

Report to: Corporate Issues Scrutiny
Committee

Date: 6th December, 2010

Report of: Director of Corporate Resources **Report
No:**

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Report Title: Spending Priorities and Savings Approach

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 set out the Council's overall thinking behind the delivery of
savings in terms of its spending priorities and approach.

Recommendations: That the approach to spending priorities and the delivery of
savings as set out in this report be commented on.

Decision:

Bolton Council Savings and Efficiencies –Priorities and Savings

The Council has to plan for significant savings in response to the reduced levels of funding and limits on the level of Council Tax set by the Government. The Comprehensive Spending Review has confirmed that significant savings in excess of 40% will be required over the next four years.

This has created a very challenging financial environment that is going to have an impact on the delivery of the Council's objectives and priorities. At the Council meeting on the 20th October 2010 the Leader outlined his thinking around the Council's approach to making savings. This report sets out proposals to formally agree the Council's approach to spending priorities and approach to savings. In this context it is important to mitigate as much as possible the impact of the savings required on local people and services.

Spending Priorities

- (a) The Council's two major priorities of "Economic Prosperity" and "Narrowing the Gap" remain in place and any savings should aim to minimise the impact on these priorities.
- (b) The Council will always meet its statutory responsibilities including safeguarding vulnerable children and vulnerable adults, meeting health and safety requirements etc.
- (c) Any savings option will be considered against the Council's wider strategies such as Anti-Poverty and minimise the impact on our most vulnerable citizens.
- (d) The Council will aim to maintain local political priorities where possible, a current example of this is the £1 school meals promotion.
- (e) The Council will listen to the views of local people and other stakeholders in making decisions on savings.
- (f) In evaluating the above priorities the Council recognises the requirement to set a legal and balanced budget and the need to be pragmatic and practical in terms of delivering savings in the timescales available.

Approach to making savings

- The first aim will be to make savings through efficiencies, (eg reduced management costs, integrated working, revised structures, improved processes, procurement, deleting non essential spend, shared services, new ways of delivering services etc)
- The need to identify efficiencies will apply to all services across the Council and even priority services must all seek to identify as many efficiency savings as possible. For 2011/12 the savings identified through efficiencies represent between a half and two thirds of the total savings
- When looking at savings the Council will firstly seek to review in-house services to see if the necessary efficiency savings can be delivered in this way before looking at wider options
- After considering efficiencies, savings will need to be found through lowering standards in services. Many of the services provided by the Council are rated as being excellent but because of the financial constraints we may have to accept good or satisfactory services in the future

Prior to the Comprehensive Spending Review and greater clarity over the actual level of resources available for 2011/12, the Council has adopted an initial approach which seeks equal savings across all services. This was on the basis that it was considered that all services could find some efficiency savings. In future years with a better indication of the overall savings required, the Council will be able to adopt a more strategic approach to the setting of savings targets in line with its priorities and objectives.

Whilst maintaining priority services and putting the people of Bolton first is paramount, it is important to recognise the key roles staff play in the organisation and in this context the

Council has put in place a range of policies which help to mitigate the impact of savings on staff. In particular the holding of vacancies and the provision of retirement and severance arrangements are aimed at minimising the number of staff who are at risk. Other key policies around pay protection, redeployment and staff support are there to assist staff who are displaced and avoid, wherever possible, compulsory redundancies.

Conclusion

The Council is having to plan for significant savings over the next four years. In this environment it is important that the Council sets out its approach to considering spending priorities and savings which is based upon the Council's overall priorities and objectives alongside the legal requirement to both set a balanced budget and meet our statutory responsibilities. Given the scale and nature of the reductions this also requires a pragmatic approach about what is possible and achievable, especially in the timescales available.