.4	27.5	28.5	29.6	30.9
CT Receipts	93.6	96.4	99.3	102.3	105.4
NNDR Collected	99.7	102.7	105.8	109.0	112.2
RSG/NNDR	123.8	127.6	127.6	127.6	127.6
DSG	178.1	185.3	192.0	189.9	206.0
Grants for benefits	84.8	87.4	89.9	89.9	89.9
Other Grants	125.3	127.8	130.4	133.0	135.6
Sale of Goods & Services	90.7	91.6	92.5	93.4	94.4
Dividend and Interest					
Receipts	4.8	4.9	5.0	5.1	5.2
Net Outflow of Revenue					
Cash	-29.6	-25.0	-24.0	-21.9	-21.9
Total Funding Requirement	-	-	-	-	-

EXTERNAL/SPECIAL FUNDS 2009/10 (Provisional Figures)

Area Based Grant	2009/10 £000
14-19 Flexible Funding Pot	88
Adult Social Care Workforce (formerly HRDS & NTS)	800
Care Matters White Paper	288
Carers	1,398
Child Death Review Process (DCSF)	43
Child & Adolescent Mental Health Services	567
Child Trust Fund	11
Children's Social Care Workforce (formerly HRDS and NTS)	106
Children's Fund	948
Choice Advisers	37
Climate Change (new for 2009/10)	22
Cohesion	91
Connexions	3,097
Education Health Partnerships	87
Extended Rights to Free Transport	70
Extended Schools Start Up Costs	910
Learning Disability Development Fund	278
Local Involvement Networks	165
Mental Capacity Advocate Service	180
Mental Health	932
Positive Activities for Young People	734
Preserved Rights	357
Secondary National Strategy – Behaviour and Attendance	68
Secondary National Strategy – Central Co-ordination	196
Preventing Extremism	200
Primary National Strategy – Central Co-ordination	174
Respect/Youth Task Force	55
School Development Grant (LA Element)	1,731
School Improvement Partners	140
School Intervention Grant	89
School Travel Advisors	36
Stronger Safer Communities Fund	258
Stronger Safer Communities Fund (Home Office)	378
Supporting People Administration	174
Sustainable Travel General Duty	23
Teenage Pregnancy	199
Working Neighbourhoods Fund	6,805
Young Peoples Substance Misuse Grant	40
Young Peoples Substance Misuse Grant Partnership	150
Total	21,925
Non ABG Specific Grants	
Supporting People Grant (non ringfenced)	9,102
Drug Intervention Programme (ringfenced)	1,154
GRAND TOTAL	32,181

This lists the specific grants that the Council received which have now been brought together under one overall "Area Based Grant" which is no longer specifically ringfenced by Government to any individual service.

VISION STEERING GROUP MEMBER ORGANISATIONS

ORGANISATION	LINKS TO
Council of Mosques (BCOM)	BCOM / Interfaith Council/ Racial Harmony Forum
Bolton Community College	Bolton Lifelong Learning Partnership/Children & Young People's Partnership
Greater Manchester Probation Service	Bsafe Partnership/GM Probation Service
University of Bolton	Bolton Lifelong Learning Partnership
Council for Voluntary Services	Voluntary & Community Sector Forum
Bolton Community Homes	Bolton Community Homes Ltd/ Chief Executive Contour Housing
Job Centre Plus	Economic Partnership/Job Centre Plus
Bolton Community & Voluntary Services	Voluntary & Community Sector Forum
GM Police	Bsafe Partnership/GM Police/Children's Safeguarding Board
Bolton Hindu Forum (BHF)	BHF/Interfaith Council /Racial Harmony Forum
Greater Manchester Chamber	Economic Partnership/Private & Business Sector
Bolton Economic Partnership	Economic Partnership/Private & Business Sector
Bolton Primary Care Trust	Health & Wellbeing Partnership/PCT
Church Leaders Forum	Church Leaders' Forum/Interfaith Council/Bolton Harmony Forum/Minister Bolton Parish Church
Bolton Hospitals NHS Trust	Health & Wellbeing Partnership/PCT

AREA BASED GRANT FUNDING STREAMS

	2008/09 £	2009/10 £	2010/11 £	TOTAL £
Adult & Community Services				
Adult Social Care Workforce (formerly HRDS & NTS)	776,460	800,211	823,051	2,399,722
Carers	1,044,149	1,118,696	1,191,806	3,354,651
Children's Social Care Workforce (formerly HRDS & NTS)	105,800	105,569	105,249	316,618
Learning Disability Development Fund	278,359	277,622	277,197	833,178
Local Involvement Networks	165,587	165,542	165,387	496,516
Mental Capacity Act and Independent Mental Capacity/Advocate Service	142,464	179,845	172,714	495,023
Mental Health	887,813	931,840	976,828	2,796,481
Preserved Rights	387,723	356,993	333,200	1,077,916
Respect/Youth Task Force	55,000	55,000	55,000	165,000
Stronger Safer Communities Fund (Home Office)	377,663	377,663	377,663	1,132,989
Supporting People	0	0	9,171,572	9,101,572
Supporting People Administration	189,580	174,613	149,668	513,861
Chief Executives				
Cohesion	49,412	90,588	140,000	280,000
Preventing Extremism	165,000	0	224,000	389,000
Preventing Violent Extremism Toolkit – New	12,000	0	0	12,000
Stronger Safer Communities Fund (CLG)	460,000	258,000	0	718,000
Children's Services				
14-19 Flexible Funding Pot	87,738	88,160	88,287	264,185
Care Matters White Paper	212,005	287,874	330,929	830,808
Carers	261,037	279,674	297,952	838,663
Child Death Review Process (DCSF)	41,888	42,960	44,570	129,418
Child and Adolescent Mental Health Services	539,887	567,471	594,105	1,701,463
Child Trust Fund – New	8,612	10,841	12,319	31,772
Children's Fund	947,592	947,592	947,592	2,842,776
Choice Advisors	36,603	36,603	36,603	109,809
Connexions	2,951,714	3,096,977	3,126,891	9,175,582

	2008/09 £	2009/10 £	2010/11 £	TOTAL £
Education Health Partnerships	109,866	86,688	86,688	283,242
Extended Rights to Free Transport	28,619	70,399	112,178	211,196
Extended Schools Start Up Costs	536,920	910,134	374,286	1,821,340
Positive Activities for Young People	427,161	733,841	952,898	2,113,900
Secondary National Strategy – Behaviour and Attendance	68,300	68,300	68,300	204,900
Secondary National Strategy – Central Co-ordination	195,229	195,707	195,920	586,858
Primary National Strategy – Central Co-ordination	173,538	173,767	173,785	521,090
School Development Grant (LA Element)	1,731,547	1,731,547	1,731,547	5,194,641
School Improvement Partners	140,220	140,220	140,220	420,660
School Intervention Grant	88,600	88,600	88,600	625,800
School Travel Advisors	36,000	36,000	36,000	108,000
Sustainable Travel General Duty	23,352	23,352	23,352	70,056
Teenage Pregnancy	199,000	199,000	199,000	597,000
Young Peoples Substance Mis-use Grant	40,566	40,566	40,566	121,698
Young Peoples Substance Mis-use Grant Partnership	149,899	149,899	149,899	449,697
Development & Regeneration				
Working Neighbourhoods Fund	5,691,582	6,804,789	7,090,257	19,586,628
Deprived Areas Fund	235,473	0	0	235,473
Environmental Services				
Climate Change – New	22,500	22,500	22,500	67,500
TOTAL ABG	20,082,458	21,725,643	31,058,579	72,886,680

INVESTMENT STRATEGY**What we are trying to achieve**

Bolton Vision is Bolton's local strategic partnership, a group of key organisations and agencies working together to improve the life of everyone in Bolton.

Through 'Bolton: Our vision 2007-2017', the partnership has created a clear vision and ambitious high level targets designed to make a lasting and positive difference to Bolton. The document also provides the framework for the work of the partner agencies within Bolton, setting out the outcomes to be achieved and the differences to be made by 2017. This document is therefore the starting point for the ambitions of the Council and the capital investment strategy that helps to enable these priorities to be achieved.

The delivery of the targets in 'Bolton: Our vision 2007-2017' will be supported by other local strategies and action plans put together by the partner agencies. These are focused on service areas (e.g. housing, transport), themes (children and young people, neighbourhood renewal) or are organization-specific (e.g. the Council's corporate plan).

Key amongst these supporting strategies are:

- the Local Area Agreement, a three year action plan which sets more detailed targets to help achieve our outcomes
- the Local Development Framework which will guide the look and shape of Bolton over the next few years

The priority themes of the Partnership aim to make Bolton:

- healthy
- achieving
- prosperous
- safe
- cleaner and greener
- strong and confident.

Whilst each of these priority themes is important, it should be remembered that they are not separate, they are closely interconnected; one impacts on another. The six priority themes also reflect the Government's 'Every Child Matters' agenda, which Bolton addresses through its Children and Young People's Plan.

The Capital Investment Strategy aims to ensure that in utilizing the capital resources and assets available to the Council, maximum outcomes that meet our aims under these themes are achieved.

How will we achieve these aims?

The aims of Bolton Vision flow through into the Council's own corporate strategy, the Bolton Plan and then through into the aims and objectives of the individual services areas. The assets and capital resources of the Council are key to delivering our priorities and each service has developed an asset management plan to identify how its assets are being used and maintained to support its objectives. These documents then

allow the need for capital resources to be compared to those available and an informed and prioritised approach taken to the allocation of those resources.

Where new schemes and projects are developed, the same approach is taken, whereby the achievement of our priority outcomes drives the evaluation of bids for funding. This ensures both a consistent approach to all requests for funding and that capital resources are clearly allocated to support the achievement of our key objectives.

The monitoring that the Council undertakes on the progress towards achieving its corporate plan, plus the views of external agencies, both contribute to ensuring that in utilising these capital resources, the intended outcomes are being achieved.

The Prioritisation Process

As part of the corporate business planning process, a capital programme is set for each financial year giving approval for priority capital schemes within the resources available. The starting point of this process sees services linking their proposed schemes to intended outcomes that support the achievement of the Bolton Plan. The affordability and robustness of schemes are also assessed. This process is further extended into future years to identify funding requirements set against the ambitions of the corporate plan and this allows a strategic overview of the use of our assets and future anticipated capital resources. This longer term view also allows us the opportunity to work with our partners to identify where joint use of our assets can allow us to achieve our objectives.

Within this process it is also important to recognize the priorities that central Government place upon capital resources and direct them to priorities for which they have been allocated. Whilst the Council's ability to borrow for capital purposes is limited only by reference to "prudential guidelines", the Government still influences the allocation of capital resources by the provision of support for capital expenditure either directly by the provision of capital grants or by supporting the financing costs in particularly areas.

In summary, schemes are appraised in terms of their achievement of policy aims identified in the Bolton Plan, with consideration also being given to the additional criteria below:

Area Targeting – expenditure targeted to areas which have been identified as deprived

Levering Funds – Expenditure which directly attracts other investment into the Borough

Specific Allocation – Expenditure met from resources granted by Government which may only be used for the stated purpose or which would prejudice future allocations if not used in that way

Service Resources – Expenditure which is funded by resources already allocated to a Committee e.g. via revenue budget

Asset Maintenance – Expenditure designed to address asset maintenance plan priorities

Capital Programme 2009/10

The allocation of capital resources to support the Council's priorities for 2009/10 and forecast for future years is shown in the table below. In addition to schemes which specifically support each theme, an allocation is made for the maintenance of assets which, in supporting service delivery, over-arches all themes.

	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Healthy Bolton	2.985	2.934	0.868	0.868	0.867
Achieving Bolton	24.707	40.496	30.000	30.000	20.000
Prosperous Bolton	7.526	5.494	4.310	4.290	4.270
Safe Bolton	8.524	8.357	5.152	5.202	5.252
Cleaner / Greener Bolton	2.740	3.270	1.503	0.248	0.248
Strong Confident Bolton	20.143	13.594	11.404	11.404	11.404
Asset Maintenance	19.258	13.621	12.269	11.354	11.354
Total	85.883	87.765	65.505	63.365	53.394

The resources available to meet this programme are shown below. The borrowing supported by government for 2009/10 and 2010/11 represent figures announced as part of the RSG settlement but thereafter are, at this stage, assumptions which will be closely monitored as the next CSR period approaches. The other sources of funding are similarly based upon current expectations of resources available and will be updated should further information emerge.

	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Borrowing – Government Supported	7.959	5.913	4.028	4.028	4.028
Borrowing – Department funded including invest to save	12.320	1.259	1.171	0.430	0.480
Borrowing – Corporately funded including Town Centre Pool	9.409	9.262	2.802	2.832	2.812
Grants & contributions (largely Childrens, Housing & TIF)	32.951	54.342	41.858	40.501	30.500
Capital Receipts	5.680	4.450	4.500	4.500	4.500
Revenue (largely Major Repairs Allowance)	17.564	12.539	11.074	11.074	11.074
Total	85.883	87.765	65.505	63.365	53.394

The allocations for Achieving Bolton contain the Phase 1 and 2 BSF schemes. To 2012/13 allocations totalling £51.981m have been made for Phase 1 and in addition to this the scheme will provide a further £42.7m of capital expenditure. Indicative allocations of £40m have been provided over 2012/13 and 2013/14 for Phase 2 and this scheme is anticipated to provide a further £40m expenditure from 2014/15 if approved.

The Essa and Brightmet Academies and Firwood Special School have also attracted significant allocations. The indicative allocation issued by Partnership for Schools for Essa is £17.6m (including £1.3m for ICT managed service) and this Academy will provide 900 11-16 year pupil places. The Indicative allocation for Brightmet Academy and Firwood Special School is £30.337m (including £1.523m for ICT managed service). This will provide 750 11-16 places, 200 post 16, 26 nursery and 100 special.