

THE EXECUTIVE (BUDGET MEETING)

MEETING, 13TH FEBRUARY, 2009

Councillor Morris	Leader of the Council – Strategy and External Relationships
Councillor Mrs. Thomas	Corporate Resources
Councillor Adia	Children's Services
Councillor Peel	Environmental Services
Councillor Murray	Health and Adult Social Care
Councillor Ibrahim	Culture, Young People and Sport
Councillor J. Byrne	Development
Councillor Sherrington	Cleaner, Greener, Safer
Councillor Kay	Human Resources and Diversity
Councillor Zaman	Housing and Regeneration

Non-Voting Members

Councillor J. Walsh
Councillor R. Allen
Councillor Mrs Brierley
Councillor Shaw
Councillor Hayes
Councillor D.A Wilkinson
Councillor Mrs Ronson

Officers

Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources
Mr. A. Eastwood	Director of Legal and Democratic Services
Mr. K. Davies	Director of Development and Regeneration
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair

Apologies for absence were submitted on behalf of Councillors Hornby and Spencer.

74. MINUTES

The minutes of the proceedings of the meeting of the Executive held on 2nd February, 2009 were submitted and signed as a correct record.

75. CAPITAL PROGRAMME 2009/010 TO 20014/15

The Director of Corporate Resources submitted a report which detailed the proposed capital programme for 2009/10 to 20014/15.

The various Executive Members had now considered their proposed capital programme and the Appendix to the report identified capital expenditure proposals for 2009/10 amounting to £85,883,000. The appendix also identified capital expenditure amounting to £87,765,000 for 20010/11; £65,505,000 for 2011/12; £63,365,000 for 2012/13 and £53,394.000 for 2013/14.

The resources available to meet the programme were detailed in the report.

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

It was explained that for 2009/10 the previous VAT regime would be reinstated whereby full VAT recovery was only permitted when less than 5% of VAT recovered related to activities which were exempt from VAT. Where the 5% limit was exceeded no VAT recovery on VAT exempt activity was permitted.

In 2009/10 it was estimated that this would amount to £1.6m.

Resolved - That the Capital Programme for 2009/10 to 2014/15, as set out in the appendix to the report, be submitted to the Council for approval.

76. DRAFT MEDIUM TERM FINANCIAL STRATEGY

The Director of Corporate Resources submitted a report which reminded members that the Council's business planning process provided a five year perspective in terms of Council plans and financial planning and, consequently, the Director submitted the overall draft medium term financial strategy for the Council.

The strategy covered the years 2009/10 to 2013/14 and was detailed in the Appendix to the report and reflected the overall service plans that were being developed, together with the identified corporate issues, as well as providing guidance and direction for the production of the 2009 to 2012 Bolton Plan and next year's service strategies.

The strategy was based upon several factors, viz:-

- Community Strategy;
- Local area agreement;
- the Bolton Plan;
- Service 3 Year Strategic Plans and the financial impact of these strategies;
- Asset Management Plan;
- financial factors that would affect the Council over the next five years;
- cost of capital investment;
- anticipated levels of Government support;
- the Council's response to the Value for Money initiative;
- overall availability of resources; and
- levels of Council tax.

It was stressed that the Council's overall priorities around economic prosperity, narrowing the gap and transforming services were of particular relevance to the above strategies and further information was provided to explain how they were embedded in such strategies.

The report also examined the major service elements in the Strategy relating to:-

- Children's Services;
- Adults Services;
- Capital;
- Waste Disposal Authority;
- other services;
- efficiency savings (VFM);
- Council Tax;
- cashflow; and
- risks.

The Director indicated that a revised version would be produced to take account of decisions made at the budget Council meeting for submission to the next meeting of the Executive.

Resolved - That the medium term financial strategy, as detailed in the Appendices to the report, be noted for submission to the Council and that the Director of Corporate Resources be requested to submit the revised version to the next meeting of the Executive.

77. COUNCIL TAX AND BUDGET 2009/10

(a) Council Tax Consultation

The Director of Corporate Resources submitted a report which detailed the feedback received from the Council's budget consultation process.

It was explained that the Council was committed to involving residents and other stakeholders in the process of planning and managing services. A questionnaire had been distributed via Area Forums and the Council's website; business rate payers and voluntary sector organisations.

A total response of 127 had been achieved.

The results were detailed in the report.

Resolved - That the report be noted.

(b) Executive Member Portfolio Budgets - 2009/2010

The minutes of the proceedings of the meetings or joint meetings of the following Executive Members held to consider their proposed revenue budgets 2009/10 were submitted, together with their individual budget/redirection reports, viz:-

Corporate Resources	-	20 th January, 2009
Development and Housing and Regeneration	-	19th January, 2009
Housing and Regeneration	-	19th January, 2009
Health and Adult Social Care	-	28th January, 2009
Culture, Young People and Sport	-	19 th January, 2009
Children's Services	-	26th January, 2009
Environmental Services and Cleaner, Greener, Safer	-	20th January, 2009

Resolved - That subject to minute (d) below concerning the 2009/10 budget report, the recommendations of the various Executive Members, as detailed in the minutes of their proceedings, and as appended to these minutes, be approved.

(c) Proceedings of the Council's Scrutiny Committees

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

Adult and Community Services Scrutiny Committee	- 10 th February, 2009
Children's Services Young People and Sport Scrutiny Committee	- 12 th February, 2009
Corporate Issues Scrutiny Committee	- 9 th February, 2009
Development and Regeneration Scrutiny Committee	- 2 nd February, 2009
Environmental Services Scrutiny Committee	- 11 th February, 2009

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

(d) 2009/10 Budget Report

Further to Minute 64 of the Executive's meeting held on 12th January, 2009 which approved the initial budget guidance, the Director of Corporate Resources submitted a report which drew together the Executive Members' responses to such guidance and:-

reported on the budget for 2009/2010 indicating the major variances from the 2008/2009 original budget;

- (b) enabled the Executive to recommend to the Council the level of Council Tax for 2009/2010;
- (c) showed the transactions on the collection fund; and
- (d) reported on the financial arrangements accounts for 2009/2010.

The projected 2008/2009 outturn expenditure (excluding schools) was £214.8m and, as a consequence, General Fund balances were expected to be approximately £7.6m at 31st March, 2009.

The Government had recently confirmed the Final Revenue Support Grant Settlement for 2009/2010 and Revenue Support Grant had been notified at £23.2m and national non-domestic rate contributions of £100.6m.

In the past additional funds had been provided via a range of special programmes and these had now been replaced by the Area Working Grant which amounted to just over £32m which was detailed in Appendix 6.

The Council's initial 2009/2010 revenue budget was as follows:

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2009/10 Initial Revenue Budget

	£000
2008/09 original budget	386,295
Schools Grant Increase	6,422
LABGI not available in 2009/10	1,500
Building Schools for the Future	250
Equal Pay Issues	1,500

Non Schools

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Inflation	7,411
Capital financing	773
Waste/PTA Precepts	1,793
Town Centre Swimming Pool Financing	300
Pensions/Corporate Charges	1,438
Efficiency Savings	-7,487
Agreed New Growth	310
Unallocated	819
Use of Balances	-360
	400,964
Less	
Direct schools grant	178,086
RSG/NNDR	123,830
Council Tax at 4.5%	99,048
Savings required	0

With respect to the 2009/10 Budget, Executive Members had considered their proposals in light of the response to budget guidance and the proposed savings of £7.487m had been achieved by a wide range of measures, summarised in Appendix 9 to the report.

The Director of Corporate Resources also provided a detailed report on the recommended level of balances, together with the financial risks, which was appended to the main report. A minimum balance of £7.0m or higher was recommended based on the risks and financial issues facing the Council. The current estimated level of balances as at 31st March, 2009 was £7.6m.

Members were reminded that the Executive at its meeting on 2nd February, 2009 agreed that consideration be given to providing

additional resources to support the Borough's economy in the current economic climate. Following a review of resources it had been identified that £250,000 could be made available from the Working Neighbourhoods fund in 2009/10 for this purpose and members views were sought on the proposal.

The Government had recently announced the release of the outstanding LABGI monies which were originally due to be paid earlier this financial year. The Council's share was £429,000 and members were reminded that £1.5M LABGI funding was built into the 2008/09 Revenue Budget and that, earlier this year, the Council had received £1.2M. The first £300,000 of this new allocation was therefore required to balance the current year's Budget leaving £129,000 one-off funding available to be considered as part of the 2009/10 Budget.

Furthermore, the Executive at its meeting on the 12th January 2009 was informed that the Council had £0.61M of balances above the minimum recommended by the Director of Corporate Resources. Consequently, it was agreed that of this £0.61M a one-off sum of £0.25M should be allocated as a contingency for Adults Services to enable the phasing in of some of their budget changes over 2009/10 and a further one-off sum of £0.11M be used to fund the initial phase of the development of the Planning Framework.

Based upon the approvals at the January Executive meeting, the following resources remained available for consideration:-

Ongoing resources available:	£819,000
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One-off resources available, if Members committed all the available	
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balances above the minimum recommended:	£250,000
available LABGI Funds from 2008/09	£129,000

Total one-off funding available	£379,000
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On the basis of a total budget requirement of £223M the balance to be raised from Council Tax was £99.4m and the estimated details of the Police and Fire Authority and Parish precepts were included in the report.

As the Council Tax base for tax setting purposes was 82,206 band D equivalent properties the basic amount of Council Tax for the part of the Council's area where no Parish Precepts applied, but including for the Police and Fire and Civil Defence precepts, was £927.04 for a Band A property and £1,390.55 for a Band D property.

The level of Council Tax for 2009/10 represented an increase of 4.5% for Bolton Council's services and 4.7% with the inclusion of the Police and Fire Service Precepts.

The Leader of the Council submitted the Executive's recommendations with respect to the 2009/10 budget .

Resolved – That the Council, at its meeting on 25th February, 2009, be recommended to approve the following with respect to the Budget for 2009/2010 and the level of Council Tax:-

(i) That the 2009/10 Council Tax for Bolton Council be set at an increase of 3.9%. which for the majority of households in Bolton in a Band A property, represents an increase of 58p per week.

(ii) That the savings proposal relating to the Food Safety Officer post for £34,000 within the Culture, Young People and Sport Portfolio be deleted as this can be contained within the service's overall budget from money set aside to meet potential VER/implementation costs.

(iii) That a one-off allocation of £500,000 to support the local economy in 2009/10 be agreed to be funded via an allocation of £250,000 from within the Corporate Resources Portfolio and a one-off allocation from the Area Based Grant of £250,000 .

(iv) That a contingency of £379,000 (of which £100,000 is ongoing) be included in the Revenue Budget for 2009/10.

(v) That the Director of Corporate Resources be requested to revise the Budget Report to reflect the above decisions and to include the formal notification of Police and Fire Authority precepts and to circulate such report to all Members of the Council prior to the Council Meeting on the 25th February, 2009.

(e) Prudential Indicators, Treasury And Investment Strategy 2009/10

The Director of Corporate Resources submitted a report with provided information for the Executive to make recommendations to the Council as to the Prudential Indicators (including borrowing limits for 2009/10); the minimum revenue provision policy and the proposed Treasury and Investment Strategies for 2009/10 .

The indicators were part of the financial management information of the Council and were calculated to reflect the Council's financial position and strategy.

Appendix 1 to the report set out the proposed prudential indicators reflecting recommendations from the revenue budget and capital programme reports.

The proposed Treasury Strategy was attached at Appendix 2. Owing to the current uncertainties and prevailing low interest rates the emphasis was to reduce investments whilst optimising the Council's debt position in the light of opportunities available in the market.

The proposed Investment Strategy was attached at Appendix 3. The strategy aimed to achieve the best return consistent with the security and liquidity of funds. However, in the light of current market conditions restrictions were proposed on the use of counterparties as explained in the strategy.

It was proposed that the Strategy continued to permit the use of “non-specified” Investments of up to £15M (over 364 days) to keep existing loans within the Prudential Guidelines; however it was not proposed to make further investments under this power.

The Director indicated that the Treasury Management Strategy would be examined again at the Executive’s next meeting in light of the current economic situation.

Resolved - That the Prudential Indicators, Minimum Revenue Provision Policy and Treasury and Investment Strategies, as set out in the report and its Appendices, be recommended to the Council for approval and that the Council be requested to continue to permit the use of non-specified investments up to £15m for lending greater than 364 days in order to keep existing loans within the prudential guidelines.

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