

Report to: Cabinet

Date: 14th January 2013

Report of: Deputy Chief Executive

Report No:

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Report Title: **Budget Update and Savings Options 2013-15**

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 2013/14 and 2014/15 and to seek approval to the initial budget options presented to the Cabinet in September 2012 following feedback from consultation.

Recommendations:

That the updated financial position for the period 2013/14 and 2014/15 be noted.

That the initial savings options for 2013-2015 outlined in this report of £34.6m be formally agreed for implementation.

That the Chief Executive and Deputy Chief Executive be asked to identify further options to meet the additional savings required and report back to the Cabinet on the 11th February 2013

1. INTRODUCTION

The purpose of this report is to provide an update on the Council's overall budget for 2013/14 and 2014/15 in the light of the Government's overall grant settlement and following consultation on the initial budget proposals agreed by the Cabinet in September 2012.

2. GOVERNMENT SPENDING PLANS

In October 2010 the Government published their Comprehensive Spending Review (CSR) which outlined the Government's plans to reduce the national deficit over the following 4 years. It also set out spending totals for Local Government over the 4 year period.

In December 2010 the Government published the Revenue Support Grant details which provided figures for Council expenditure for 2011/12 and 2012/13. This announcement significantly changed the overall funding of Local Government with large numbers of specific grants being ended and a very limited number of Government grants continuing into the future. The overall impact of these changes resulted in the Council having to find savings of £42m in 2011/12 and a further £18m in 2012/13.

In September 2012 a forecast was made of the likely level of resources that would be available to the Council in 2013/14 and 2014/15 based upon the Government's overall guidance within the Comprehensive Spending Review. This along with a forecast of the additional costs facing the Council, suggested that savings in these two years of approximately £35.6m would be required.

Further information published on the Government's website subsequently suggested that the savings required maybe as much as £11m higher. At the time it was agreed that a letter be sent to the Secretary of State on behalf of the 3 Leaders concerning the impact of these latest changes. A reply to this letter was received on 3rd December 2012. This reply indicates that the changes do not impact on the overall funding that is being provided. This is correct but the point that the Council made in its letter was that these changes were moving money from Local Government to other elements of the public sector such as schools and Government Departments and therefore this was adding to the overall financial gap that Local Authorities were having to fund.

In the Chancellor of the Exchequer's Autumn Statement on the 5th December 2012 the Government indicated that they were not proposing to make any additional reductions in Local Government expenditure in 2013/14 but would be seeking additional savings of 2% in 2014/15. This additional 2% equates to an extra £2m in the savings that the Council needs to find.

On the 19th December 2012 the Government announced its proposed Revenue Support Grant for Local Government. This year the Grant Settlement has been more complicated than in any previous year because of the introduction of the Local Council Tax Benefit Scheme, the introduction of the "Local" Business Rates and changes to the overall Government grant arrangements.

The Settlement incorporated the changes outlined in the previous paragraph and also confirmed two key changes for 2013/14. Firstly, the Council is able to keep 50% of the business rate income it collects in year (with 1% then being passed to Fire via the precept). It is estimated that this will be £40.897m for the financial year. Secondly, the Revenue Support Grant now contains funding previously paid as a grant. For example, the Early Intervention and Council Tax freeze grants, plus our share of the business rates that continue to be paid over to central government. For 2013/14 RSG has been provisionally confirmed as £107.955m.

The Council will continue to receive a small number of direct grants relating to specific services, most notably the Public Health grant.

Overall the figures published by the Government indicate that total savings required over the next two years will amount of £43.6m or £9.0m more than was forecast in September 2012. Members will recall that early in the year the Council's overall budget was explained and this outlined that the controllable budget from which the majority of savings would have to be made is £178m. The savings of £43.6m will therefore have a significant impact on the Council's controllable budget.

Council Tax Benefit - From April 2013 the National Council Tax Benefits Scheme is to end and Local Authorities are being required to introduce their own local schemes. However, at the same time, the Government have decided to reduce the funding available for these schemes initially indicated as 10% but latest figures suggest that this is nearer to 13% because of increasing numbers of claimants.

In December the Cabinet agreed a Local Council Tax Support Scheme for 2013/14 which has made some minor changes to the existing Council Tax Benefit Scheme and proposes additional Council Tax charges on empty and second homes. These changes along with a new grant provided by Government towards the scheme and changes to Council Tax discounts, will meet half of the cost of the reduced Government grant. In addition, the Council will need to make a budget contribution of £1.5m to meet the remaining reduction in the main Government grant for the scheme.

Business Rates - From April 2013 the Government are also transferring responsibility for business rates to Local Authorities. However, this is only a partial transfer as Central Government will still determine the overall level of the business rates charge and will also retain 50% of the business rates income. The Council will therefore be responsible for 50% of the risk of non-collection of business rates. In the current economic climate the number of businesses who are going into administration is increasing and the likelihood of non-collection is therefore more significant. Based upon the trend in the last 2 years, the figures included in the forecast allow for a non collection of the Council's share of £0.5m or 1%.

Revenue Support Grant (RSG) – With the above change to business rates whereby Government retain 50% of the income, the Government have reintroduced a Revenue Support Grant. This is to compensate Councils for the amount of business rates that the Government are retaining and at the same time also incorporates a range of other grants that the Council used to receive separately. These include the Early Interventions Grant (£15.5m), the Learning Disability Grant (£7.7m), the Homeless Grant (£0.3m) and the Local Flood Grant (£0.15m). Our current provisional estimate of the RSG is £107.955m.

4. IMPACT IN 2013/14 – 2016/17

An updated assessment has been made of the likely increased financial demands facing the Council as set out below.

Inflation – An assumption has been made that overall general inflation impacting on the Council will be 2% in each of the next 4 years. In the Autumn Statement the Government also indicated that they will restrict public sector pay awards to 1% in each of the next 2 years. The forecast therefore assumes a pay award of 1% in each of the next 2 years and 2% in 2015/16 and 2016/17. However, pay awards in Local Government are negotiated separately and given the financial pressures on Local Government as a whole it may be that negotiated settlements are lower than these assumptions. A lower pay settlement would provide a saving for the Council which would reduce the amount that had to be found from services.

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

Capital Financing – Overall capital funding from Government will continue to be constrained. In order to provide some choice to the Council it is assumed that the capital financing by the Council through prudential borrowing remains at existing levels i.e. just over £4m each year. A further review of the overall capital financing position is being undertaken to identify if any additional savings could be delivered towards the higher savings target that the Council is now facing.

Schools Funding – The forecast includes the additional funding for the pupil premium notified by the Government which increases each year. In line with Government indications, it is assumed that there is no separate increase for inflation in 2013/14 and 2014/15. At this stage 2% has been included for subsequent years.

Other Children's Funding – The current year's budget includes £650,000 for the cost of additional nursery places for 2 year olds. At the time it was indicated that we had not received the full details on eligibility and potentially this provision could prove not to be adequate. Based upon recently published national data, the Government are intending to remove the funding they suggest has been included in the Early Interventions Grant to pay for the scheme. This would result in an overall loss to Bolton Council of £4m over the next 2 years.

WDA/PTA Funding – In terms of Waste Disposal the forecast includes the current assumptions for price increases indicated by the AGMA Waste Contract and the forecast levels of tonnages based upon the current waste collection service.

The PTA levy has been increased in line with the latest forecast from AGMA. This includes a sum of £0.5M per year to reflect the intentions agreed by the AGMA Executive Board to further increase the PTA levy to fund the Greater Manchester Transport Investment Fund. This proposal will need to be kept under review each year in line with decisions taken by AGMA.

Pensions – It is assumed that a 0.7% increase in the cost of pensions will be required in each of the next two years in line with the Actuaries forecast (a 1% increase has been included for subsequent years).

Other – Forecast increased demand in Adult Services has resulted in an additional £400,000 being built into the forecast for the next 2 years in addition to the extra Government funding we receive to also support increased service demand. For 2015/16 and 2016/17 an additional £1m per year has been included as there is no certainty over the continuation of Government funding in the future.

Public Health – On the 1st April 2013 responsibility for Public Health is to transfer to the Council. This transfer will be accompanied by additional resources estimated at £16.3m which are at a similar level to those currently spent on the Service. At the time of writing this report we were still awaiting final confirmation of the funding that we are due to receive from Government. An update will be provided on this at the meeting.

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

Balances – Members will recall that I previously indicated that because of the additional risks being borne by the Council with having a local council tax benefits scheme and the transfer of the risk on business rates collection, that balances should be increased to £10m from April 2013. Balances were increased to £10.3m as part of the 2011/12 final accounts process. The Waste Disposal Authority recently indicated that they are likely to make a fairly significant refund to District Councils during 2012/13. Once this figure is confirmed it will add to the Council's overall Balances position.

The above are reflected in the forecast set out in detail in Appendix A.

5. RESERVES

A summary of the Council's overall reserves is attached at Appendix C. This identifies reserves of £130m, all of which are identified against specific requirements. In developing the savings proposals for 2013/14 and 2014/15, there is already a cashflow shortfall in 2013/14 and there may well be a cashflow shortage in 2014/15 as well. It will be necessary to identify where this is funded from and this will be reflected in the budget report to the Cabinet on the 11th February 2013.

What are Reserves?

- One-off - resources to meet future costs
- General – unallocated reserves that can be used for any purpose, eg. emergencies/unexpected costs
- Specific -
 - Contingencies – to meet identified costs, risks or pressures
 - Planned – to meet specific costs, risks or pressures
 - Tied – that can only be used to meet specific schemes/costs (grant funding)
 - Legal – required to meet specific future costs by a legal requirement

How should Reserves 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
- They are not suitable to fund the on-going revenue budget

Maintaining reserves and funds at an appropriate level is a key element in the Council's strategy for managing its budget savings. The amount of savings the Council is having to face is unprecedented and will result in fairly significant impacts on services over the next few years. Reserves/funds which can only be used for one-off purposes are being maintained to meet one-off or transitional costs or to mitigate the impact on core services. Examples of this are the funding to meet the one-off costs of staff leaving the organisation or being redeployed, the allocation for the voluntary sector to act as transitional funding whilst they make savings and the investment in capital programmes such as the £11m allocated by the Cabinet on the 3rd September 2012 for highways, parks, footpaths etc., to provide key investment and to partially mitigate savings in revenue budgets.

Monitoring of Reserves

The Council recognises that it is important to make the most effective use of reserves/funds and maintain them at a level that is appropriate. The reserves/funds will therefore be re-evaluated each year and any balances that are not required for their original purposes will be considered for one-off investment. It is important that the Council considers the risks and potential additional costs facing it over the following few years as part of this evaluation but any funds surplus to requirements can then be considered for one-off capital projects or investment in initiatives that will save future revenue costs and therefore minimise the impact of any future savings on core services.

6. COUNCIL TAX

In 2011/12 and 2012/13 the Government encouraged Authorities to freeze their Council Tax by offering an additional grant equivalent to a 2.5% increase in Council Tax. This grant is on-going for 4 years in respect of the 2011/12 freeze but is for 1 year only in respect of 2012/13.

The Government also announced the availability of a Council Tax Freeze Grant for 2013/14, equating to 1% of the current years Council Tax base or £1m for Bolton. Freezing Council Tax and accepting the Grant results in the overall savings required increasing by a further £600,000. The budget set out in this report assumes that the Council Tax is frozen and we receive the Freeze Grant.

Earlier this year, the Government announced a 2% Referendum limit for Council Tax increases. In calculating whether this limit has been breached, levies are treated separately. This means that the Council could increase its element of Council Tax by 2%, but the overall increase to the public would be a higher percentage because of the increase in levies.

The decision on the appropriate level of Council Tax should be deferred until all the information is available at the 11th February 2013 Cabinet meeting.

Included in the current year's Council Tax figure is a contribution of £800,000 from the surplus on collection. However, in the current economic climate we have seen a reduction in the amount being collected, which will impact on this surplus. At this stage, a figure of only £400,000 surplus has been included.

7. **EXPENDITURE FORECAST**

Taking into account the changes in the previous sections, a summary of the overall budget position for the next 2 years is as follows:-

	Forecast 2013/14 £000s	Forecast 2014/15 £000s
Previous Year's Net Budget	444,708	473,860
Grants incorporated in RSG	23,622	-
Public Health Transfer	16,300	-
Increases:-		
Schools DSG	4,278	2,189
Non School Services		
Inflation	3,499	3,647
Capital Financing	800	800
WDA / PTA	3,589	3,955
Funding for 2 year old nursery places not required	-650	-
Health Funding for Adult Care	-1,400	-
Other Corporate	267	248
Pensions	831	843
Adults Growth	400	400
LPSA Reward	-1,000	1,000
Savings Required	-21,684	-21,943
Use of Balances 2012/13	300	-
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Budget Requirement	473,860	464,999
Resources		
Direct Schools Grant	223,349	225,538
Retained Local Business Rates	40,897	41,815
Council Tax Contribution *	82,014	83,678
Council Tax Freeze Grant 2013/14	1,100	1,100
New Homes Bonus	2,245	3,000
Revenue Support Grant	107,955	93,568
Public Health Funding	16,300	16,300
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Total Resources	473,860	464,999
Council Tax Increase (indicative) *	0%	2%

Included in the above is additional funding for Adult Social Care channelled through Health (formerly PCT) which has increased by £1.4m in 2013/14. Subject to satisfactory discussion with the Health bodies this funding can be used to offset budget and service pressures in Adult Services.

8. **2013/14 AND 2014/15 SAVINGS PROPOSALS**

The above table identifies that savings of £43.6m are required to balance the budget over the next 2 years. In September 2012 the forecast based upon the information available at that time, indicated that savings of £35.6m were required in 2013/14 and 2014/15.

After identifying savings in financing costs and contingencies of £8m, savings options of £26.6m in service spending were identified (this left a net £1m of savings still to be identified).

These savings were allocated as follows:-

	£M
Adults	3.5
Children's	5.5
Development & Regeneration	1.7
Environment (excl. Waste)	3.9
Chief Executive's	4.0
Corporate	8.0

Proposals to meet these targets are set out in Appendix B.

The overall savings position for the two years 2013/14 and 2014/15 can be summarised as follows:

	£m
Total Savings Required (Appendix A)	43.6
Savings Identified (Appendix B)	<u>34.6</u>
Additional Savings Required	<u>9.0</u>

It is suggested that the Chief Executive and Deputy Chief Executive be asked to explore options for meeting this additional £9m of savings and report back to the Cabinet on the 11th February.

Areas that will be looked at include capital financing, loan repayments, service and corporate budgets, Council Tax options etc.

9. **INITIAL SAVINGS OPTIONS**

The savings options identified in September 2012 have been analysed to reflect the potential impact that savings will have on customers the analysis shows the following:-

Efficiencies	32.1%
Procurement	5.1%
Some Impact	17.1%
Income	0.7%
Service Impact	45.0%

The above impact has been reflected in the Equality Impact Assessment at Appendix G.

10. STAFFING IMPACT

It is not possible to accurately identify the actual number of posts that will be lost until detailed proposals are developed. However, based upon the outline options detailed in Appendix B, it is anticipated that approximately 486 posts may be involved. As identified in the appendix there are 240 vacancies which leaves approximately 246 posts where there is a potential redeployment/redundancy. However in the recent Voluntary Severance and Voluntary Early Retirement initiative there are approximately 150 people who have accepted an offer to leave, which should significantly reduce the numbers at risk. In addition a large number of staff who expressed an interest to go are waiting for the outcome of a service review which should reduce the numbers at risk even further.

In addition, it is anticipated that there may be considerable other job losses in the trading activities within Environmental Services such as cleaning, grounds maintenance etc. These would be as an indirect result of some of the other savings options such as the accommodation changes etc., and also as a result of a reduction in the number of support contracts with other agencies and schools.

In the last 2 years the Council has managed to secure a reduction of 833 posts, all through voluntary means. This has been achieved by:

- Four corporate voluntary severance and voluntary early retirement “campaigns”, to provide the opportunity for people who wish to leave to do so. Vacancies secured through these exercises have either been deleted to deliver immediate savings or held as redeployment opportunities.
- Facilitating voluntary redundancy requests where possible
- Operating a comprehensive redeployment period of 9 months in total, under which staff who are displaced are helped to secure other posts within the council. To date we have redeployed over 60 people
- Deleting all available vacancies; effectively “freezing” external recruitment and covering any service critical gaps through the use of agency staff, fixed-term contracts and internal secondments, pending the appointment of redeployees.

As indicated in the previous paragraph it is intended to continue with these initiatives in order to seek to achieve further voluntary reductions in posts over the next 2 years.

In discussions with the Unions the Council will look at alternatives to making compulsory redundancies and consideration could be given to reducing the overall costs of employment as an alternative. However, the Council will still need to ensure that its budget is within the financial constraints that we face.

11. 2015/16 AND 2016/17 FORECAST

Appendix A includes an initial assessment of the potential additional savings that will be required in those years. This is based upon rolling forward similar changes to those that have taken place in the last two years. In total, additional savings of a further £40m are likely to be required. However there will only be any certainty around this once the Government produce their next Comprehensive Spending Review and issue figures for Local Government in December 2014.

12. COMMUNICATIONS

The scale of change which is taking place as a result of the savings 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 customers/clients, staff, unions, all Members, partner organisations and other interested parties. Communication plans will operate at both an overall corporate level as well as departmental 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.

The information and proposals set out in this report have already been presented to the joint unions at the SLJCC.

13. BUDGET PROCESS

- Formal approval to the initial option proposals agreed by Cabinet today
- Budget PDG/SLJCC – end of January/early February
- Cabinet 11th February 2013 - to consider the overall Budget report, including any additional savings options identified and to recommend Council Tax
- Council on 20th February to approve overall Budget and set Council Tax for 2013/14
- Any further options required to meet the overall 2 year budget requirement will be considered by Cabinet at subsequent meetings

14. CONSULTATION

The £34.6m savings have been the subject of a formal consultation exercise which included:

- Article in Scene explaining the overall budget position and allocation of savings, pointing people to the different ways they could respond to the consultation
- Specific comments/views were sought from 500 targeted households
- Up to 5 organised briefing events were held during the Autumn explaining the budget and the options put forward and again seeking people's views
- Target presentations/discussions with specific groups such as the Third Sector Forum, Business Ratepayers, other groups as appropriate

A report summarising the feedback from the consultation exercise is included in Appendix D. Overall, respondents to the consultation supported the Council's priorities for identifying budget savings and generally the allocation of savings targets over services. 45% of respondents suggested that more savings should be found from the Chief Executive's Department which is understandable as a majority of the expenditure in this area does not provide direct services to the public.

In terms of Council Tax the consultation was based upon a then suggested increase of 2.5% with a budget gap of only £2m. 47% supported the 2.5%, 19% supported 3% and 34% supported 3.5%, with no further service reductions. The position now is more complicated with a larger funding gap to be met by the Council.

A consultation response has been received from the Joint Trade Unions and is attached at Appendix E. The main points from their response are:-

- Urging the Council to be honest about the impact of cuts on services
- Suggesting the Council should look at more collaborative working arrangements with AGMA Authorities

- That the Council should review its Reserves, particularly if redundancies are likely
- Urge the Council to increase Council Tax to raise income rather than cutting services
- To develop an Anti Poverty Strategy and to invest in Anti Poverty measures

These and the other points raised in the Trade Union response have been answered in the Council's reply to the Union, Appendix F, as well as also being picked up within many sections in this report.

15. **EQUALITY IMPACT ASSESSMENT (EIA)**

Members will be aware that the Council's budget process is guided by a clear philosophy, which seeks to protect the borough's most vulnerable people; and limit the impact of the savings on the delivery of the council's priorities as far as possible. Assessing the impact of the Council's financial decisions is therefore an important part of the budget process.

This report provides an update on the financial forecast for 2013-15, and seeks formal approval of a range of savings options totalling £34.6m to be implemented for this period. Members will recall that these options were initially set out in a report to Cabinet on 3 September 2012, and the anticipated impact of these proposals was set out in a Strategic Equality Impact Assessment (EIA) which accompanied the report.

At this early stage in the budget process, the initial assessment of impact for these savings options as a whole has not changed. This is because individual options – and therefore the assessment of impact of each of these options – must be worked up in detail. This work is being phased throughout the two year budget process, and is still ongoing. It will therefore be necessary to allow time for these analyses to take place before a more detailed assessment of the overall impact can be undertaken. This will be brought forward at an appropriate point – or points – in the budget programme.

In the meantime, public consultation has taken place on the Council's strategic budget, and the results are set out in detail in Appendix D of this report. These findings are relevant to the Council's assessment of equality impact, because they provide information on the level of support for the proposals amongst Bolton's residents. In headline terms:

A significant majority of respondents accepted that savings needed to be made, and were aware that the council needed to change the way it delivered its services

- Most respondents agreed with most of the principles which the Council used to set its budget, although the level of support varied from a high of 91% (savings should be made from management and administration before frontline services) to a low of 40% (services should be reduced from excellent to good, or from good to satisfactory)
- Over half of the respondents felt that the right proportion of savings was being taken from each department. However only 38% felt that the right proportion was being taken from the Chief Executive's department, and 45% of respondents felt that more should be taken from this department
- Fifty-nine per cent of respondents agreed with the proposal for £14m capital investment, and a range of comments were received on this proposal
- Opinions on how to meet the budget shortfall were divided, with some respondents preferring smaller council tax increases and more service cuts; and others preferring larger council tax increases and smaller – or no – service cuts

The results from the consultation will be used to inform the delivery of the Council's budget. However, following this public consultation, the Council's financial forecast for 2013-15 has been updated to include the Government's proposed Revenue Support Grant for Local Government. This has had a significant impact on the Council's budget, and the level of savings required is now higher than anticipated. The budget set out at appendix A shows that savings of £43.6m will now be required for the 2013-15 period - £8m more than was forecast in September 2012. Following the approval of the savings totalling £34.6m set out in this report, this will leave a balance of further savings of £9m to be identified.

As explained in previous strategic EIAs, with every budget saving which must be delivered, it becomes increasingly difficult for the Council to balance its budget while limiting the impact of this on service delivery. In order to deliver the additional savings which are now required – on top of those which have already been made, or are in the process of being made – some very difficult decisions will have to be made. It is proposed that options to meet these outstanding savings are developed and reported to Cabinet on 11th February 2013.

It will of course be necessary to understand the impact of these additional savings, and what this means for the Council's assessment of equality impact. This will be set out in a further Strategic EIA, which will accompany the report to Cabinet on 11th February.

In the meantime, the Strategic EIA relating to the initial savings proposed for the 2013-15 period is attached again at appendix G. This has been amended to reflect the results of the strategic budget consultation, and the changed financial context.

16. CONCLUSION

Feedback from the public consultation exercise generally supports the Council's approach to savings and doesn't raise any major objections to the overall distribution of the savings target or the savings options themselves. Feedback from the Trade Unions similarly recognises the need for savings and raises some issues, none of which would suggest the Council needs to change its budget strategy. Given this feedback and the now increased savings target facing the Council, it is recommended that the budget options agreed in September for 2013/14 and 2014/15 be formally agreed and implemented.

It is suggested that the Chief Executive and Deputy Chief Executive be asked to identify options to meet the £9m gap in the further savings required and report back to the Cabinet on the 11th February 2013.

MEDIUM TERM FINANCIAL STRATEGY 2013-2017

	Forecast 2013/14 £000s	Forecast 2014/15 £000s	Forecast 2015/16 £000s	Forecast 2016/17 £000s
Previous Year's Budget	444,708	473,860	464,999	450,514
Grants incorporated in RSG	23,622	-	-	-
Public Health Transfer	16,300	-	-	-
Increases:-				
Schools DSG	4,278	2,189	-	-
Non School Services				
Inflation	3,499	3,647	5,150	5,150
Capital Financing	800	800	-	-
WDA / PTA	3,589	3,955	2,100	1,700
Other Corporate	267	248	250	250
Pensions	831	843	1,050	1,050
Adults Growth	400	400	1,000	1,000
Funding for 2 year old nursery places – not required	-650	-	-	-
Health Funding for Adult Care	-1,400	-	-	-
LPSA Reward	-1,000	1,000	-	-
Savings Required	-21,684	-21,943	-24,035	-15,524
Use of Balances 2012/13	300	-	-	-
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Budget Requirement	473,860	464,999	450,514	444,140
Resources				
Direct Schools Grant	223,349	225,538	225,538	225,538
Retained Local Business Rates	40,897	41,815	42,651	43,504
Council Tax Contribution *	82,014	83,678	86,480	88,190
Council Tax Freeze Grant 2013/14	1,100	1,100	-	-
New Homes Bonus	2,245	3,000	3,800	4,600
Revenue Support Grant	107,955	93,568	75,745	66,008
Public Health Funding	16,300	16,300	16,300	16,300
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Total Resources	473,860	464,999	450,514	444,140
Council Tax Increase (indicative) *	0%	2%	2%	2%

APPENDIX B**2013/15 Budget Options - Summary**

Service/Option	Savings 2013/15	Estimated Staff Impact		
	£000	Total Posts Deleted	Vacant Posts	Redeployed/ Redundant
Adult Services	3,560	164	56	108
Children's Services	5,465	146	55	91
Development & Regeneration	1,700	25	10	15
Environment	3,950	68 *	56	12
Chief Executive's	4,000	71	53	18
Corporate Savings Options	8,000	12	10	2
Total New Options	26,675	486	240	246

* In addition there may be impacts on other posts within trading activities as a result of the options within other services, e.g. accommodation changes

2013/15 Budget Options - Adult Services

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Council run Care services– the aim is to reduce costs in order to maximise the opportunities to retain Council run services wherever possible. This will be achieved through service review and redesign and other cost reductions and will cover the Networks, Outreach, Day Care, Extra Care and Respite.	1,000	454	50 FTE		50 FTE
Supported Housing Networks – potential transfer of 10 houses to the current contracted provider over the next 2 years, dependent on the level of vacant posts within the networks. Commencement will depend on the levels of vacancies	650	Included in Care Services option above	100	47	53
Care Management – original option was to review the assessment process and data collection, and to streamline the process. In the light of other changes and reviews in Adult Services, it is suggested that this option not be progressed at this stage					
Procurement Plan – re-tender a range of services provided by the private and voluntary sectors with a view to securing better prices & service redesign. This will include floating support, offender services, young people's accommodation, voluntary sector grants etc. This will commence from September 2012 and run through until 2013	970				
Day Services Relocation – exit 3 centres as leases expire. To relocate staff and users, and maximise remaining provision for current users following individual reviews. This will commence from October 2012	100				

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Strategy & Commissioning – review of staffing structure in the service & consider a charge for training to the independent sector. This will commence from October 2012	310	101	14	9	5
To continue to reduce Council subsidy on care services by increasing charges in Meals, (by 50p per year to £4) Transport (by 50p per year to £4) and Day Care (by £5 per year to £20 per day). The consultation will commence from September 2012 with implementation planned for April 2013 & April 2014	100				
Transport Savings – review of routes to day care (see proposal above) and rescheduling in order to achieve efficiencies in the transport service (130k secured in 2012-13). This will be delivered following the completion of the day services proposal	230				
Supplies and Services – savings across the department in these budget headings. This will occur April 2013 & April 2014	200				
Total Adult Options	3,560		164	56	108

2013/15 Budget Options - Children's Services

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Play & Youth – rationalisation of building stock with movement of some service delivery into alternative venues and closure of some buildings. Reduction in levels of service and targeting remaining services to areas of greatest need. Proposals to come forward in Autumn 2012	600	113 posts (61 FTE)	Upto 18	14	Upto 4
Children's Centres – reduction in universal activity in all centres and potentially reduction in family support by raising thresholds. Possible transfer of some centres to alternative management arrangements. Reduction in supplies and services. Proposals to come forward in Autumn/Winter 2012/13	1,500	156 posts (135 FTE)	Upto 48	18	Upto 30
Key Workers in Schools – mainly based in schools, but some central provision. Focus on attendance, behaviour, early disengagements from school. Reduction in staff numbers and targeting of resource to schools with highest levels of need. Retain some central function for statutory provision to vulnerable NEETS. Proposals to come forward in Autumn 2012	530	33 posts (31 FTE)	Upto 25	5	Upto 20
Staying Safe – removal of spend in previously ring fenced grant area (care matters). Pick up via pupil premium and contingency.	400				
Personal Advisors – PA's located in all secondary schools and a small central provision. Education Act 2012 transferred responsibility for careers advice to schools from September 2012. Removal of all school based PA's, retain small central service for remaining statutory responsibility. Proposals to come forward in Autumn 2012	870	37 posts (33 FTE)	Upto 25	6	Upto 19
Reduced Services Commissioned from the Voluntary Sector. The saving will be made out of the current budget which totals £1.5m. Proposals to come forward during 2013	225				

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Support Service Savings/Full Year Effect of 2012/13 – ICT systems, schools ICT, faith based travel and admin support	460	152 posts (126 FTE)	Upto 28	12	Upto 16
SEN Transport – Consideration of payments/incentives to parents/carers to transport children to school, to reduce dependency on Council transport. Proposals to come forward during 2013.	100				
Children with Disabilities – re-configurations and efficiencies within the service	300				
Music Service – increase income	100				
SRE and Young Mums – proposal to delete the 2 posts, as LA no longer has the responsibility to do curriculum support for SRE, and the functions of the post in the Young Mums Unit is duplicated with other staff of the Council	80	2 posts 2 FTE	2		2
Looked after Children and Staying Safe – to maximise use of Bolton carers, adoption and reducing use of external placements, with other savings from the overall staying safe budget	300				
Total Children's Options	5,465		146	55	91

2013/15 Budget Options - Development & Regeneration

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Review of Housing Services – <ul style="list-style-type: none"> • Re-organisation of the housing services, including a reduction in staffing • Focus on statutory functions • Reduction in revenue expenditure budget It is anticipated that the majority of savings will be delivered through management and administrative savings in order to minimise the impact on the services delivered to the public in terms of homeless/housing advice and guidance and safeguarding services. Report in Autumn 2012	600	92	17	4	13
Strategic Development Service – <ul style="list-style-type: none"> • Reduction in staffing, to reflect capacity required to deliver medium term priorities • Reduction in revenue expenditure budget Will still enable the major programmes and events to continue. Any new initiatives/projects will require a change in priorities or provide their own funding. Report to be submitted during 2013	400	20	3	1	2
Planning – the funding for the LAMP Contract which provides land searches is no longer required	170	38			
Economic Strategy Team <ul style="list-style-type: none"> • Deletion of vacant posts 	72	32	2	2	0
Senior Management Restructure – reductions already delivered	100	6	3	3	
General Efficiencies <ul style="list-style-type: none"> • Deficit Repayment – no longer required as deficit fully repaid • Management of cash limited budgets • Reduction in Operational Budgets 	358				
Total D&R Options	1,700		25	10	15

2013/15 Budget Options - Environment

Service/Option	Savings 2013/15	Number of posts	Estimated Staff Impact		
	£000		Total Posts Deleted	Vacant Posts	Redeployed/ Redundant
<p>Highways & Engineering – A review of the provision for tripping claims will be undertaken which it is anticipated will deliver part of the savings. The remaining savings will require a further fundamental service review in the second half of 2013 which will result in across the board reductions in levels of maintenance on all aspects of the highways asset including:</p> <ul style="list-style-type: none"> • Highways and Structures • Street lighting and signs • Highway drainage and culverts • Winter Maintenance. <p>In addition to a review of Highways Management and Administration and increasing fees and charges, we will revise our approach to resource allocation which is likely to include:</p> <ul style="list-style-type: none"> • A prioritisation of strategic routes against residential roads. • Increasing response times with a higher tolerance towards defects. • Removing assets from the network when they are beyond the end of their useful lifespan. • No further responsive casework unless it attracted additional funding. • A full review of the Winter Maintenance service aimed at reducing costs via less frequent grits or a reduction in the number of grit bins across the network. <p>In terms of the staffing numbers the number of potential redeployed/redundant staff could be higher as their skill sets may not match those required for the vacant posts. Proposals to come forward during 2013</p>	1,165	238 (including 73 School Crossing Patrollers)	36+	27	9+

Service/Option	Savings 2013/15	Number of Posts	Estimated Staff Impact		
	£000		Total Posts Deleted	Vacant Posts	Redeployed/ Redundant
Neighbourhood & Regulatory Services – there will be a further fundamental service review in 2013 with savings delivered by further reductions and reducing response times in: <ul style="list-style-type: none"> • Street Cleansing – further reduction, 2 large sweeper vehicles and no dedicated graffiti team. • Education and Enforcement – reduction in complaints handling • Parks and open spaces – further reduction in grass cutting teams impacting on quality standards, review provision and inspection of Play Areas, Sports Pitches, Bowling Greens, Allotments, Buildings and Maintenance. Review of Animal World and Public Conveniences in Parks. • Reduced Management, Administration and Technical Expertise impacting on service delivery and resolving customer issues. (Current demand is already greater than capacity). <p>In terms of the staffing numbers the number of potential redeployed/redundant staff could be higher as their skill sets may not match those required for the vacant posts. Proposals to come forward during 2013</p>	1,197	250	24+	24+	0

Service/Option	Savings 2013/15	Number of posts	Estimated Staff Impact		
	£000		Total Posts Deleted	Vacant Posts	Redeployed/ Redundant
Community Services – changes remodelling/downsizing, introducing new technology, increasing fees and charges in order to deliver savings in the following (principally trading) services: <div style="display: flex; justify-content: space-between;"> <div> Albert Halls * Bereavement services Building Cleaning CS Management Markets School Meals Security & Response SNT * Supported Employment TOTAL POSTS </div> <div> 114 23 407 1 24 413 115 253 10 1360 </div> </div> * NB Plus 38 Casual Staff in Albert Halls / 71 Casual Staff in SNT (**)The figures will increase as a result of other Departments' Savings Options	59	30 (plus 1330 posts in trading areas)	4+(**)	4+(**)	0(**)
General Service Efficiencies – Savings in this area include: <ul style="list-style-type: none"> Reduction in out of hours working Income Generation and management of cash limited budgets Review of Finance and Business Development early in 2014 	729	22	4	1	3
Deficit Repayment – no longer required as deficit fully repaid	800		0	0	0
Total Environmental Services Options	3,950		68	56	12

[Please note: These figures only include posts for which there is direct revenue funding in Environmental Services' budgets]

2013/15 Budget Options - Chief Executive's

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Restrict National Charities Rate Relief to Government Guidelines –The proposal is that national charities will continue to receive the 80% mandatory relief but that we no longer allow the 20% local discretionary rate relief. Discretionary Rate relief will continue for local charities. Report in Autumn 2012.	100				
Customer Services – savings by migrating customers from face to face and telephone based support to web access. To deliver this there will be some reductions in staff (12 posts) which may lead to some increased waiting times and queues and some impact on cash collection and benefits processing if migration to web is not successful.	253	124	12	12	0
HR and Training – a review of all activities prioritising on those things that deliver the core strategic objectives resulting in a staffing review. Proposals will come forward during 2013.	507	81	Upto 14	10	4
Community Safety and Neighbourhoods – a review of all activities prioritising on those things that deliver the core strategic objectives of the Council resulting in a staffing review. Proposals will come forward during 2013.	200	22	Upto 5	3	2
Marcomms – reducing current marketing, communications and consultation activities, prioritising on those things that deliver the core strategic objectives of the Council and less focus on smaller departmental activities. Proposals will come forward during 2013.	150	24	Upto 4	4	0
Policy, Performance and Democratic – a review of all activities prioritising on those things that deliver the core strategic objectives of the Council resulting in a staffing review. Proposals will come forward during 2013.	120	28	Upto 3	1	2

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Financial Support Services – an overall staffing review which will result in priority activities only being possible. This will impact on the Services ability to support other Departments in delivering savings. Proposals will come forward during 2013	385	103	Upto 10	6	4
Savings from ICT Tender – finalised savings will be identified by the end of 2012	500				
Savings from Oracle System – initial investment now fully repaid enabling the annual repayment provision to be deleted.	445				
Benefits Savings –Revising processes and deleting vacancies. Whilst this saving is achievable the Service is under considerable pressure due to an increasing number of claimants and major changes to legislation.	125	117	5	5	
General Efficiencies – in running costs, printing, deletion of vacancies (several part posts), reducing overheads, cash limiting budgets etc. across the Department..	505	22	5	5	
Review of ICT Licences – reduction in numbers of licences and associated fees paid out of ICT budgets	200				
Trading Accounts – Legal/Property – A review of the services and structures with savings being mainly by the deletion of vacancies	340	106	Upto 8	7	1
Joint Working across new Department etc. Details of this option will be developed over the next 12 months	170		Upto 5		5
Total CE's Options	4,000		71	53	18

2013/15 Budget Options - Corporate Savings Options

Service/Option	Savings 2013/15	Estimated Staff Impact			
	£000	Total Posts	Total posts deleted	Vacant Posts	Redeployed/ Redundant
Waste Collection/Disposal – changed arrangements to increase recycling and less frequent collection of residual waste, reducing Waste Disposal charges. Detailed report will come forward later in September 2012.	2,600		8	8	
CT Benefits/Discounts – implementation of revised proposals around the localised Council Tax Support Scheme and changes to discounts on empty properties. Agreed for consultation in August 2012.	1,500				
Area Forum/Neighbourhood Management – replacement of core funding with annual contribution from Airport Dividend	700				
Leisure – reduce subsidy to be negotiated with the Trust of £300,000 with savings in the Council's own provision of £100,000. Report in early 2013.	400				
Voluntary Sector Grants – overall reduction in the current level of grants awarded out of the existing budget of £1.3m. Report during 2013.	250				
Members – savings from Members budgets	100				
Authority wide departmental re-organisation/senior management changes. Proposals will come forward in Summer 2013.	500		4	2	2
Accommodation Savings – by rationalising office facilities in the Town Centre. Maybe reductions in posts from support services such as cleaning, caretaking as these options are finalised	1,000		?	?	?
Savings in pension costs through 2011/2 year end adjustments	550				
Savings from street lighting energy measures – investing in more efficient lighting	400				
Total Corporate Savings Options	8,000		12	10	2

RESERVES

Set out below is an overall summary of the Council's current reserves:-

	£m
General Fund Balances – unallocated reserves required to meet shortfalls in Council Tax/Business Rates collection, the cost of emergencies and exceptional items of expenditure (this is lower than recommended by the Audit Commission)	10.3
School Balances – these can only be used by schools	8.1
HRA/Trading Account - required to meet any under-writing risks Following the transfer to Bolton at Home, particularly environmental and Equal Pay issues	9.3
Insurance – required to meet insurance claims (an Audit requirement)	6.5
Capital	30.2
Committed/Legal Reserves	13.5
Specific Reserves to meet future costs	17.3
Equal Pay – provision to meet any potential future costs arising out of any Equal Pay claims (to avoid additional in-year savings being required)	6.0
Redundancy/Redeployment – Provision to meet the one-off cost of staff leaving the organisation as part of the 2013-15 budget savings	6.0
Energy/Fuel Reserve – contingency to meet any in-year price increases in what is a very volatile and unpredictable market	1.2
Service Specific Reserves	22.2

Total	130.6

Strategic Budget Consultation - Summary

- 1.1 The consultation sought to ascertain the views of interested parties on the financial challenges faced by the council over the next few years.
- 1.2 A **sample survey** was posted to a random sample of 10,000 households in the borough. A **universal survey** was also available on-line, which could be printed on request to ensure everyone had the opportunity to comment on the proposals.
- 1.3 819 responses were received from the sample survey and 95 from the universal survey.
- 1.4 **Summary of the results**
- 1.5 Most respondents agreed with the principles put forward: 91% agreed that savings should be made from management and administration before frontline services, 90% agreed that services for vulnerable children and adults should be protected, 70% agreed that economic prosperity should be improved and that the gap between the most and least well off should be narrowed, and 68% agreed that services should be targeted towards those with the most need, rather than being universal. Only 40% of respondents agreed that services should be reduced from excellent to good, or from good to satisfactory.
- 1.6 Over half the respondents felt that the right proportion was being taken from each department, however only 38% felt that the right proportion was being taken from Chief Executive's department, with 45% feeling that more should be taken.
- 1.7 When asked to choose between three options to address the £2m budget shortfall, 47% felt that council tax should be increased by 2.5% and additional service cuts made, 34% agreed with an increase of 3.5% for 2 years, and 19% said council tax should increase by 3% for 2 years with services cuts to address the £1m shortfall. Eighty six per cent of respondents accepted that savings had to be made, 85% were aware that the council needed to change the way it delivered services and 51% thought that the council was doing its best under difficult circumstance.
- 1.8 Alternative suggestions were made to address the budget shortfall, the top five being: 122 respondents felt staff costs could be cut, 105 suggested other efficiencies such as emptying bins less frequently and turning off lights when buildings were unoccupied, 61 thought that revenue could be increased and capital realised by selling buildings etc, 51 respondents thought it important to save in the long term by spending on proactive / preventative services and 50 thought costs associated with councillors and the mayoral role should be reduced.
- 1.9 Fifty-nine per cent of respondents agreed with the proposal for £14m capital investment. Comments were made by 260 respondents and the top five categories were: 80 respondents felt that £5m was too much to allocate to Bolton town centre, 64 felt it depended on the exact nature of the proposals or that money shouldn't be spend for the sake of spending it, 52 agreed that £4m or more needed to be allocated to highways, 49 made other suggestions as to how the money be spent, although not all appeared to involve capital

projects, and 40 respondents said that money should be spent on towns and areas other than Bolton town centre.

Strategic Budget Consultation - Detail

1.0 Methodology

- 1.1 The consultation sought to ascertain the views of interested parties on the financial challenges faced by the council over the next few years.
- 1.2 A **sample survey** was posted to a random sample of 10,000 households in the borough. Those selected were sent a copy of the questionnaire, covering letter and supporting information together with a pre-paid envelope.
- 1.3 As only these 10,000 households had the opportunity to respond, a **universal survey** was also available on-line, with a printed version on request to allow everyone to comment on the proposals.
- 1.4 The consultation was publicised via the press and on the council's website. It was also sent to e-view, the council's electronic survey panel.

2. Analysis information

- 2.1 This section gives results for the sample survey.
- 2.2 The 95 responses to the universal survey are included at page 33, as the differing methodology means that the two surveys cannot be combined.
- 2.3 Percentages may not total 100 due to rounding or where multiple responses were allowed. All 'don't knows' have been excluded from the report.
- 2.4 Open-ended questions were included in the survey to give respondents the opportunity to suggest alternative solutions and to comment on the proposed capital investment. Those comments have been categorised into a number of themes.

3.0 Results

- 3.1 819 responses were received to the sample survey

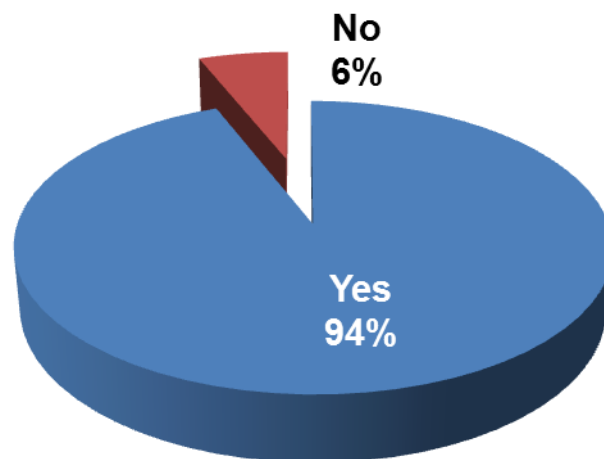
3.1.1 Respondent profile

Respondents were asked to indicate in what capacity they were completing the questionnaire and 98% were answering as residents. The age range was 42% who were 65 or over, 39% who were aged 46-64, and 19% who were 45 or under. The ethnic makeup of respondents was 89% White British and 5% were Asian or Asian British, with the remainder from other ethnic groups. Seventy one per cent had no caring responsibilities and 67% said their day-to-day activities were not limited due to long term illness or disability.

4.0 Responses

4.1 The council's principles

Q1: Based on the information provided, do you understand what proposals are being put forward?



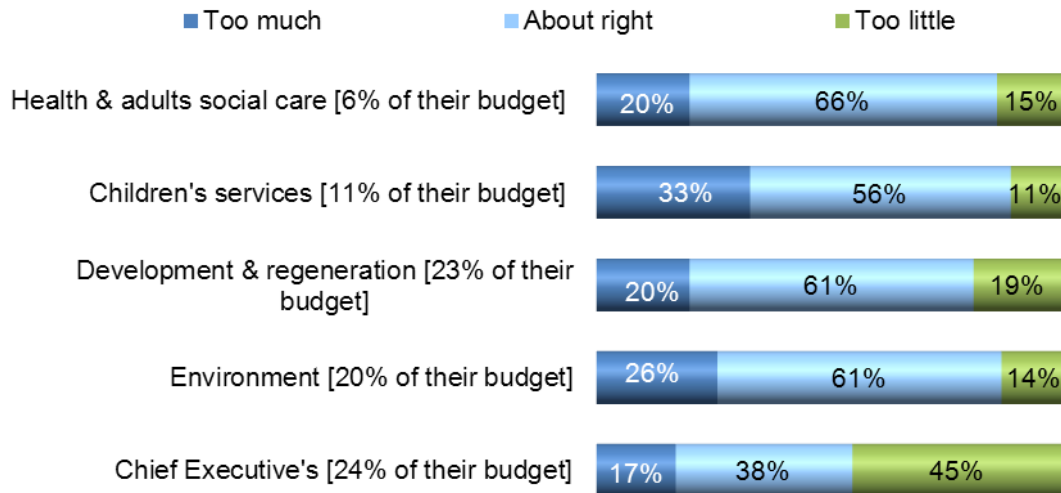
Base: 722 respondents

Q2 How strongly do you agree or disagree with these principles?

	% in agreement	Base
Make savings from management and administration before front line services	91%	789
To protect services for the most vulnerable children and adults	90%	797
To continue to improve economic prosperity and narrow the gap between the most well off and the least	70%	784
To move from universal services – available to anyone – to targeting provision for those most in need	68%	789
While putting the needs of local people first, seek to minimise compulsory redundancies for council staff	63%	794
Reduce the level or quality of services from excellent to good, or from good to satisfactory	40%	783

4.2 Savings targets

Q3 Each department has outlined detailed proposals for achieving these savings. Due to legal responsibilities to provide adult and children's social care and the council's priority to ensure these services are the least affected, the savings targets for these services are significantly smaller proportion of their overall budgets in comparison to other departments. Do you think that we are taking the right proportion from each?



Base: 767 to 782 respondents

4.3 Council Tax

Q4 The proposals put forward in the report are based on a 2.5% increase in council tax, but this still leaves the council with a shortfall of 2m. Which, if any, of the options below is the best solution to this issue?



Base: 749 respondents

During the consultation fieldwork period the Government announced a council tax freeze for 2013/14. Therefore, it should be noted that this may have had an impact on the way in which respondents answered this question.

4.4 Managing change

Q5 The council is currently going through an unprecedented period of change. As described above, in making decisions about what to change, the council's priority is to maintain support for vulnerable children and adults within the borough. With this in mind, please state how strongly you agree or disagree with the following statements.

I am aware of the need for the council to change the way it delivers its services

85%

I accept that savings have to be made

86%

I believe the council is doing its best under difficult circumstances

51%

Base: 765 - 782 respondents

4.5 Alternative solutions

Q6 Can you think of any other ways Bolton Council can make the savings whilst still delivering statutory services?

Comments made by 356 respondents have been grouped into categories, which are shown in the following table:

Q6 – comments	Number of respondents
Cut staff costs	122
Other efficiencies [e.g. empty bins less, turn lights off etc.]	105
Increase revenue / realise capital	61
Spend on preventative / proactive services etc.	51
Cut costs - Councillors / Mayor / MP's	50
Restrict or cut services and benefits	38
Cut communication costs	23
Work with other Councils / agencies / private and voluntary sector	23
Reduce non-profit making outgoings, events, grants etc.	21
Cancel / don't implement projects	18
Clarify / simplify services	7
Challenge Government	6
General positive comment	2
General negative comment	2

Respondents suggested that **staff costs** could be reduced by cutting salaries, overtime and bonus payments, pensions and other 'perks'.

Other efficiencies included not starting schemes and then ending them soon afterwards turning off lights in unused buildings at night and not having buildings floodlit, and not encouraging spending for the sake of it, especially at year end.

Respondents suggested that we '**increase revenue / realise capital**' by raising services charges [such as fees for childrens centres, library loans and transport], passing on full costs of council services to partners such as schools, and realising capital by selling buildings and our portion of Manchester Airport.

Some respondents felt that it was necessary to '**spend on preventative / proactive services etc.**' e.g. services for vulnerable people and doing road repairs properly etc. to save money in the long run. Offering things such as free parking or lower business rates could improve overall revenue.

'Councillor / mayoral costs' could be cut by having fewer councillors, cutting allowances and expenses and holding fewer civic events.

It was also suggested that we '**restrict services and benefits**' and comments here included respondents who thought the cuts did not go far enough, and those who thought that services should be restricted to certain people.

Other respondents suggested that we '**cut communication costs**' by having more electronic communications, scrapping Scene and not undertaking consultations.

Money could also be saved by '**working with other Councils / agencies / private and voluntary sector**', which included having joint teams across a number of local councils / the NHS, involving the private sector in efficiency drives or sponsorship and using voluntary, unemployed or community payback labour for litter picking etc.

Under r

educe non-profit making outgoings, events, grants etc., respondents made comments about not spending on statues and street furniture, cutting any grants to clubs etc. and no longer holding events unless they paid for themselves.

'Cancel / don't implement projects' refers to projects such as the bus station move, town centre improvements and various changes to highways [traffic calming etc] which were not seen as improvements.

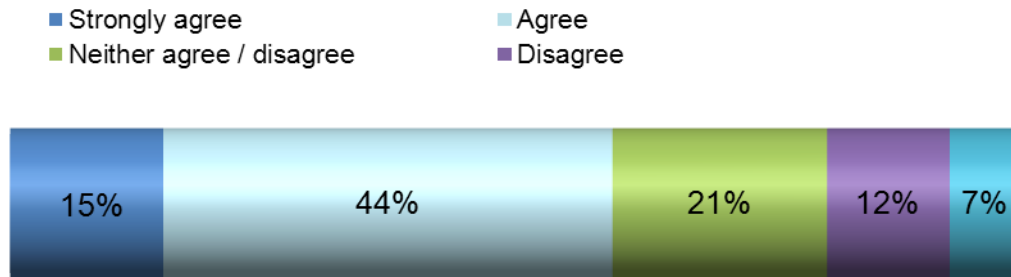
Respondents also asked for **more clarity** from the council, so it was clear what they were paying for.

'Challenge Government' includes respondents who felt that cuts to council's budget were wrong, or that the council should request that the level of statutory services we were required to provide should be reduced.

4.6 Investment

Respondents were given information about £14 million earmarked for projects, using one-off capital funding and the planned spend breakdown and asked:

Q7 To what extent do you agree or disagree with this proposal?



Base: 778 respondents

Q8 Do you have any comments about the proposals for one-off capital investment?

Comments made by 260 respondents have been grouped into categories and are shown in the following table:

Q8 - Category	Number of respondents
Allocated amount too high - Bolton town centre	80
Depends on what money is spent on / don't spend for sake of it / money wasted in past	64
Agree with / increase amount - Highways	52
Other ideas / services	49
Money should be spent on other towns / areas	40
Agree with / increase amount - Bolton Town centre	24
Agree with / increase amount - Green spaces	19
Agree with / increase amount - Footpaths	18
Agree with / increase amount - Housing	18
General positive comment	14
Allocated amount too high - Green spaces	13
Allocated amount too high – Highways	7
Allocated amount too high – Housing	6
Allocated amount too high – Footpaths	4
Look at other towns [Bury, Manchester etc.] / countries for ideas	4
General negative comment	3
Involve private sector	3

‘Other ideas / services’ includes those who thought the money should be used to reduce the cuts in services eg adults social care, and respondents who suggested for example using the money to provide free parking or lower shop rents in Bolton, which could attract more businesses / shoppers and ultimately improve revenue.

Depends what money is spent on / more detail needed / don't spend for sake of / money wasted previously’ – includes respondents who thought that money should not be spent just because it was available, and those who required more details on what was proposed, sometimes saying that they felt money had been wasted in the past, citing for example the market hall development.

Universal survey results and copy of questionnaire for universal and sample surveys

Budget consultation: have your say



Background

We are seeking your views on the financial challenge Bolton Council faces over the coming years. Significant reductions in funding from central government mean we have to make savings of £35.6m over the next two years and this comes after £60m of savings made over the previous two years.

The council has outlined plans to make the savings and deliver a balanced budget for 2013/15 and is now consulting on these proposals. Given the financial challenges facing the council it is important that residents express their views to help guide and shape decisions. A summary of the key budget proposals that the council is considering for 2013/15 is enclosed. Please take a look at the enclosed information and then complete the questionnaire.

The council's principles

Based on the information provided, do you understand what proposals are being put forward?

[tick one box only]

80 (89%) Yes

10 (11%) No

A number of principles have been considered when determining where to make the savings. The intention is to minimise the impact for vulnerable children and adults but set against the context of reduced funding.

How strongly do you agree or disagree with these principles? [tick one box per row]

	Strongly Agree	Agree	Neither agree / disagree	Disagree	Strongly disagree
To protect services for the most vulnerable children and adults	52 (55%)	33 (35%)	5 (5%)	3 (3%)	1 (1%)
To continue to improve economic prosperity and narrow the gap between the most well off and the least	30 (33%)	42 (46%)	10 (11%)	6 (7%)	4 (4%)
Make savings from management and administration before front line services	44 (47%)	37 (40%)	6 (6%)	6 (6%)	0 (0%)
To move from universal services - available to anyone - to targeting provision for those most in need	21 (23%)	39 (42%)	9 (10%)	18 (20%)	5 (5%)
Reduce the level or quality of services from excellent to good, or from good to satisfactory	12 (13%)	20 (21%)	16 (17%)	33 (35%)	13 (14%)
While putting the needs of local people first, seek to minimise compulsory redundancies for council staff	31 (33%)	25 (27%)	17 (18%)	13 (14%)	7 (8%)

Savings targets

The target savings for Adult Services will be capped at £3.5m (6% of the department's budget) and Children's Services will be £5.5m (11% of the department's budget). As a consequence, the savings targets for Environmental Services (excluding waste collection and disposal) will be £3.9m (c20% of the department's budget) for Development and Regeneration £1.7m (c23% of the department's budget) and £4m for the Chief Executive's (24% of the department's budget).

In addition, a further £10m will be found from a range of corporate and cross departmental budgets including waste collection and disposal, reductions in senior management, accommodation rationalisation and leisure services.

As major efficiencies have already been made over the past two years - including reducing costs across all services, as well as making reductions in management, administration and the number of buildings - this means around 60% of the savings will result in reductions in services.

Each department has outlined detailed proposals for achieving these savings. Due to legal responsibilities to provide adult and children's social care and the council's priority to ensure these services are the least affected, the savings targets for these services are significantly smaller proportion of their overall budgets in comparison to other departments.

Do you think we are taking the right proportion from each? [tick one box per row]

	Too much	About right	Too little
Health and Adult Social Care (6% of their budget)	18 (19%)	60 (64%)	16 (17%)
Children's Services (11% of their budget)	33 (35%)	49 (52%)	12 (13%)
Development & Regeneration (23% of their budget)	27 (29%)	51 (55%)	15 (16%)
Environment (20% of their budget)	29 (31%)	54 (58%)	10 (11%)
Chief Executive's (24% of their budget)	10 (11%)	36 (39%)	47 (51%)

Council tax

The proposals put forward in the report are based on a 2.5% increase in council tax, but this still leaves the council with a shortfall of £2m. Which (if any) of the options below is the best solution to this issue? [tick one box]

- 30 (34%) Keep the suggested increase of 2.5%* in council tax and make further cuts in services to make up the £2m shortfall
- 18 (20%) Increase council tax by 3%* for two years (which would bring an extra £1m) and make further cuts in services to make up the £1m shortfall
- 41 (46%) An increase of 3.5%* for two years (which would bring an extra £2m) and avoid any further cuts in services

* An increase of 2.5% in council tax on a band **A** property would add £23 and band **C** would add £31 to the yearly bill

* An increase of 3.0% in council tax on a band **A** property would add £28 and band **C** would add £38 to the yearly bill

* An increase of 3.5% in council tax on a band **A** property would add £33 and band **C** would add £44 to the yearly bill

Managing change

The council is currently going through an unprecedented period of change. As described above, in making decisions about what to change, the council's priority is to maintain support for vulnerable children and adults within the borough. With this in mind, please state how strongly you agree or disagree with the following statements. [tick one box per row]

	Strongly Agree	Agree	Neither agree / disagree	Disagree	Strongly disagree
I am aware of the need for the council to change the way it delivers its services	42 (45%)	43 (46%)	6 (6%)	1 (1%)	1 (1%)
I accept that savings have to be made	36 (40%)	42 (46%)	3 (3%)	7 (8%)	3 (3%)
I believe the council is doing its best under difficult circumstances	12 (13%)	26 (28%)	22 (24%)	23 (25%)	9 (10%)

Alternative solutions

Can you think of any other ways Bolton Council can make the savings whilst still delivering statutory services?

68 (100%)

Investment

A total of £14m has been earmarked for projects aimed at boosting the local economy, housing and infrastructure through the use of one-off capital funding. Capital money is available for one-off projects but not to fund services which may need money every year. The investment package includes spending £5m in Bolton Town Centre, £4m for highway improvements and additional money for green spaces, footpaths and housing.

To what extent do you agree or disagree with this proposal?

Strongly Agree	Agree	Neither agree / disagree	Disagree	Strongly disagree
17 (19%)	34 (38%)	15 (17%)	16 (18%)	8 (9%)

Do you have any comments about the proposals for one-off capital investment?

50 (100%)

About you

So that we can understand how our proposals affect different residents, we would be grateful if you could answer the following questions.

Please tick the box that most closely describes your interest in this issue

67 (71%) A resident in Bolton	0 (0%) From a community or voluntary group
23 (24%) A Bolton Council member of staff	2 (2%) A business in Bolton
1 (1%) An interested partner organisation	1 (1%) Other (please state below)
1 (100%)	

If you are responding on behalf of an organisation, group or business you do not need to complete the rest of this section

Please tell us your postcode? 80 (100%)

What is your age? 76 (100%)

What is your ethnic origin?

76 (86%) White British

1 (1%) Other white

1 (1%) Mixed / multiple ethnic groups

3 (3%) Asian / Asian British

0 (0%) Black / African / Caribbean / Black British

0 (0%) Other ethnic group

7 (8%) Prefer not to say

Are your day to day activities limited because of a health problem or disability which has lasted or expected to last, at least 12 months?

7 (8%) Yes, limited a lot

13 (14%) Yes, limited a little

71 (78%) No

Do you look after, or give any help or support to family members, friends, neighbours or others because of either a long term physical or mental ill health / disability or problems due to old age? (do not count anything you do as part of your paid employment)

66 (73%) No

5 (5%) Yes, 20-49 hours a week

18 (20%) Yes, 1-19 hours a week

2 (2%) Yes, 50 hours or more a week

Thank you for completing this questionnaire.

Universal survey results

Q6 – Can you think of any other ways Bolton Council can make the savings whilst still delivering statutory services - comments from 58 universal survey respondents	Number of respondents
Cut staff costs	18
Cut communication costs	12
Work with other Councils / agencies / private and voluntary sector	9
Cut costs - Councillors / Mayor / MP's	8
Reduce non-profit making outgoings, events, grants etc.	8
Other efficiencies [e.g. empty bins less, turn lights off etc.]	7
Spend on preventative / proactive services etc.	7
Increase revenue / realise capital	6
Cancel / don't implement projects	4
Challenge Government	3
Restrict or cut services and benefits	2
Clarify / simplify services	2
General positive comment	1

Q8 Do you have any comments about the proposals for one-off capital investment? - comments from 44 universal survey respondents	Number of respondents
Depends on what money is spent on / don't spend for sake of it / money wasted in past	15
Allocated amount too high - Bolton town centre	12
Agree with / increase amount - Highways	11
Agree with / increase amount - Housing	10
Agree with / increase amount - Bolton Town centre	8
Money should be spent on other towns / areas	6
Allocated amount too high - Green spaces	4
Allocated amount too high - Housing	4
Allocated amount too high - Highways	3
Allocated amount too high - Footpaths	3
Other ideas / services	3
Involve private sector	3
Agree with / increase amount - Green spaces	2
Agree with / increase amount - Footpaths	2
Look at towns [Bury, Manchester etc.] / countries for ideas	2
General positive comment	1

UNISON – GMB Response Dec 2012

1 Introduction

- 1.1 In the spirit of collective engagement UNISON and GMB wish to submit some initial comments following the consultation around the budget to date. In so doing this is a reflection on current thinking and experience rather than a 'definitive final position statement'.
- 1.2 We wish to highlight that although the issuing of a s188 notification signalled the start of a minimum 90 day statutory collective consultation period on potential redundancies we view that – in the context of employee relations at Bolton – as principally for the satisfaction of legal formalities, and not a fixed alarm clock. Although we are sure the Council, like the trade unions, feels great alarm at the situation we find ourselves in. We appreciate the undertaking given by the Chief Executive at the outset of the process that consultation will be ongoing in seeking to achieve mutual outcomes, as far as that is possible, in a genuine and meaningful fashion.
- 1.3 Having to deal with the corporate dimension in parallel with service specific reviews (Youth and Play, Connexions, Waste Management and Community Housing Services to date) has put a massive strain on our resources. In addition we are all aware that we are discussing a projected budget that could alter by some margin following the detailed local government settlement expected on 19 December. An early Christmas 'gift' that nobody is anticipating will be filled with seasonal joy.
- 1.4 We do not in any way underestimate the financial position facing the Council, which is unprecedented. Cuts on this scale are not only an issue for collective bargaining because Council employees, our members, are impacted in their lives as citizens outside work as well. Not forgetting for a moment the impact on the wider communities we serve.
- 1.5 We believe it is vital that all local politicians find common purpose to publicly stand up against the onslaught being wreaked on local government – to defend what is the only truly democratic provider of public services and the sector which has delivered efficiencies and innovation way above any other. It is a tragedy, in the classical sense, that the reality of a supposed new age of localism is - for locally elected Councillors – the 'freedom' to bear the local blame and responsibility of delivering central government dictated, central government imposed, scorched earth policies.
- 1.6 Councillors are elected to represent the interests of ordinary people and not merely be administrators for Whitehall. It is not sufficient to say "we have no choice". Local Councillors are in a position of influence as well as implied trust. Even within the legal constraints of delivering a balanced budget there is still a choice in how that is undertaken. And a choice in how it is presented. And a choice for local Councillors to join together with trade unions and civil society organisations and communities to shape and change the public and media debate. At local level it goes beyond 'party' politics.

This is not just polemic.

- 1.7 One very simple, painless example would be to publicly call a cut “a cut” and not a saving. Saving is putting something into the piggy bank for a rainy day or for a large purchase or a treat. It is not a saving to have to reduce the budget by £35 million, lose 500 jobs, and reduce services. That is a cut, a very deep gouge of a cut. **Cuts can no longer be made just by efficiencies or through different ways of working. The Council needs to be honest in this regard and state that some services will cease to be delivered or that the “service offer” will be significantly changed.**

2 Greater Manchester Collaborative Working

- 2.1 Another practical example would be to promote far greater collaborative working with the Greater Manchester Authorities on public-public partnerships beyond just a few procurement projects with one or two neighbours.
- 2.2 The history of AGMA is littered with reports and ideas that have then fallen by the wayside on the vanity of senior officers/senior councillors, because “control and ownership” has been the greater consideration.
- 2.3 In a wasteland of reducing budgets all round it would seem to be an imperative that all those with an interest in democratically accountable, publicly governed services should put silo-town power politics to one side for the greater good.
- 2.4 Long established legislation and the new general power of competence support this approach. And yet aside from the Community Budget Pilot there is virtually no joint working that involves more than 2 AGMA authorities, and most of that is around corporate functions.
- 2.5 Even the Chancellor’s Autumn Statement of 5 December - hardly an altruistic exemplar – has indicated additional funds (albeit within a diminishing pot) will be available for public sector collaboration.
- 2.6 **This is not an easy debate for the trade unions because it does depend in many respects on economies of scale in delivery. But if we are to maintain a viable democratic local government sector whilst we are arguing – hopefully jointly - for an alternative approach to scorched earth, then if the trade unions can have this debate why can’t the senior politicians and senior officers of 10 local authorities with a common interest, at the most basic level, in the ‘survival’ of their reason for being?**

3 Council Reserves

- 3.1 We note that there are £130.6 million in council reserves and that much of this is earmarked for specific areas including future risks and pressures. We welcome the use of capital reserves for specific highway and town centre projects which may create or sustain employment both in the council and the wider community. We would not expect the Council to be reckless in terms of the use of reserves, however we would caution against being too risk averse and ask that consideration is given to scope out shaving some of the budget headings to be used to offset redundancies. Whilst this may only be for a period of a year or two, and not make a significant difference in the totality of the scheme of things, it is nevertheless significant to those potentially facing redundancy.
- 3.2 An unidentified number of redundancies in Environmental Services are expected as a result of reviews in Adult Services.

3.3 We believe that it would be possible to mitigate redundancies and demonstrate commitment to the most vulnerable by using council reserves to offset the cost of proposed increase in charges for 'meals on wheels' and Social Needs Transport (SNT).

3.4 Prior to mainstreaming the schools meal budget, reserves were successfully used to keep down the price of school meals and the consequential increased uptake.

4 Voluntary Reduction in Hours

4.1 We note that there is no specific information on the amount of savings as a result of individual staff voluntarily reducing their hours. The estimate provided is £50,000 per year and this is without any real promotion of this option. It has been our experience in some areas that managers do not like the idea of staff voluntarily reducing hours unless it is to a fixed half time working.

4.2 We believe there is potential to considerably increase the savings in this area within a mutually beneficial flexible working culture.

5 Service Reviews

5.1 Clearly we are unable to comment on the detail of future service specific reviews referred to in the report as these are not yet available. However we note that a number of the identified savings are shown as being from non staffing costs. We would ask these are reviewed immediately to allow for a more accurate evaluation of job losses with a view to mitigate against potential redundancies

5.2 We are conscious that the service reviews are very time consuming and resource intense. Whilst a commitment is given to allow time off for stewards to fulfil their duties in reality the service continues to run and there has been occasions when time off has been problematic. In addition this is often a new experience for managers and the first time they have had to deal with trades unions in a potentially adversarial way. It would be beneficial to both parties if training for managers included the role of the trade union in collective bargaining and redundancies.

5.3 We welcome the change in position to only put staff 'at risk' of redundancy at the point of the service review. However it should also be noted that when staff are put at risk there is an immediate impact on staff morale and working relationships between staff and their managers can be strained.

5.4 On a general level we would support joint working with the council to develop a re-skilling agenda that could encourage a flexible workforce to the benefit of the council and its employees in a changing environment. That will need a strategic and co-ordinated approach which by definition needs to be planned for, resourced and delivered over a period of time. From the trade union perspective it has appeared, in some instances that some reviews did not need to take place at this time – from a numerical sense – as staff had already left of their own volition

6 Vacancy Management

6.1 We note that there are a considerably high number of vacancies and whilst some have been covered by agency staff others may have been vacant for some time and savings already realised and not taken into account.

7 Christmas Shut Down

- 7.1** We note there is no detailed information available for savings to be realised by a Christmas shut down and yet (in answer to a question we did not actually ask) there are details of savings to be made by staff taking unpaid leave. Whilst we accept closing buildings at Christmas will not make significant savings, in the current climate all savings go towards mitigating redundancies and protecting services. It is also of benefit to managers and the service in terms of the planning of annual leave.
- 7.2** **We would ask that designating ‘set use of annual leave’ from the normal allocation be explored to scope the potential savings from shut-downs, with detailed costings shared with the trades unions.**
- 7.3** Collective agreement to unpaid leave is not an option for the trade unions. It is merely a pay cut in a marketing wrapper.

8 Review of Outsourced Services

- 8.1** Following requests for information we have been advised that the view of the Council is that current outsourced services provide value for money. Even though the trades unions have a procurement agreement the detail behind this information has not been shared with us so we are unable to question or challenge it from an informed position. However there is a huge amount of empirical evidence produced by various health and social care watchdogs to testify to the opposite. And, as the Council is no doubt aware, a significant number of local authorities are now insourcing.
- 8.2** The gradual erosion of Adult Social care provision delivered by in house services seems likely to continue. We would state very clearly that we are opposed to the privatisation by stealth of social care. In addition to our concerns about the level of training and quality of care in the private sector there is also the impact on the economy of a workforce increasingly on minimum statutory terms and conditions. This plays out, not least, to the actual quality of care experienced by service users – much of which is not measurable in a ‘time and motion’ sense.
- 8.3** **We would reiterate our position stated in 2010 that there should be a moratorium of out sourcing pending a review of current contracts to ensure value for money. In the current climate this is imperative and we believe forms part of the general fiduciary duty. To back this up the trade unions would be prepared to discuss jointly commissioning a mutually acceptable third-party organisation to undertake a review.**

9 Council Tax Setting

- 9.1** Revenue from Council Tax (and charged for services) is the only means available at present for a local authority to raise its own finances. In tune with previous comments it is ironic that so called Localism – espoused as devolving power and resources to the local level - is stifled by the Secretary for State effectively capping a local authority in this area by imposing a referendum level and at the same time cutting support for council tax benefit. Both these measures are a double whammy on top of cuts to government grants for council. And the hoped for gains from redesigning NNDR look all but dashed by recent announcements on how “substitution” will work with increased retention by the Treasury. So Westminster Council (and Westminster UK central) will gain but the likes of Bolton will probably lose.

- 9.2** The trade unions fully accept that Council Tax is a contentious issue. Whilst we recognise this it cannot go without comment that previous decisions to freeze the council tax have resulted in lost revenue year on year to Bolton Council of approximately £4 million. This is no small amount of money and whilst everyone is struggling with wage freezes and rising bills the option to raise council tax cannot be ignored.
- 9.3** In the North West – the Region hit hardest by the CSR cuts – the impact of the reduction in the bribe being offered for 2013/14 is a £41 million loss of revenue from this year on a standstill base.
- 9.4** The cost to the individual of an increase in Council Tax needs to be set against the service loss to those individuals, and their communities, of not increasing Council Tax. On a per capita basis the loss is greater than the cost of a rise at 2%.

10 Use of Agency Workers

- 10.1** We understand and accept that the overwhelming number of agency workers are in posts which are to be reviewed or where they can be utilised for staff on redeployment. And we would accept this rationale. However, we are conscious that this is not always managed as well as it should be and there are occasions whereby the easy solution is to fill a post with an agency worker.
- 10.2** We have been advised that no data is available to show how many workers are re-employed as agency workers following them taking VS/VER. We would probably concur with management that this number is relatively small but believe this data should be collected. Staff who are not in a position to take up the offer of VER/VS can invariably find themselves working alongside someone who left on VER/VS, return as an agency worker, and pick and choose their hours. This is not conducive to good workplace morale.
- 10.3** The joint Trade Unions requested how many agency workers are self-employed and therefore not paying standard PAYE. The response stated that Bolton Council has no control over this as the agency is the employer. We are of the view that the purchasing power of Bolton Council would surely give them the bargaining power to insist that only workers on PAYE are employed.
- 10.4** We have specifically raised the issue of agency staff in Environmental Services employed in Waste and sought assurances that the current review will deal with this matter.
- 10.5** We welcome the existing arrangements whereby the deployment of agency workers is shared with trades unions at JOG meetings to facilitate scrutiny and justification. A helpful addition to the data would be the 'pay parity' of agency workers to directly employed staff.

11 Accommodation Review

- 11.1** UNISON and GMB welcome any initiative that can make revenue savings to offset job losses. We are, however, sceptical that the projected savings will be achieved in the current economic climate.
- 11.2** We note the report has a question mark under job losses and we would want to put a marker down that we would resist any deletion of posts of low-paid cleaners in the guise of efficiency.

- 11.3** We are assured that the trades unions will be fully informed and involved in the detail of the planning process in terms of the move back into the Town Hall. We would want to restate our position that we are opposed to 'hot desking' and believe that there has not been any real qualitative risk assessment on this type of working in terms of health and safety and productivity.

12 Social and Financial Cost of Job Insecurity

- 12.1** Job insecurity and the fear of losing your job - together with fewer workers, more work to do and the pressure - inevitably leads to some workers suffering from stress and anxiety. Recent research from the Health & Social Care Information Centre shows an increase between June 2011 and May 2012 of hospital admissions for stress. The North West suffered the highest increase in admission rates at 20%. In Bolton the number of staff off work and citing stress related illness is running at 25% of all absences.
- 12.2** Concern about money and debt places huge pressure on people's mental well-being. We know that the consequences of recessions – rising debt, rising unemployment and underemployment, family breakdown – are associated with poorer mental health in individuals. And we know that individual mental health problems cascade into families and communities. And we also know that the impact on local authorities and other public services (in cost terms) is an increase in the 'more resources spent on fewer people' analysis.
- 12.3** Long term unemployment in England has increased by 23% since the government came to power in 2010. The North-west is the worst-hit region, with a 53% increase (26,000 people) in the number of 16-24 year olds out of work for 6 months or longer. It is noted that of the 5,000 people in Bolton who have gone through the work programme only 210 have secured employment.

13 Protecting Front Line Services

- 13.1** We note the philosophy is to protect front line services, to target maintaining services for the most vulnerable and to maintain statutory functions (at least for as long as they remain a statutory duty, which will no doubt be the next 'target' of cuts). This, however, is not the same as protecting frontline jobs or that statutory functions will be delivered in the same way.
- 13.2** Though the detail of the majority of reviews is yet to come, those that are currently in consultation show direct front line services are badly affected either by service redesign, lower quality service or the cessation of the service.
- 13.3** The proposals set out £500k savings from reorganisation/senior management i.e. Chief Officers and that the report is now out for consultation. However we note that in some reviews senior managers (grade 10 to 14) are out of scope.

14 Training

- 14.1** It is imperative at a time of much change, and uncertainty, that training budgets are made available for the changing workforce. If we are to succeed in both ensuring new services are 'fit for purpose' and redeployees move into different areas of work, there has to be readily available the necessary training to ensure the workforce can acquire the right skills and training and tools to do the job in hand.

- 14.2** We would acknowledge that it is right and proper to scrutinise training budgets together and make savings where appropriate. We support the reduction of costly conferences and expensive training venues, but would reiterate our position that cuts in training can be counterproductive.

15 Anti-Poverty Strategy

- 15.1** The effects of the current imposed austerity agenda on local communities have been well documented. Research by organisations including Save The Children and the consumer organisation Which? concludes that child poverty and the numbers of households unable to pay fuel bills have increased dramatically.
- 15.2** According to research published by the Campaign to End Child Poverty, 39 per cent of youngsters — about two in five — are classed as living in poverty in Farnworth and [Halliwell](#), one of the highest rates in the country.
- 15.3** Research from the Trussell Trust found that around 10 per cent of people in the North West have suffered from some form of food poverty in the last 12 months, with five per cent of people skipping meals and four per cent relying on friends or family to provide food
- 15.4** 57% of Bolton Council workers earn less than £21,000. Unlike other public sector workers, local government staff did not receive the £250 promised by this government. All workers have suffered a 3 year pay freeze and with the current policy of a 1% cap are likely to be suffering real hardship.
- 15.5** With record numbers of people getting into debt, often via pay day loan companies, local communities need Bolton Council to have a clear strategy to help tackle poverty in our town.

This strategy could include:

- **Working towards the Living Wage for council and out sourced services**
 - **To promote and publicise Hoot, Bolton Credit Union,**
 - **Support the policy on health & affordable school meals**
 - **Invest in health promotion services**
 - **A commitment to invest in Bolton's Welfare Rights Service.**
- 16** In providing these initial comments the trade unions hope we have demonstrated that we are not taking a bunkered, insular, 'providerist' view of the situation. We have a clear and obvious duty to represent the interests of our members both collectively and individually. But we believe we have a wider duty to represent views around democracy, governance, community wellbeing and the role of a Council in terms of its integral 'location' and civic governance. Whilst individuals, organisations and political parties can freely disagree on all manner of things we truly believe that nobody with a care for local services can support what is happening to local government.

Response to Unison GMB response to Budget Consultation

1. Introduction

This document has been produced for the Cabinet in response to the submission made by Unison and GMB with respect to the consultation on the proposed £35.6m of budget reductions required for 2013-15.

The information below seeks to respond to the points made, where appropriate, while leaving Members to consider the “political” aspects of the submission made by the Trade Unions.

2. Overall Process

The Council has engaged constructively and extensively with the Trade Unions through both the formal SLJCC mechanism and via the on-going corporate employee relations meetings that take place on a regular basis. Over the consultation period a number of specific meetings have taken place on the strategic budget and the Council have provided detailed written answers to a large number of questions from the Trade Unions.

3. Strategic Approach

In addition to the specific response to the points made by the Trade Unions, it is also worth reiterating the strategic approach that the Council has taken to seek to minimise the impact on employees of the very significant budget reductions that the Council has faced. This includes:-

- Maximising the reduction in staff numbers via voluntary means
- A comprehensive approach to redeployment
- Best practice approach to consultation and engagement with staff and Trade Unions

Through this approach the Council believes that our track record is as good as or better than almost all Local Authorities facing the same level of budget reductions.

4. Response to Specific Issues Raised

1. Description of budget reductions as “cuts”

The Council agrees that it is important to be open and honest with the public about the impact of having to achieve unprecedented levels of savings. This is why with the budget report and EIA there is a detailed analysis of the impact on the public/services of the reductions. This indicates where the savings have been achieved through efficiency and where there is a direct impact on the public and a service reduction. It

is clearly the case that as the savings become larger and over a prolonged period of time the proportion of budget option that have a significant public impact will grow. The Council has also sought to accurately portray this position to the public through both the budget information exercises and through Scene.

2. Promotion of greater collaborative working

The Council is committed both politically and managerially to finding budget reductions through collaborative working whenever possible. The Trade Unions' response does not accurately portray the level of joint working that exists at AGMA level in areas such as Transport, Planning, Waste Disposal, Civil Contingencies, Procurement etc.

There is also considerable evidence that given the very complex nature of neighbourhood based delivery, different operating systems and processes as well as historically different service delivery and financial priorities that the initially "obvious" economies of scale from large scale collaboration are much less achievable in practice than in theory. This is why the Council's emphasis has been on achieving savings through initiatives such as:-

- Joint procurement with AGMA and other Authorities, eg. YPO
- Specific AGMA wide initiative to build capacity and resilience eg Civil Contingencies
- Joint arrangements with individual Councils such as ICT with Wigan and Winter Maintenance with Bury

The Trade Union response rightly identifies the importance of the community budget and public service reform initiative. While there is inevitably more than could be done to increase efficiencies through collaborative working, even the most optimistic analysis would only see this make a small contribution to the overall savings targets. The real area for detailed exploration to achieve benefits over the medium term is via demand reduction and the management of public services on a "place basis". Generating better outcomes and financial benefits from health and social care integration and through savings generating from DWP benefits budgets could play an important role in the future. This will be a key focus for the Council and AGMA in the future and if successful could offer a prospect of savings for the next budget period.

3. Council Reserves

The report to the Cabinet identifies that the Council will look carefully at the levels of reserves to see if any further resources can be identified for one-off purposes to assist with the budget position while being clear that reserves are not suitable to replace on-going revenue funding.

4. Voluntary Reduction in Hours

While the information previously provided to the Trade Unions has not been fully taken on board the Council would be prepared to see whether any permanent voluntary reduction in hours would generate savings that aligned with organisational need. This would form part of the strategy to meet the extra budget reductions required for 2013-15.

5. Service Reviews

The Council's objective in developing service reviews is to create a new service with less resources that minimises the impact on service to the public and/or internal customer and outcomes. It is acknowledged that this is a challenging process for all involved and we would be happy to work with the Trade Unions to increase the level of understanding of the process for both senior managers and trade union representatives.

The impact of the budget savings on staff are understood and recognised which is why the Council has invested so much into effective communications and support for staff during this difficult period. The results of the recent staff survey endorse the effectiveness of the Council's approach in this regard.

The Council would welcome the opportunity to discuss with the Trade Unions the potential to develop a more flexible workforce and to enhance redeployment opportunities in this context.

6. Vacancy management and Agency staffing

Given the extensive information provided to the Trade Unions in respect of vacancy management and agency staffing it is surprising that some of the points contained in the document have been made.

Information that has been supplied to the Trade Unions include the detailed use of agency staff to avoid redundancy, the year on year reduction in the cost of agency staff and the cost comparison data that demonstrates the overall position that the use of agency staff in general is more cost effective as long as this fits with the strategic objective of avoiding redundancy.

The Council understands the sensitivities about the issue of re-employing staff who have left on a voluntary basis and would seek to avoid this except in exceptional circumstances.

7. Christmas Shut Down

Given the 24/7 nature of many Council services and the need to provide other services on normal working days, it is not considered that the potential very small saving that could be achieved by a Christmas shutdown is appropriate.

8. Review of Outsourced Services

The Council has undertaken detailed and extensive reviews of all services as part of the budget setting process for both 2011-13 and 2013-15. During this work that has been undertaken by Directors and through corporate processes, a detailed assessment has taken place on whether there are any reasons from a value for money perspective to either “in-source” or outsource services. At a strategic level, as part of the Council’s approach to delivering the required budget reductions, an approach has been agreed that involves examining whether in-house services can be made more cost effective before outsourcing is considered. This is why a key budget option is to look at reducing the cost of in-house adult social care services.

The Council is very confident that the cost base of our services are understood and the likely cost or benefit alternative service delivery models. At this current point in time there is no service that is provided via an outsourced model that could be provided on a more cost effective basis by bringing the service in-house.

9. Council Tax Setting

The difficult decisions relating to the costs and benefit to local taxpayers and communities as raised by the Trade Unions re Council Tax setting are understood by the Council. These issues will be considered by the Council when it sets its budget over the next two years.

10. Accommodation Review

The council is confident of the projected savings for the accommodation review and is committed to working with the Trade Unions to implement the accommodation review successfully.

11. Social and Financial cost of Job Security

The staff survey recognises the level of concern in relation to job insecurity in the workplace. The Council is aware of this and has worked hard to address these concerns. There is good news that sickness absence is falling year on year and work related stress is only a small proportion of all stress related absence.

12. Protecting Front-Line Services

The Council is working hard to protect front-line services and to protect services to the most vulnerable. Across the organisation there has been a much higher proportionate reduction in senior management and higher graded posts than at the “front line”. As set out in the previous correspondence the position in regard to senior management/staff ratio is a reflection of departmental function and service responsibility and is appropriate to the particular department concerned.

13. Training

The comments on the importance of training are broadly accepted.

14. Anti-Poverty Strategy

The Council is keen to promote anti-poverty activity and is already taking forward actively many of the areas raised and others such as a collective energy switching campaign. This will form part of the detailed budget considerations and proposals for 2013-15.

Conclusions

The Council is committed to continuing constructive dialogue with the Trade Unions with regard to avoiding redundancies.

STRATEGIC EQUALITY IMPACT ASSESSMENT

Budget update and savings options 2013-15

Date: 14 January 2013
Prepared by: Assistant Director, People and Transformation

Executive Summary

Background and context

As Britain continues to experience an “age of austerity” as a result of the global economic recession, the financial picture for local government remains very difficult. The report sets out the updated financial forecast for Bolton Council for 2013-15, and the need to save £43.6m in during this period.

Members will be aware that the council’s initial savings forecast for this period was set out in September 2012. At this time, it was anticipated that savings of around £36m would be required, and proposals for savings of £34.6m – from a combination of financing costs, contingencies, and service spending – were put forward for consultation purposes on 3 September 2012. Following the strategic budget consultation, this report now seeks approval to take forward the £34.6m savings options. Detailed reports and EIAs on individual options will be brought forward throughout the two year period.

In addition, the report recognises that, as a result of changes to the council’s financial position, further savings of £9m must now be identified for 2013-15. It is proposed that options for achieving these savings are explored and reported to the Cabinet on 11 February 2013.

It is important to explain that the council has already delivered a programme to save £60m across 2011-13. This was carefully managed in line with the council’s philosophy, in order to limit the worst of the impacts for local people, particularly for the most vulnerable. For example, savings were prioritised from efficiencies and ‘back office’ services, in order to limit the impact on staff and front line services. However, delivery of these savings inevitably had some impact on service delivery. This analysis was set out in the strategic EIA which accompanied the council’s budget report in February 2012, and can be summarised as follows:

Service users

- A comprehensive review of services for *children and young people* sought to target resources towards the most vulnerable and those most in need, and to ensure statutory duties continued to be met. However, this approach had some effect on universal provision and the council’s ability to provide some value added and preventative services. These reviews also affected parents/carers and, to a limited extent, children with disabilities
- Transformation within adult social care changed the way in which services for *older people* – including people who have a disability or complex care needs – are delivered. The focus continues to be on providing appropriate, quality and affordable care which promotes independence, choice and control; and ensuring that statutory duties are met. However, there have been changes to how and where services are

delivered; eligibility for services; and fees and charges, which has had an impact on older people and their carers

- The major reduction in Bolton's grant funding has affected the ability of the council to tackle the effects of deprivation in *socio-economically disadvantaged areas*. Remaining resources continue to be used to promote economic prosperity and narrow the gap in Bolton's most deprived areas, for example through neighbourhood management and area working, but resources are much more limited than in previous years
- Changes to *universal services*, including libraries, neighbourhood services and highways, affected service delivery for people across the borough

Partners

- While the council continues to provide significant funding for the *voluntary sector*, partners from across this sector have experienced some changes to and/or reductions in funding. The council continues to work with partners to maintain Bolton's strong partnership relationships, manage the impact of funding changes, and to do this in a joined up way
- In addition to the impact of national policy changes, *schools* have been affected by changes to how the council's services for children and young people are delivered

Staff

- As a result of the two year budget programme, the council's workforce reduced by 833 posts. This was almost entirely achieved through vacancy management and voluntary means. However, staff have been affected by changing roles, responsibilities and service structures
- The changing shape of the workforce means that the workforce profile also changes as people leave the organisation. Analysis of leavers' data for this period was set out in the Strategic EIA of February 2012, and shows that the profile of leavers was broadly in line with that of the council workforce as a whole. Key exceptions (compared to the workforce as a whole) were: leavers were more likely to be aged 30 or under, and 51 and above; a greater proportion of leavers were male and a smaller proportion were female; a smaller proportion of leavers had caring responsibilities; and a greater proportion of leavers worked part-time

In order to deliver a legal budget, as explained above the council now needs to save a further £43.6m for the period 2013-15 from the council's controllable budget of £178m.

The council continues to seek to limit the impact of its budget reductions on the borough's most vulnerable people - because this is the right thing to do, and because the council must continue to meet its statutory duties. However, it is important to explain that limiting the impact on frontline services becomes increasingly difficult each year, as services are reviewed and efficiencies are made.

In addition, 55% of the council's controllable budget is spent on support for vulnerable adults and children – i.e. social care services. This means that the council is already spending a larger proportion of its budget on small numbers of people with the greatest need and less money on universal services. The council must continue to meet its statutory duties, for example in relation to providing social care services for those who are eligible. In practice, the demand on these services means that the council is very limited as to where it can make savings from. Therefore, in order to ensure that statutory duties are met, and to limit the

impact on the most vulnerable, the bulk of the savings will need to be made from 45% of the controllable budget.

The council therefore faces some very difficult decisions about service delivery as it makes the savings for the coming two years. The proposals seek to deliver the “least worst” outcome for Bolton, but many of the high level proposals set out in this report will therefore have an impact on stakeholders, including service users, partners, and staff.

Philosophy

While achieving the necessary savings will be very difficult, the council continues to have a clear philosophy for the delivery of its budget. This was reconfirmed as part of the current year's budget process, and seeks to:

- Attempt to “protect” at a strategic level the Council's ability to achieve economic prosperity and narrow the gap, i.e. seek to minimise the impact on these strategic goals when reducing the budget
- Ensure that services to the most vulnerable children and adults are impacted least through the budget proposals and that these services remain “safe”
- Maximise proposals that improve efficiency and make savings from management and administration where possible before front-line services
- Move from universal to targeted provision in order to focus the available resources in services to clients or the geographical areas with the greatest levels of need
- Reduce the level/quality of services from excellent to good or good to satisfactory to deal with the budget reductions
- While putting the needs of local people and council tax payers first seek to minimise the impact on staff and to avoid compulsory redundancies if possible

The approach to managing and mitigating service impact

As set out above, the scale of the savings 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 very difficult decisions about service provision in order to deliver a legal budget for 2013-15. 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 to deliver the savings through a two year programme, to provide time for options to be worked up in detail and phased appropriately for implementation up to 31 March 2014
- As in previous years, strategic budget allocations have sought to make smaller percentage savings from the departments which have a lead role in delivering front-line and statutory services for vulnerable children and adults – a clear part of the strategy to ensure that statutory provision continues to be met, and to limit the impact on the most vulnerable in the borough
- As set out in table 1 below, the percentage savings required for 2013-15 range from 5.6% in Adult and Community Services, to 24% in the Chief Executive's department. Please note that this information relates to the delivery of the initial savings target for 2013-15. Further information will be provided in due course regarding the delivery of the remaining £9m which is required

Table 1: Savings 2013-15		
Department	Saving	Percentage of departmental budget
Adult and Community Services	£3.5m	5.6%
Children's Services (excluding schools)	£5.5m	11%
Development and Regeneration	£1.7m	23%
Environment (excluding waste)	£3.9m	20%
Chief Executive's	£4m	24%
Other savings from across the council	£8.4	n/a

- As in previous years, departmental savings options have been developed in line with the council's philosophy. For example, the council is seeking to prioritise savings from universal and 'back office' services; and to move from universal to targeted provision where this is appropriate
- Table 2 shows the type of savings that are proposed to be made. While it is becoming increasingly difficult, there are still savings to be made from efficiencies. At present it is estimated that the distribution across the different types of savings could be similar to the 2011-13 period. Please note that this information relates to the delivery of the initial savings target for 2013-15. Further information will be provided in due course regarding the delivery of the remaining £9m which is required

Table 2: type of savings proposed across 2013-15, compared with the distribution in 2011-13		
Type of saving	% 2013-15	% 2011-13
Efficiencies: administrative/management changes	32.1%	28.3%
Efficiencies: buying arrangements	5.1%	5.2%
Efficiencies with some impact on customers/clients	17.1%	16.8%
Additional income	0.7%	4%
Service impact	45.0%	45.7%
Total	100%	100%

- The package of options set out at appendix B therefore seeks to deliver the "least worst" outcome for Bolton, and to avoid the worst of the impacts for our most vulnerable people and ensure statutory compliance. The rationale behind the proposed options is discussed in section 3 of this EIA
- In addition, it is proposed that some capital funding be used to mitigate the impact of some of the savings proposals; and to counter some of the impacts of the economic position in Bolton. This is set out in table 3 below

Table 3: proposed investment to mitigate impact	
Area	£000
Investment in Highways and Footpaths	5,000
General investment in Town Centres	1,000
Support for potential key Town Centre developments	2,000
Strategic Acquisitions	2,000
Bus/Rail Interchange – Supportive Investment	1,000
Voluntary Sector Transition Fund	300

- As with the previous budget programme, consultation will be completed with key stakeholders, to inform the final proposals which are brought forward. This will include:
 - Consultation on the strategic budget options, which took place between September and December 2012
 - Specific stakeholder consultation on each individual review as it comes forward
 - Consultation with the recognised Trades Unions
- In addition, the council will continue to work closely with partners, including the voluntary, community and faith sector, to manage the impact of the proposals as far as possible and practical
- In terms of staff, the council will continue to aim to deliver reductions in the workforce through vacancy management and voluntary means as far as possible, and a redeployment package for displaced staff will continue

The council understands the options and budgets at a strategic level, and is confident that the savings can be made in line with its strategic philosophy and approach. However, as the detailed budget options will be brought forward in a phased approach to budget delivery, some options will not be worked up in detail for around 9-12 months.

It is therefore presently too early to provide a fully detailed assessment of the impact of the budget options set out in this report. Further detail on equality impact will be set out in the EIAs which accompany individual reviews, and updated strategic EIAs will be brought forward at key points during the programme e.g. with budget reports in February 2013 and 2014. These will look at the overall impact of the proposals as further detail becomes available, and whether any groups may be affected by more than one proposal. In the meantime, the remainder of this strategic EIA provides a high level response to the council's standard EIA questions.

Equality Impact Assessment questions

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

The report sets out budget options to deliver savings of £34.6m across 2013-15, following strategic budget consultation. The proposals have been developed in line with the council's philosophy, which seeks to deliver the 'least worst' options for Bolton at this very difficult time, to manage and mitigate as far as possible the impact on the borough's most vulnerable children and adults, and to ensure that statutory duties continue to be met. However, the council must deliver a legal budget, and many of the proposals are therefore likely to have an impact for a range of stakeholders, as set out in the sections below.

In addition, the report recognises that, as a result of the council's financial position following its budget settlement in December 2012, further savings of £9m are required. Options for achieving these savings will be explored and reported to the Cabinet in February 2013. Clearly, the impact of these options must be understood, and this will be analysed in a future Strategic EIA.

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

As set out in previous strategic EIAs, the very nature of the services which the council provides, and the scale of the savings required, mean that a range of stakeholders are likely to be affected by changes to council activity in some way over the coming years (e.g. staff, service users, Elected Members, Trades Unions, local public sector partners, local businesses). In particular:

- **Service users/their carers** – both now and in the future, may find that some aspects of service provision change. Some services may change fundamentally and be delivered in a very different way; some services may reduce or stop; and some customers' eligibility to access services may change.
- **Members of the general public** – will be affected by changes to universal services and 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 833 posts as a result of the previous two year budget programme, and it is anticipated that the coming programme will result in a further reduction of approximately 486 posts, although there may be further loss of posts in trading activities as a result of some of the options e.g. the accommodation review; or from a loss of business with other agencies and schools. The staffing impact of delivering the additional £9m savings is not yet known. Managing the reduction through voluntary leavers and the deletion of vacant posts will continue to be a priority – there are currently 240 vacant posts and approx a further 150 people have accepted VER/VS arrangements. It is anticipated that further VER/VS applications will be accepted as reviews are completed, further reducing the number of staff at risk.

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

The philosophy set out by the council to deliver its budget is very clear about the council's priorities, the need to protect the most vulnerable as far as possible and ensure statutory compliance. 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.

To support this, the council has proposed savings options which seek to balance the interests of service users, the wider public, and staff, while also allowing the council to set a legal budget. However, the scale and breadth of the savings that are required, and the significant savings and efficiencies which have already been made, means that many of the proposals set out in the strategic budget options are likely to have an impact on stakeholders. At a time when very difficult decisions need to be made, this may well include impacts for people from Bolton's diverse communities.

As previously explained, the delivery of the additional £9m savings now required will very likely have a further impact on Bolton's communities, as well as the council's staff and partners. However, this impact is not yet known and will be analysed in a future Strategic EIA.

In the meantime, the rationale behind the options put forward by each department to date can be summarised as follows:

Adult Services – total net budget amounts to £62m, of which approximately 60% is used to buy in services from external providers and just under 40% is delivered by the Council. Adults have identified a range of options that seek to maintain the overall level of care and support provided to the public. The delivery of savings from these key services to vulnerable adults without any major impact on clients is difficult and challenging, particularly when the demand for these services is growing, because eligible care needs must be met statutorily. The options proposed, therefore, make savings from re-tendering contracts, transferring some services to external suppliers and reducing the costs in “in house” services. There will also be some impact on staffing in the Department.

Children’s Services – out of the total net budget of £50m, over £36m is spent on services to support vulnerable children. Direct services to vulnerable children have been protected and therefore proposed savings have been identified which target the available resources at those with the greatest need. There will be some reduction in the universal services provided by the Department. In doing this it has been key to ensure that adequate resources are maintained in preventative services and initiatives which aim to keep to a minimum the number of children who come into care.

Development & Regeneration – have sought fairly significant savings from Housing Services but this area was protected in the last 2 years. It is anticipated that the majority of savings will not have a significant impact on the services delivered to the public and will particularly ensure that homeless/housing advice and guidance and safeguarding services are maintained. Strategic Development is a reduction in capacity and will enable the major programmes and events such as the Food & Drink Festival to continue but any new initiatives/projects will require greater prioritisation and provide their own funding.

Environment – are seeking to make savings by a general reduction in the amount of maintenance provided on roads, pavements, street cleaning and green space. Implications will be a greater response time to repairs, the non-replacement of some damaged/broken highways signs, furniture etc., and a reduction in the frequency of grass cutting, road sweeping etc. The draft capital programme suggests including additional investment in Highways in order to partially offset this reduction. There will be staff reductions in all these areas and potentially also in traded services due to a steady reduction in the number of support contracts with internal departments and other organisations, particularly with schools and Bolton at Home.

Chief Executive’s – savings in these services are being delivered through efficiencies wherever possible. However there will be an impact in rate relief for some Charities, some delays in responding to customers in the One Stop Shop and Call Centre, particularly at peak times. In addition significant capacity will be taken out of support services such as HR, finance and ICT which will impact on the Council’s and individual services ability to deliver savings effectively and consistently.

Corporate Savings –these savings will have major impacts across the Borough, and include:

Waste Disposal/Collection – changed arrangements to increase recycling, extend food waste collections and revise frequencies for other collection. This will reduce overall waste disposal charges. Public consultation on these proposals has taken place, and final proposals will be brought forward in due course.

Council Tax Discounts/Benefits Scheme – changes proposed on Council Tax discounts on empty properties and amendments to Council Tax Benefit will impact on some citizens across the Borough. Wherever possible these have been targeted so as to limit the impact on the most financially vulnerable. Consultation and detailed EIAs on these proposals have been completed.

Voluntary Sector Grants – savings in these grants will impact on several organisations but the Council will work with the voluntary sector to minimise the impact.

Leisure Trust – savings here will be discussed with the Leisure Trust and will as far as possible be delivered by investing in facilities and generating additional income.

In terms of Council Tax, any increase in council tax has a financial effect on all those who pay council tax in the borough. However, by raising council tax the council is able to increase its income and, therefore, reduce the amount of savings which may otherwise need to be achieved by changing or reducing service provision for customers, including those who may be from vulnerable groups. This therefore offers a degree of protection for services for the most vulnerable. The initial savings proposals for 2013-15 were based on a Council Tax increase of 2.5%. However, government has subsequently announced the availability of a Council Tax freeze grant equating to 1% of the current year's Council Tax base. This would have a positive financial impact for those who pay Council Tax in the borough but, should Bolton accept this grant, the overall savings required will increase by £600,000. The decision on the appropriate level of Council Tax has been deferred to the Cabinet meeting on 11 February 2013.

An early headline analysis of the anticipated impact of the strategic budget options is set out in section 4 of this EIA, but it will be necessary to bring forward further strategic EIAs at key points throughout the programme, as the detail of individual options is developed – and as further information on the further savings of £9m is developed. Throughout this process, the council will need to consider the impact of its proposals on its duties under national equalities legislation, which require it to have due regard to the outcomes below, while also ensuring that the council can set a legal, balanced budget:

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

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

The full range of savings options proposed are set out in appendix B of the report. The initial analysis of impact, based on the rationale described above and the areas where savings are proposed, is set out below. It should be stressed that, where possible, the options seek to make savings from efficiencies and areas such as supplies and services, accommodation, senior management and back office support services such as Human Resources and Finance to limit the direct impact on front line service delivery.

Service users

The 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 of course be analysed as part of detailed EIAs for individual reviews.

Universal services

The council has a clear strategy to make savings from universal services and to move from universal to targeted services in order to offer a degree of protection for services for the borough's most vulnerable people. People from across the borough will therefore be affected by changes to universal services including waste, highways and engineering, and neighbourhood services. People may be affected in different ways, depending on the community or neighbourhood they live in; or their personal circumstances. This will need to be explored as the detail of these reviews develops. In addition, should a decision be taken to increase council tax in the borough, there would be a financial impact for those who pay council tax in the borough.

Children and young people and their parents/carers

Several significant reviews are proposed for services for children and young people. These include changes and reductions to play and youth services; children's centres; key workers in schools; and personal advisers; changes to transport provision for children with special educational needs; changes to services for children with disabilities; and increasing income from the music service.

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

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, while 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 savings.

Areas to be reviewed include in-house care services; day services; supported housing; transport; and commissioned services. In addition, charges for services including meals, transport and day care will increase. 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

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

However, as resources continue to reduce, there is potential for the savings options to have an effect for people who are experiencing socio-economic deprivation. Reviews of housing services; strategic development (which seeks to grow economic investment and therefore improve prosperity in Bolton); council tax support/empty property charges; and community safety and neighbourhoods may all have an impact on those who are worst off financially. Within these reviews, significant consideration will therefore need to be given as to how to limit the potential impacts for those on the lowest incomes.

Partners

As in previous years, the council must look at making savings from across the range of services which it provides, including commissioned and grant funded services. This means that partners who receive funding from the council may see a change or reduction in their funding, which may in turn have an effect on their service delivery. This may affect partners from the voluntary, community and faith sector; as well as private or charitable organisations which deliver services in partnership with or on behalf of the council. In addition, proposals to restrict the national charities rate relief to the level proposed in government guidelines would have a financial impact on some charities.

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

Staff

As set out earlier in this EIA, the options set out in this report are likely to lead to the reduction of approximately 486 posts within the council, although there may be further loss of posts in trading activities as a result of some of the options e.g. the accommodation review; or from a loss of business with other agencies and schools. This will be delivered through vacancy management and voluntary means as far as possible. At present, there are 240 vacancies. In addition 100 staff have expressed an interest to take up the Council's VS/VER promotion which will reduce the staff at risk even further. It is also envisaged that further staff who have applied for VS/VER will be accepted once service reviews have been completed. Staff will also be affected by associated restructuring and change. The impact on the workforce – and its diversity – will continue to be monitored throughout the delivery of the budget programme. Furthermore, the impact of delivering the additional £9m savings is not yet known.

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

Yes, the savings options as set out in this report sit at a high level. It will be necessary to bring forward detailed proposals for each of the savings options, including detailed analysis of equality impact, and this will take place on a phased basis during the coming year. 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, and therefore the final proposals as they come forward. Updated strategic EIAs will be brought forward at key points in the budget process.

Consultation has taken place on the council's strategic budget options (covering the savings of £34.6m for which final approval is now sought), and this will help to inform the

identification of the remaining £9m savings for 2013-15. A joint response to the consultation from Unison and GMB is set out at appendix F, and the council's response to this is at appendix G.

A detailed analysis of the results of the public consultation on the strategic budget is set out at appendix E. The key messages can be summarised as follows:

- A significant majority of respondents accepted that savings needed to be made, and were aware that the council needed to change the way it delivered its services
- Most respondents agreed with most of the principles which the Council used to set its budget, although the level of support varied from a high of 91% (savings should be made from management and administration before frontline services) to a low of 40% (services should be reduced from excellent to good, or from good to satisfactory)
- Over half of the respondents felt that the right proportion of savings was being taken from each department. However only 38% felt that the right proportion was being taken from the Chief Executive's department, and 45% of respondents felt that more should be taken from this department
- Fifty-nine per cent of respondents agreed with the proposal for £14m capital investment, and a range of comments were received on this proposal
- Opinions on how to meet the budget shortfall were divided, with some respondents preferring smaller council tax increases and more service cuts; and others preferring larger council tax increases and smaller – or no – service cuts

These findings would suggest that, on the whole, the council's approach to its strategic budget – particularly the principles on which it is based – has some public support, but that responding to the differing attitudes and expectations of Bolton's diverse communities is not straightforward.

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

Furthermore, savings of £9m are yet to be identified and the potential impact of these savings is therefore not yet known. This will need to be analysed as the options are developed, and set out in a future Strategic EIA.

Please confirm the outcome of this EIA:

No major impact identified, therefore no major changes required – proceed	
Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed	
Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification	X
Stop and rethink - the EIA identifies actual or potential unlawful discrimination	