

Bolton Council

Report to: Cabinet

Date: 3rd December 2018

Report of: Director of Corporate Resources

Report No: CEX011

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Report Title: Budget Update and Options 2019-21

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 the updated Financial Forecast for 2019/20 and 2020/21 and to seek approval to progress the initial budget options presented herein

Background Doc(s): None

Appendices / Attachments None

Recommendations: That the updated financial position for the period 2019/20 and 2020/21 be noted.

- i. Confirm that members have had due regard to the Equality Impact Assessment in making the following recommendations.
- ii. That revenue reserves totalling £8m are used to balance the 2019-21 budget and a further £8m to allow savings to be phased in over the two-year period
- iii. That the initial savings proposals for 2019/20 and 2020/21 outlined in this report of £23.5m be formally agreed for consultation

Decision:

Summary:

This report updates Cabinet on the current financial position for the 2019-21 budget and recommends a two-year budget strategy covering the period 2019-21.

1 INTRODUCTION AND BACKGROUND

- 1.1 2019/20 is the final year of the government's four year settlement offered to councils as part of the 2016/17 budget, which was accepted in October 2016. As part of the 2017-19 budget approach the council adopted a strategy of using reserves totalling £30m to both balance the budget and provide a cash flow pot to enable savings to be phased in over the two-year period.
- 1.2 The 2018/19 budget report approved by Council in February 2018 provided an indication of the likely savings target required in 2019/20 of circa £27.7m. This is the result of using one-off reserves funds to balance the 2018/19 budget, meaning any savings targets are carried over into the following financial year.
- 1.3 This report updates the information provided at Budget Council in February 2018 and forecasts the likely position for both 2019/20 and 2020/21.
- 1.4 This report recommends that the savings target for 2019/20 be set at £23.5m. Due to the uncertainties outlined below regarding the potential impact of future funding, reserves of £8m are also used to balance the 2019-21 budgets and a further £8m is set aside to provide a cashflow pot to enable savings to be phased in over the two year period.
- 1.5 It is important to recognise that the report and its assumptions may have to be amended as a result of the provisional local government finance settlement expected on 6th December 2018.

2 GOVERNMENT SPENDING PLANS

- 2.1 As members will be aware, the council has had to find significant savings over the last 8 years totalling around £155m. The four year settlement offer provided some assurance to councils as to the amount of resources they would receive over the 4 year period, but it has nevertheless resulted in continued savings needing to be found.
- 2.2 However, beyond 2019/20 there are some key funding issues yet to be confirmed which could impact further on the council.

Fair Funding Review (FFR)

- 2.3 As part of the 2016/17 finance settlement it was announced there would be a Fair Funding Review of authorities' funding needs, initially to be implemented in 2019/20. Due to the 2017 general election, in September 2017, it was announced that such a review would now be implemented in 2020. This in many ways ties in better, as it will come after the current 4 year settlement period. According to the Ministry of Housing Communities and Local Government (MHCLG) terms of reference the FFR will:
 - Set new baseline funding allocations for authorities
 - Look at an assessment of needs and resources of authorities.
- 2.4 It should be noted, however, that the Children's Services review will not be completed until October 2019, some 6 weeks before the Autumn 2019 budget, which will be the 2020/21 provisional settlement. It is therefore likely that some form of transitional funding will be required for 2020/21.

Business Rates

- 2.5 Bolton is part of the Greater Manchester 100% business rates retention pilot. Councils retain 100% of their business rates with 1% passed to the Fire Authority. The government has

announced that from 2020 business rates retention will be 75%, 1% of this being passed to the Fire Authority and 25% to central government.

- 2.6 From 2020 it is likely there will also be a business rates re-set. This may take the form of either a full re-set or partial re-set. What this means is that any business rates growth that the council is expected to achieve over and above its baseline may either be fully taken or partially taken off the council. The government's rationale is that the overall business rates growth since the previous re-set in 2013 will be circa £2bn (if it is a full re-set), which it can then re-distribute to councils. This makes forecasting business rates beyond 2019/20 extremely difficult to do. In addition, it is not possible to project what the council could receive in some form of re-distributed grant from the potential £2bn available.
- 2.7 It should be noted that some of the business rates growth achieved by the council as a direct result of the GM 100% business rates initiative can be retained locally.

3 COUNCIL TAX

- 3.1 In 2018/19 councils were able to raise council tax by up to 3% (previously 2%), without having to hold a referendum. The government has suggested in a recent technical consultation paper that the 3% limit will remain for 2019/20.
- 3.2 In addition, for Adult Social Care (ASC), for the three year period 2016/17 to 2019/20 councils are able to raise an additional 6% over this period, providing no more than 3% is raised in any one year. ASC increases have been 3% and 2% in 2017/18 and 2018/19 respectively, meaning a further 1% can be raised solely for ASC in 2019/20.
- 3.3 A 1% swing in the rate broadly equates to a £1m gain or loss in council tax income. This budget has been prepared as follows:
- the Adult Social Care precept is set at 1% (its maximum) for 2019/20 and 0% in 2020/21.
 - the general levy is set at 1.5% in 2019/20.
- 3.4 There will be no changes to the Council Tax Support Scheme in 2019/20.

4 MAYORAL PRECEPT

- 4.1 2018/19 was the first year when the Mayor for Greater Manchester took responsibility for both the GM Police and Crime Commissioner and GM Fire and Rescue Authority services. Greater Manchester Combined Authority now sets two precepts:
- Mayoral Police and Crime Commissioner Precept and
 - Mayoral General Precept (including Fire Services)
- 4.2 With regard to the Mayoral General Precept this is used specifically for initiatives to develop and enhance the whole Greater Manchester region.
- 4.3 Increases in the Mayoral Precept are added onto the council tax charge set by Bolton. In 2018/19 this equated to a £12 increase for the Police Precept, and an £8 increase for the Mayoral General (including Fire) precept.
- 4.4 For 2019/20 discussion is ongoing as to level of precept the Mayor will charge, hence what will be added to Bolton's council tax bill.

5 **OTHER KEY ASSUMPTIONS**

- 5.1 New Homes bonus (NHB) – The government’s recent technical consultation paper intimated that NHB will be looked at as a form of funding. In the short term the baseline below which no NHB can be claimed could be raised from the 0.4% level in 2018/19. NHB funding has been adjusted downwards for both 2019/20 and 2020/21 to mitigate against this.
- 5.2 Adult Support Grant – whilst this has been received in the previous 2 years (£1.4m in 2017/18 and £0.9m in 2018/19), it is assumed this drops out in 2019/20.
- 5.3 Inflation – the two year settlement for local government employees amounted to an increase of 2.8% for 2019/20 which has been incorporated into the forecast. 2% has been included for all other inflation categories (prices, income). A rate of 2% has been applied in respect of 2020/21 for all categories.

6 **RESERVES**

- 6.1 The council estimates its reserves balance to be £149m at the end of 2018/19 (*£177m at the end of 2017/18*) as follows;

Type of Reserve	31/3/18	31/3/19
	£m	£m
Reserves we cannot touch (schools etc...)	4	14
Reserves we must have (audit requirements)	11	11
Reserves to support the 19-21 budget process	25	16
Reserves for known insurance claims / self insurance	20	18
Reserves to fund our existing capital programme	77	62
Reserves set aside for revenue commitments (ICT etc...)	40	28
Total	177	149

- 6.2 Reserves are:

- One-off - resources to meet future costs
- General – unallocated can be used for any purpose, e.g. emergencies/unexpected costs
- Specific – to meet identified costs, risks or pressures

- 6.3 Reserves should be used:

- To meet the specific purpose intended
- As short-term funding to avoid in-year savings
- To meet one-off revenue costs
- To fund capital expenditure

- 6.4 They are not suitable to fund the on-going revenue budget but can be used to cash flow the revenue budget in the short term.

7 **BUDGET STRATEGY**

- 7.1 Taking into account all of the above, the proposed budget strategy is as follows:

- Continue with a 2-year strategy covering 2019/20 and 2020/21
- Re-allocate £8m revenue reserves to balance the 2019-21 budgets and £8m to allow savings to be phased in over the two-year period

- Monitor the impact of the economic development activity in the Borough to increase council tax and business rates yields and to mitigate against savings if required in 2019-21.

7.2 This results in a reduction over the 2-year budget cycle of £23.5m. The table in Appendix A contains the budget covering the 2 year period.

7.3 The council's total controllable budget in 2019/20 is £251.2m. The £23.5m reductions are allocated across directorates below, leaving a controllable budget of £227.7m.

	Target
	£m
People & Public Health	13.8
Place	5.7
Chief Executive's / Corporate	4.0
Total	23.5

7.4 Options to achieve the reductions outlined above are shown in Appendices B to D.

7.5 As a consequence of having to use reserves to both balance the budget and allow savings to be phased in, there are inevitably less disposable reserves available to allow for re-prioritisation should circumstances change.

8 STAFFING IMPACT

8.1 It is not possible at this point to accurately identify how many posts will be lost until detailed proposals are developed. Based upon the options outlined in appendix B onwards, a minimum of 124 posts may be affected. The council currently has 336 vacant posts (264 FTE), although currently around a third of these are considered to be business critical and are therefore covered by agency staff. During previous budget rounds the council secured post reductions through voluntary means such as Voluntary Severance and Voluntary Early Retirement where these meet business needs, and we hope to continue with this approach, avoiding compulsory redundancies wherever possible.

9 COMMUNICATIONS

9.1 The scale of change which is taking place as a result of the cuts required is significant, and therefore it is vitally important that the council and individual services have comprehensive and effective communication plans in place. Communications need to be with all stakeholders but in particular will include staff, customers/clients, unions, all Members, partner organisations and other interested parties. Communication plans will operate at both an overall corporate level, as well as at directorate and individual service levels. Much of this communication will be informal but it is also important that where required formal communications and consultations take place.

10 BUDGET PROCESS

- 10.1 Formal approval to the initial option proposals agreed by Cabinet today.
- 10.2 Budget PDG end of January/early February.
- 10.3 Cabinet 11th February 2019 – 2019-21 proposals and recommendations on council tax increases for 2019/20.
- 10.4 Council on 20th February 2019 to approve overall Budget and set council tax for 2019/20.
- 10.5 Any further options required to meet the overall 2-year budget requirement will be considered by Cabinet at subsequent meetings.
- 10.6 It should be re-iterated that the above process is subject to outcomes from the the Fair Funding Review, Local Government Finance Settlement, the Mayoral Precept decision, any council tax level changes, and unplanned events.

11 CONSULTATION

- 11.1 The council is intending to commence formal consultation on its overall budget proposals immediately following this meeting with a view to reporting back to Cabinet on 11th February 2019. Specific proposals will undertake their own consultation if required with appropriate groups, organisations and individuals prior to the final decision on the options being taken. Consultation on the overall budget will be carried out separately and will include:
 - Updates via face-to-face staff briefings, staff news and email explaining the overall budget position, pointing people to the different ways they can respond to the consultation
 - An online questionnaire (paper version on request) will be made available on the council's website (www.bolton.gov.uk/consultations) and publicised via the press and social media
 - Targeted presentations/discussions with specific groups such as the Voluntary and Community Sector Forum, Business Ratepayers, Trade Unions and other groups as appropriate.
- 11.2 Public consultation will run from 3rd December 2018 to 14th January 2019.
- 11.3 Feedback from this consultation will be reported to Cabinet on 11th February 2019.

12 EQUALITY IMPACT ASSESSMENT (EIA)

- 12.1 The EIA is attached at Appendix E. Section 7 above provides a framework for the delivery of the 2019-21 budgets.
- 12.2 In terms of staffing, the anticipated impact of the budget on the workforce is outlined in section 8, along with the strategy for managing this. The council retains its objective of seeking to manage all reductions consensually as far as possible in order to mitigate the impact on staff, through the use of voluntary early retirement and severance, as well as managing vacancies etc. Effective communication and consultation with staff and their trades unions will continue to be vital to the budget process as a whole, as well as to individual service reviews.
- 12.3 It is important to recognise that achieving a balanced budget at this level, following the significant reductions that have already been made, will be much more challenging than in the last two years. However, the council continues to aim to minimise the impact of budget

cuts on front-line service provision. Reductions have once again been sought from each of the council's directorates to offer a degree of protection to front-line services and to protect the borough's most vulnerable people.

13 RECOMMENDATIONS

- 13.1 That the updated financial position for the period 2019/20 and 2020/21 be noted.
- i. Confirm that members have had due regard to the Equality Impact Assessment in making the following recommendations.
 - ii. That revenue reserves totalling £8m are used to balance the 2019-21 budget and a further £8m to allow savings to be phased in over the two-year period
 - iii. That the initial savings proposals for 2019/20 and 2020/21 outlined in this report of £23.5m be formally agreed for consultation.

APPENDIX A**BUDGET 2019/20 and 2020/21**

	Original Forecast 2019/20 100% Business Rates £000s	Original Forecast 2020/21 75% Business Rates £000s
Expenditure		
Previous Year's Budget	428,181	414,382
Additional Public Health Transfer	0	0
Schools DSG Change	0	0
Inflation	5,522	5,109
WDA/PTA	1,525	1,525
Other Corporate	0	0
Pensions	940	727
Pay Spine Re-modelling	1,500	0
Children's Growth	0	0
Adult Social Care Precept	1,097	0
Adult Social Care Support Grant	-870	0
Living Wage Supplement	0	0
Insurance	-213	
Housing Benefit/ Council Tax Admin Subsidy Grants	200	
Apprenticeship Levy	0	
Savings to be identified	-23,500	0
Budget Requirement	414,382	421,743

	Original Forecast 2019/20 100% Business Rates £000s	Original Forecast 2020/21 75% Business Rates £000s
Resources		
Direct Schools Grant	186,797	186,797
Public Health Funding	0	0
Education Services Grant	0	0
New Homes Bonus	782	533
Use of Reserves	615	7,399
Retained Local Business Rate (incl prev yrs balance)	92,225	70,519
Business Rates Top Up	20,580	40,300
Council Tax Contribution - Base Adjustment (incl Contribution from Collection Fund & prev yrs balance)	110,640	113,946
Council Tax Contribution - Adult Social Care	1,097	0
Council Tax Contribution - General Levy	1,646	2,250
Adult Social Care Support Grant	0	0
Revenue Support Grant	0	0
Total	414,382	421,743
Council Tax Increase (subject to Council approval)	2.50%	1.99%

PEOPLE DIRECTORATE - OPTIONS

				Estimated Staff Impact
Service	Proposed Options – People & Public Health	18 / 19 Controllable Budget	Proposed Savings	Total FTE Displaced
		£'000	£'000	
Transforming the way we work				
People	Do not apply Non Pay Inflation	0	3,500	0
Children's	Fundamental Review of Early Help both strategic and targeted to impact on demand	26,390	3,500	tbc
Adults	Full Fundamental Review of the Intermediate Tier	16,400	500	tbc
Adults	Review of Income including Charges and Subsidies	0	500	0
Adults	Review and demand management of care and support packages	32,573	1,000	0
	Total	75,363	9,000	tbc

More Targeted Provision				
People	Full staffing review of the Children's portfolio and support services across the Directorate	12,202	1029	33
Public Health	Review of the School Meal Subsidy	264	264	0

Service	Proposed Options – People & Public Health	18 / 19 Controllable Budget	Proposed Savings	Estimated Staff Impact
		£'000	£'000	Total FTE Displaced
Public Health / Children's	Management of Cash Limited Budgets	382	275	0
Adults	Reprioritising of iBCF	10,341	1,000	0
Adults	Review of the Community Meals Service	846	250	3
	Total	24,035	2,818	36

Partnership Working				
People	Review all of the contracts within the People Directorate	21,132	1235	0
Adults	Full staffing review of the Adults and Public Health portfolio	12,023	750	27
	Total	33,155	1,985	27

PEOPLE DIRECTORATE TOTAL	132,553	13,803	tbc
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PLACE DIRECTORATE - OPTIONS

Service	Proposed Options- Place	18 / 19	Proposed	Estimated
		Controllable	Savings	Staff Impact
		Budget		Total FTE
		£'000	£'000	Displaced
PARTNERSHIP WORKING				
Neighbourhood Services	The council will review all 28 bowling greens and their usage and will use Community Asset Transfer powers, where appropriate, to deliver greenspace functions through a new partnership approach with local communities.	135	135	3
Highways	Following best practice across the UK, the council is currently installing crossings at priority sites and seeking a variety of appropriate solutions.	248	100	5
	Total	383	235	8

MODERNISATION OF THE COUNCIL				
Cross Cutting	A review of external charging across the directorate	839	1,895	0
Waste	In order to support the council's digital strategy, it is proposed to stop the production of the waste calendar.	27	27	0
Waste	Review staffing, processes and customer contact rationale	7,301	250	2
Cross Cutting	A review of processes and structures focussing on trading services and back office support.	994	774	10

Service	Proposed Options- Place	Estimated Staff Impact		
		18 / 19 Controllable Budget	Proposed Savings	Total FTE Displaced
		£'000	£'000	
Trade Waste	The service will take a more pro-active approach to trade waste and will target more businesses in Bolton & beyond.	-189	75	0
	Total	8,972	3,021	12

MORE TARGETED PROVISION				
Highways	Reduce the standard of the winter gritting service to match the levels provided by other GM authorities	675	100	0
Cross Cutting	More targeted approach for front line services, which will also require a full staffing review.	8,504	1,579	24
Museum, Library and Archives	A review of staffing, specific provision and fees & charges to ensure the Museum, Library and Archive service meets customer needs	3,993	430	5
Leisure	Deliver a new targeted approach which will ensure that customers with greater need have access to facilities in their communities, this will include a re-negotiation of the Leisure contract.	2,801	100	0
	Total	15,973	2,209	29

TRANSFORMING THE WAY WE WORK				
Cross Cutting	Reduce the Climate Change Levy to reflect the Accommodation Rationalisation Programme & the Street Lighting LED Programme.	0	100	0
Cross Cutting	Review of procurement processes	0	135	0

Service	Proposed Options- Place			Estimated Staff Impact
		18 / 19 Controllable Budget	Proposed Savings	Total FTE Displaced
		£'000	£'000	
	Total	0	235	0

PLACE DIRECTORATE TOTAL:	25,328	5,700	49
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CHIEF EXECUTIVE'S DIRECTORATE / CORPORATE - OPTIONS

				Estimated Staff Impact
Service	Proposed Options- Chief Executive's / Corporate	18 / 19 Controllable Budget	Proposed Savings	Total FTE Displaced
		£'000	£'000	
Modernisation of the Council				
CICT	Review of members ICT requirements	28	15	0
Legal & Democratic Services	Review of the fees and charges	-405	15	0
Financial Services	Improve processes and review staffing across Financial Services	1,245	99	5
Cross Cutting	Management of Cash Limited Budgets	212	104	0
Cross Cutting	Better use of digital solutions across the directorate	451	126	0
Corporate	Increased investment interest resulting from bank rate rises	500	250	0
Corporate	Business Rates additional income	78,595	500	0
Corporate	Reduction in Corporate Levies	40,300	1000	0
	Total	120,926	2,109	5
Transforming the way we work				
Cross Cutting	More targeted approach for services, adopting digital solutions and redesigning teams	4,732	194	7
Cross Cutting	Maximise procurement opportunities	0	110	0
	Total	4,732	304	7

Service	Proposed Options- Chief Executive's / Corporate	18 / 19	Proposed	Estimated Staff
		Controllable	Savings	Impact
		Budget		Total FTE
		£'000	£'000	Displaced

More Targeted Provision				
Finance	The review of the financing arrangements, as well as the adoption of a more targeted approach to service priorities, will release efficiencies.	9,875	350	0
Corporate ICT Services	Savings from a review of licences and contract arrangements.	3,328	400	0
	Total	13,203	750	0

Partnership Working				
Legal & Democratic Services	Review of the Election Venue use	35	25	0
Revenues & Benefits Service	Reduction in Local Welfare Provision Budget	1,028	250	0
Cross Cutting	Seek sponsorship for events and activities, such as Bolton Vision	-234	60	0
Legal and Democratic Services	Improved partnership working and adopting a more targeted approach to community engagement and civic responsibility	193	20	0
Policy, Partnerships & Communications	Review council-wide contracts, infrastructure and spend to provide a more consistent and cohesive approach to service delivery	9,709	480	tbc
Legal & Democratic Services	Increased partnership / community working may offer an alternative delivery model for the Halliwell UCAN centre.	70	70	0

				Estimated Staff Impact
Service	Proposed Options- Chief Executive's / Corporate	18 / 19 Controllable Budget	Proposed Savings	Total FTE Displaced
		£'000	£'000	
	Total	10,801	905	tbc
CHIEF EXECUTIVE'S DIRECTORATE / CORPORATE RESOURCES TOTAL		149,662	4,068	tbc

STRATEGIC EQUALITY IMPACT ASSESSMENT (EIA)

1 Background and Context

1.1 This document provides a strategic Equality Impact Assessment (EIA) of the service reductions and changes that the council is proposing to deliver, in order to achieve a balanced budget by the end of 2020/21. It is a strategic analysis only at this stage, as the detail of each option is yet to be worked up. Individual EIAs will be produced for each option, when developed, as part of an ongoing consultation exercise.

2 Budget Strategy

2.1 The council has a strong track record of budget management, delivering approximately £155m of reductions over the last ten years, and remains committed to its priorities:

- Protecting the most vulnerable in the borough
- Supporting economic development

2.2 It is proposed that the council will again adopt a two-year budget strategy:

- That revenue reserves totalling £8m are used to balance the 2019-21 budget, and a further £8m to allow savings to be phased in over the two year period
- that proposals for £23.5m of savings be identified for the two-year budget cycle.

2.3 The £23.5m savings target is based on the following assumptions and considerations:

- Inflation – 2% for all categories (2.8% for pay)
- 2.5% Council Tax increase in 2019/20 (1% ring-fenced for Adult Social Care)
- That any changes to the proposed Business Rates Retention Scheme are fiscally neutral.

2.4 It is important to stress that in identifying options to achieve these cuts, the council needs to strike a balance between the impact on the general public of any council tax increase, and the impact on the public in terms of service reductions. A decision to reduce the council tax increase for 2019/20 will require a higher level of cuts.

3 The Approach to Managing and Mitigating Service Impact

3.1 As set out above, the scale of the cuts required, and the restrictions on which parts of the council's budgets these can be made from, means that the council has to make some challenging decisions about service provision in order to deliver a legal budget for 2019/21.

3.2 The council will take the following steps to deliver the best options for Bolton from a very difficult set of choices, and to manage and mitigate the worst of the impacts arising as far as possible:

- The council has once again sought proposals over a two-year programme to allow for strategic planning and phased implementation up to 31st March 2021;
- The council continues to maintain its strategy to ensure that statutory provision continues to be met, and to limit the impact on the most vulnerable in the borough as much as possible, whilst also supporting economic development.

4 Strategic Approach

4.1 Within the context of the council's strategic priorities, a series of principles have been articulated to inform proposals. These are:

- Centralised and streamlined support services internally, to achieve economies of scale and careful prioritisation of capacity;
- Further digitalisation of council services to realise efficiencies in conjunction with the council's digital inclusion strategy;
- Alternative service delivery models to deliver reductions in operating costs;
- Maximising opportunities to generate income, e.g. by supporting more businesses to invest in Bolton

5 Specific Proposals

5.1 There are a number of specific options with a potential equality impact, including:

- A potential further reduction of the council's workforce by at least 124 posts;
- A review of the provision of public health services;
- A further review of universal services in order that resources may be re-directed to targeted support for the most vulnerable, as outlined in Appendix B of the budget report;
- A review of provider services
- Increased partnership / community working may offer an alternative delivery model for the Halliwell UCAN centre.

6 Consultation

6.1 Formal consultation on the budget options set out in the report will now take place and will include:

- Formal consultation with trade unions – information and proposals set out in this report have already been presented to the joint unions on 22nd November 2018;
- Views and comments sought from all stakeholders via an online consultation questionnaire. A paper copy is available upon request;
- Targeted presentation/discussions with representatives of the community and voluntary sector and business rates payers;
- Face-to-face briefings for staff, and updates via email explaining the overall budget position, and access to the report online. Letters to staff without access to a computer.

6.2 Specific proposals, which will be brought forward during the course of the programme, will be subject to their own EIA, consultation, and assessment procedures at the appropriate time, if required.

7 Equality Impact Assessment Questions

a Describe in summary the aims, objectives and purpose of the proposal, including desired outcome

7.1 the report sets out the strategic context and outline budget for 2019/20 and 2020/21, including options to achieve the anticipated reduction of £23.5m over the two-year budget cycle.

b Who are the main stakeholders in relation to the proposal?

7.2 As set out in previous strategic EIAs, the very nature of the services 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 next couple of 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 – could be affected by further reductions in universal services and changes in council tax;
- 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 1,700 jobs since 2009, and a minimum of 124 posts may be displaced in this programme. However, the council retains its objective of seeking to manage all reduction consensually as far as possible, to mitigate the impact on staff, through the use of voluntary early retirement, voluntary severance and vacancy management, avoiding compulsory redundancies wherever possible.

c In summary, what are the anticipated (positive or negative) impacts of the proposals?

7.3 The philosophy set out by the council to deliver its budget is very clear regarding its priorities in relation to protecting the most vulnerable and enabling economic growth. The approach set out in the earlier parts of this EIA seeks to deliver the best outcome for Bolton in very difficult circumstances and, where possible, mitigate the worst of the impacts, particularly for the borough's most vulnerable people.

7.4 The use of reserves as a one-off measure to cash flow the budget significantly lessens the financial burden on the council for the period 2019-21. That said, this option also focuses on the council's strategy for economic growth and development and the potential to increase base income.

7.5 As before, the council aims to minimise the impact of budget reductions on front line service user provision. Proposals have once again been sought from each of the council's directorates to offer a degree of protection to front line services and to safeguard the borough's most vulnerable people, whilst at the same time moving forward on our economic strategy.

7.6 The potentially negative impacts are: reduced universal services; an increase in council tax; and a potential further reduction of at least 124 council jobs. This will be mitigated through careful targeting to protect the most disadvantaged in the borough; ongoing investment in economic growth and development; and a workforce strategy to mitigate the impact of reductions in staff as far as possible.

Council Tax

- 7.7 The Secretary of State has announced that the Referendum limit for 2019/20 is 3%. In addition, the council can raise a further 1% in respect of Adult Social Care, this being the final element of the permitted 6% rise allowed over the budget years 2017/18 (3%), 2018/19 (2%), and 2019/20. Increasing or reducing the council tax by 1% has an impact of approximately £1m on council tax generated.
- 7.8 The council acknowledges that any increase in council tax has a financial effect on those who are eligible to pay in the borough, and may be particularly difficult for those who are already under financial pressure. However, the 2.5% increase (1.5% general levy and 1% Adult Social Care) will subsequently reduce the level of cuts which may otherwise need to be achieved. In addition, the council continues to provide a discretionary council tax discount scheme for eligible residents requiring extra help, as well as a Local Welfare Provision scheme for vulnerable people in short term crisis.
- 7.9 The 1% increase specifically for Adult Social Care would help protect the most vulnerable customers and residents in the borough and reduce the cuts in services they receive.

d 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?

8 Council Stakeholders

Service users (including parents and carers)

- 8.1 The council is committed to continuing to protect children's social care services as far as possible, however, reviews are proposed in services for children and young people. That said, limiting the impact on the most vulnerable children and young people is a priority, and care has been taken to ensure that the potential impacts of the proposals are mitigated as far as possible through targeting and engaging partners to deliver diminished council services.
- 8.2 The council is also committed to protecting adult and older people's social care services as far as possible, and in addition to this budget strategy, there is investment from the Greater Manchester devolution programme to assist in integration of health and social care services, which will mitigate against some of these reductions and improve outcomes for older people.

Members of the general public

- 8.3 The council has a clear strategy of moving from universal to targeted services, in order to offer a degree of protection for services for the borough's most vulnerable people, whilst at the same time moving forward with our economic strategy. The strategy continues to be pursued through these proposals.
- 8.4 If council tax rises are 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 level of cuts which may otherwise need to be achieved. This is particularly so for the 1% Adult Social Care precept.

- 8.5 In coming to a decision about possible council tax increases, the council will seek 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.

Organisations working with or supported by the council

- 8.6 As in previous years, the council must look at making reductions 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.
- 8.7 Clearly, it will be essential to ensure 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 complementary services are being reviewed. The council has been working with these partners over the last few years to encourage and assist these organisations to become self-financing and sustainable where possible.

Staff

- 8.8 Given the ongoing scale of the budget requirements, there will continue to be an impact on staff, whether through loss of employment or associated restructuring and change. Since 2009 the council's workforce has already reduced by 1,721 employees, entirely through voluntary means, for example, by 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 consider reductions through voluntary means, such as voluntary severance and voluntary early retirement (where these meet business needs), and these will be considered at the beginning of each individual savings proposal.

Diversity Groups

- 8.9 Throughout the 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, whilst also ensuring that the council can set a legal, balanced budget.
- 1) Eliminating unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act;
 - 2) Advancing equality of opportunity between people who share a protected characteristic and people who do not share it;
 - 3) Fostering good relations between people who share a protected characteristic and people who do not share it.
- 8.10 Analysis of 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

8.11 Headline analysis identifies potential impacts around age, disability, caring status and socio-economic deprivation. 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.

8.12 Further detail included in previous strategic reports 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 is supported through the council's digital inclusion strategy for our communities.

Children and Young People and their Parents/Carers

8.13 Several significant reviews are proposed for services for children and young people. In the broadest sense, changes to such services have the potential to impact upon children and young people, including those with disabilities or special educational needs; their parents/carers; and those young people who are also parents or carers. Limiting the impact on the most vulnerable children and young people will continue to be a priority, and care will be taken to ensure that the potential impacts of proposals are well understood and mitigated as far as possible, e.g. through targeting.

Older People and those who care for Older People

8.14 Ongoing transformation within adult social care means that the way in which services are provided will continue to change. The council continues to seek to deliver quality and affordable services, whilst also promoting independence, choice, and control, and meeting statutory duties. However, service users and their families and/or carers will see changes as a result of the budget proposals, and also as the programme of integration across health and social care services continues.

8.15 Throughout the process it will be essential to ensure that any proposed changes to services are based on a full understanding of need and eligibility, to ensure that Bolton's older people and their families continue to receive appropriate, accessible, and safe care services.

Socio-economic Deprivation

8.16 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, and this budget strategy does have the potential to have an impact on those people who are experiencing socio-economic deprivation. This will need to be considered as part of each review in the detailed EIA.

e 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.

- 8.17 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 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.
- 8.18 In conclusion, the council continues to make every effort to protect the most vulnerable as far as possible, support economic development, and to respond appropriately to its duties under the Equality Act. However, this strategic EIA recognises the significant challenge presented by the financial position 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 sets a legal budget for the coming two years.