

**THE EXECUTIVE**  
**MEETING, 22ND NOVEMBER, 2010**

Councillor Morris	Strategy and External Relations
Councillor Adia	Children's Services
Councillor Bashir–Ismail	Cleaner, Greener, Safer
Councillor Ibrahim	Environmental Services
Councillor Peel	Housing, Neighbourhoods and Regulation
Councillor Kay	Human Resources, Organisational Development and Diversity
Councillor Sherrington	Adults Services
Councillor Murray	Looked After Children and Safeguarding

Non-Voting Members

Councillor A. Connell	
Councillor J. Walsh	
Councillor Ashcroft	
Councillor Shaw	
Councillor P.Brierley	As deputy for Councillor Mrs Brierley
Councillor Mrs Fairclough	
Councillor Morgan	
Councillor Hayes	
Councillor D.A Wilkinson	
Councillor Radlett	As deputy for Councillor Swarbrick

Officers

Mr. S. Harris	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources

Mr A. Eastwood	Director of the Chief Executive's Department
Mr. K. Davies	Director of Development and Regeneration
Mr. M. Cox	Director of Environmental Services
Ms. M. Asquith	Director of Children's Services
Mr. J. Livesey	Assistant Director
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillors Mrs. Brierley, Chadwick, Swarbrick, Thomas and Zaman.

### **36. MINUTES**

The minutes of the proceedings of the meeting of the Executive held on 1<sup>st</sup> November, 2010 were submitted and signed as a correct record.

### **37. AGMA EXECUTIVE BOARD**

The Director of Chief Executive's Department submitted a report that detailed the key decisions taken by the AGMA Executive Board at its meeting on 29th October, 2010.

**Resolved – That the report be noted.**

### **39. SPENDING PRIORITIES AND SAVINGS APPROACH**

The Director of Corporate Resources submitted a report that set out the Council's overall thinking behind the delivery of savings in terms of its spending priorities and approach.

Members were reminded of the challenging financial environment which would have an impact on the delivery of the Council's objectives and priorities and the Leader had outlined his thinking around the Council's approach to making savings at

the Council's meeting on 20<sup>th</sup> October, 2010. The report set out proposals to formally agree the Council's approach to spending priorities and approach to savings and it was stressed that it was important to mitigate as much as possible the impact of the savings required on local people and services.

The proposed spending priorities were as follows:-

- (a) The Council's two major priorities of "Economic Prosperity" and "Narrowing the Gap" remained in place and any savings should aim to minimise the impact on these priorities.
- (b) The Council would always meet its statutory responsibilities including safeguarding vulnerable children and vulnerable adults, meeting health and safety requirements etc.
- (c) Any savings option would be considered against the Council's wider strategies such as anti-poverty and minimise the impact on its most vulnerable citizens.
- (d) The Council would aim to maintain local political priorities where possible.
- (e) The Council would listen to the views of local people and other stakeholders in making decisions on savings.
- (f) In evaluating the above priorities the Council recognised 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.

The proposed savings approach was as follows:-

- The first aim would 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 would 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 represented between a half and two thirds of the total savings.

- When looking at savings the Council would firstly seek to review in-house services to see if the necessary efficiency savings could be delivered in this way before looking at wider options.
- After considering efficiencies, savings would need to be found through lowering standards in services. Many of the services provided by the Council were rated as being excellent but because of the financial constraints the Council may have to accept good or satisfactory services in the future

**Resolved - That the approach to spending priorities and the delivery of savings as set out in the report be approved.**

#### **40. BUDGET 2011/12 – INITIAL BUDGET OPTIONS**

Councillor Morgan declared a personal interest in the following matter owing to his business interests.

The Director of Corporate Resources submitted a report that outlined the final proposals relating to the budget options identified by services in response to the initial financial guidance.

The report explained the impact on local government of the Comprehensive Spending Review which could be summarised as follows:-

- Revenue Support Grant to Councils would reduce by 28% over the next 4 years (this also included funding to offset a Council Tax freeze in 2011/12 and when this

was excluded, the real terms reduction was over 30%);

- A freeze on Council Tax in 2011/12 offset by a Government Grant representing an increase of 2.5%;
- The ending of the Neighbourhood Renewal Grant from 1<sup>st</sup> April 2011. Bolton currently received £7m per year;
- The CSR had confirmed that a range of specific grants, predominantly in Adult Services, but also including some elements relating to Children's Services, were continuing into the next 4 years. These amounted to approximately £15m but would not be ring fenced to these specific activities but would be included within the overall Revenue Support Grant;
- The introduction of a Carbon Tax which would cost the Council £500,000 in 2012/13, rising over the following few years to up to £750,000;
- A 10% reduction in Council Tax benefit paid for by Government from April, 2013. This equated to £2.5m for Bolton;
- At present the Council could not identify funding for £15m worth of grants, mainly Education but some in Community Safety, within the CSR. Clarification on this had been sought but to date it had not been possible to confirm whether these grants were continuing or whether they would cease from April 2011; and
- Capital funding for Local Government would reduce by 45% overall.

A full evaluation of what the above meant for Bolton could not be undertaken until the Council received the Grant Settlement which was due on 2<sup>nd</sup> December, 2010. However, based upon the above assumptions, it was likely that the savings required in 2011/12 would be in the order of £22m plus the impact of any further grant losses that may arise as part of the final

## Settlement.

The Executive would need to examine a range of options to meet the final savings target which would include identifying new options, bringing forward options that had been identified for 2012/13 and implementing them earlier, reviewing schemes funded by grants and deciding whether or not they should be reduced or stopped entirely or consider what scope there may be to use one-off resources to bridge any funding gap. The use of one-off resources would only be considered as a last resort as it only moved the savings problem from 2011/12 to the following year.

Members were reminded that Services were asked to identify options to meet a 10% savings target for 2011/12. The total target for each Service was as follows:-

	<b>Savings 2011/12 £000</b>
Adults	6,230
Children's Services	3,673
Development and Regeneration	700
Environment	2,105
Central Departments	<u>2,609</u>
Total	<u>15,317</u>

The savings identified by each Service were set out in Appendix A to the report which also identified the numbers of posts likely to be reduced to deliver each of these options. The staffing figures were split between those where posts were currently vacant and those where staff were potentially at risk.

However, the savings target had not quite been met with the proposals totalling £14.7m and there was a shortfall in Adult Services of £634,000 due to some of the options not now being able to deliver the original estimated amounts. Adult Services were currently looking at alternative options, particularly the use of grants which had already been confirmed as ongoing but were no longer being ring fenced to specific activities.

The current budget options which were estimated to deliver the £14.7m worth of savings involved a reduction of 335 posts. Additionally, the Neighbourhood Renewal Fund had been ended and it was also possible that there would be a significant reduction in a range of other grants that the Council received. Inevitably there would be a reduction in the number of staff as several of these schemes were ended and others were reduced in scope. The actual figures would not be known until the necessary evaluation was completed, although it was considered that they may amount to between 30 and 400 posts.

Furthermore, if the full range of grants were ended then the potential additional redundancies would be greater than 100 and the Council would be required to formally issue a further advance notification to the Secretary of State, in consultation with the Trade Unions. This would need to be determined when the Council received the full information on grants in December 2010.

The Council had already put in place a range of measures in order to reduce the numbers of staff who may be at risk of compulsory redundancy, including the following:-

- freezing all vacancies;
- promoting VER and Voluntary Severance opportunities for staff; and
- a comprehensive redeployment scheme

The above had already reduced the number of staff potentially at risk from 208 in June, 2010 to 138 to date and it was anticipated that the numbers would reduce further as staff who were eligible took up early retirement and severance opportunities. Should further staff reductions be required due to the further ending of grants, then the Council would again seek to minimise the numbers of staff who may face compulsory redundancy through the above measures.

The report requested the Executive to formally approve the programme of savings, subject to individual Executive Members

approving more detailed reports on individual budget proposals. These reports would set out the full staffing proposals, details of any revised service delivery arrangements, the timescales for delivery of the service changes and feedback from the consultation undertaken for each option which would include customers/clients, staff, Unions and other stakeholders.

The overall budget position would be re-assessed in the light of the Revenue Support Grant Settlement which was due on 2<sup>nd</sup> December, 2010 which should also include full details of all the grants the Council would receive. A further report would be submitted to the Executive at its meeting on 13<sup>th</sup> December 2010 clarifying the budget position and setting out arrangements for determining how any funding gap would be addressed.

An initial report on the Capital Programme position would also be submitted to the Executive's December meeting on the basis that the Council had received the full details of Capital Allocations for 2011/12.

**Resolved – (i) That the updated financial situation following the announcement of the Comprehensive Spending Review be noted.**

**(ii) That an updated report be submitted to the Executive in December following the confirmation of figures for Bolton which should be announced in the Revenue Support Grant Settlement on 2<sup>nd</sup> December, 2010.**

**(iii) That the budget options outlined in the report now submitted be approved, subject to consideration of the detail on each option by individual Executive Members.**

## **EXCLUSION OF PRESS AND PUBLIC**

**Resolved - That, under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraphs 1 and 4 of Part 1 of Schedule**



**12A to the Act; and that it be deemed that, in all the circumstances of the case, the public interest in its exemption outweighs the public interest in its disclosure.**

#### **41. STRATEGIC EQUALITY IMPACT ASSESSMENT**

The Chief Executive submitted a strategic equality impact assessment that assessed the impact of the savings proposals on different groups and included details of the strategy adopted by the Council and its partners and the discussions with staff, trades unions and stakeholders.

Individual EIA's had been undertaken for each of the budget options and would be considered by the Executive Members when they considered the options in more detail.

**Resolved – That the contents of the strategic EIA with respect to the 2011/12 budget options be agreed.**