

## **THE CABINET**

### **MEETING, 10TH NOVEMBER, 2014**

Councillor Morris	Executive Cabinet Member
Councillor Mrs. Thomas	Executive Cabinet Member
Councillor Adia	Executive Cabinet Member
Councillor Peel	Executive Cabinet Member

#### **Cabinet Members**

Councillor J. Byrne	Culture and Youth
Councillor Cunliffe	Public Health
Councillor Chadwick	Highways and Transport
Councillor D. Burrows	Police and Community Safety
Councillor McKeon	Education and Schools
Councillor Zaman	Development and Regeneration
Councillor Lewis	Housing and Social Inclusion

#### **Other Members in Attendance**

Councillor Murray  
Councillor A. Ibrahim  
Councillor Greenhalgh  
Councillor Mrs. Fairclough  
Councillor Cox  
Councillor Hayes  
Councillor Parkinson

Officers

Mr. S. Harriss	Chief Executive
Ms M. Asquith	Deputy Chief Executive
Mr. M. Cox	Director of Environmental Services
Mr. K. Davies	Director of Development and Regeneration
Ms. W. Meredith	Director of Public Health
Mrs. H. Gorman	Borough Solicitor
Ms. S. Johnson	Borough Treasurer
Mrs. L. Ridsdale	Assistant Director
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted by Councillors Allen, Bashir-Ismael, Jones and Peacock.

**16. MINUTES**

The minutes of the proceedings of the meeting of the Cabinet held on 20<sup>th</sup> October, 2014 were submitted and signed as a correct record.

**17. COUNCIL TAX BASE FOR 2015/16**

The Borough Treasurer submitted a report that set out the calculation of the tax base to be used in the calculation of the Council Tax and Business Rates for 2015/16 (the tax base for tax setting purposes).

The report indicated a tax base before adjustment for losses on collection of 71,608 band D equivalents.

The Council needed to determine its collection rate for the year, which took account of collection difficulties. Based on an assessment of past collection performance, this had been maintained at 98% and resulted in a tax base for tax setting purposes of 70,176 band D equivalents.

**Resolved – That the report of the Borough Treasurer for the calculation of the Council's tax base for tax setting purposes for the year 2015/16 be agreed and that the Council Tax base for the year 2015/16 shall be 70,176 band D equivalents.**

## **18. FINANCIAL FORECAST AND BUDGET PROCESS 2015-17**

The Chief Executive submitted a report that outlined the Financial Forecast for the next two years, including the projected requirement for savings of up to £43m by 2016/17<sup>17</sup>, together with the proposed strategy for delivering this budget as a basis for consultation.

The report outlined the following:-

- the context for the Council's Policy and Budget for 2015-17;
- strategic proposals for meeting the financial and policy context; and
- the detailed process for consultation with the public, trade unions and staff;

and was structured as follows:-

Section 2 set out the context for the budget and described the Council's strategic priorities, which would continue to be pursued throughout the budget period;

Section 3 provided the financial forecast and the detail behind a projected savings requirement of £43m over 2015-17. It explained the projected reductions in government grants of £31m; forecast increased costs of £18m but offset by additional income of £5.5m;

Section 4 outlined the Council's budget strategy to deliver the savings required. It described the basis for approving a two year budget; set out potential funding streams, including Council tax income, which would mitigate the

scale of savings required and proposed savings targets for each department;

Section 5 described the proposed strategic measures to deliver the budget savings, including further service reductions and efficiencies across all services; centralised and streamlined support services; a new customer contact strategy; alternative service delivery models; public service reform and a redefined relationship with the community;

Section 6 referred to the Council's capital programme and the requirement for one-off investment, in order to both drive economic growth and mitigate revenue reductions; and

Section 7 summarised the potential, high level impact of these reductions on staff and provided the Council's ongoing workforce strategy.

Part of the report was considered in the confidential part of the meeting (Minute 20 refers) and provided the detailed individual budget options and associated staffing impact, together with the delivery capacity and resources requirements.

It was stressed that the proposals had been developed alongside a continuing commitment to a set of values as an employer which involved seeking to mitigate the impact of the worst aspects of the budget reductions on the Council's workforce whilst remaining a best practice employer.

Members were reminded that in view of the scale of reductions required / anticipated, it had already been agreed that a 2 year budget should be developed. This was considered vital for strategic planning and helped ensure that the Council had a realistic chance to deliver the greater proportion of the £43m savings by April 2016. However, it was anticipated that even producing a two year budget will require significant use of one-off reserves to balance the budgets in 2015/16 and 2016/17. The delivery of the budget on a staggered basis over the two year period would, however, allow sufficient flexibility to

suspend savings activity if the financial position improved over the budget period.

The allocation of overall savings targets across corporate and departmental services had been undertaken using a similar set of criteria to previous budget rounds, as follows:-

- that as much as possible should be found from reductions in management and administration and from further efficiency measures;
- that the most vulnerable should be protected and lower levels of savings found from children's and adults social care services;
- that targeting should take place to protect services to individuals and areas in greatest need and deprivation; and
- that given the reductions taken so far from front-line universal services such as green space provision (i.e. grass cutting and street cleansing), these services should be protected from further service reductions if possible, although further efficiencies and non-front line reductions would be necessary.

On this basis the specific level of reductions from each corporate or departmental area were as follows:-

- Corporate -£15.9 – 17.9m
- Adult Social Care - £6.25 - £7.75m
- Children's - £2.5 - 3.5m
- Development and Regeneration - £2.3 – 2.5m
- Environment - £5.3-6.3m
- Chief Executive's - £2.25m
- Cross-cutting - £4-5m.

The Council was intending to commence formal consultation immediately on the overall budget proposals with a view to reporting back to Council in February 2015. Consultation would include:-

- formal consultation with the Trades Unions through the SLJCC and subsequent Corporate Employee Relations Meetings, supported by DJCCs, for the duration of the consultation period;
- a detailed explanation of the overall budget position and allocation of savings in the next issue of Scene, to be distributed to every household in November. Scene would also be used to explain to people how they could feed in their views to the consultation ;
- development of a public consultation survey which would be posted on-line and also posted to 10,000 targeted households;
- an organised briefing event for the public which would be held in December 2014, to explain the budget and the options put forward and to seek people's views;
- target presentations/discussions with specific groups such as the Third Sector Forum, Business Ratepayers, schools and other groups as appropriate; and
- a comprehensive communications campaign for staff to ensure every employee understood the proposals and how to feed in during consultation. This would involve a letter to every member of staff from the Chief Executive; a special edition of the staff magazine, Bob and briefing sessions held by Directors in each department.

The Council would also pilot a Community Engagement Fund which would provide a small, fixed term investment to community partners in return for leveraging a greater level of capacity to improve the local area.

The Council had allocated £500 000 for this exercise, which will be shared across as many partners as possible to enable the startup and / or delivery of creative ideas that will contribute to a long term solution to the demand pressures on local public services.

The fund will be piloted within areas related to the environment and youth services in the first instance, across the clean, green and safe priorities with the specific objectives of:

- reducing demand for Council services and/or
- making improvements to the environment

- Provision for Young People

Bids would be sought from organisations which could demonstrate that they could multiply the value of the investment to achieve the strategic objectives as described.

**Resolved – That the Cabinet notes the very challenging financial context in which the Council is operating, specifically the projected reductions in government grants and increases in costs that have been highlighted in the medium term financial strategy and agrees:-**

- (i) the allocation of associated savings targets across departments, to achieve savings of up to c£43m by 2016/17;**
- (ii) the outline strategic approach to meeting this challenge with a two year budget for 2015-17, including the proposed strategic principles; the support for staff and use of one-off resources as set out in the report;**
- (iii) the stakeholder consultation process set out for this budget strategy, including an immediate launch of a further voluntary severance campaign for staff; and**
- (iv) the strategic approach to the £500,000 pilot Community Empowerment Fund as set out in the report and appendix.**

## **19. EXCLUSION OF PRESS AND PUBLIC**

**Resolved - That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraphs 1 and 4 (staffing and labour relations matters) 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 their exemption outweighs the public interest in their disclosure.**

## **20. FINANCIAL FORECAST AND BUDGET PROCESS 2015-17**

The Chief Executive submitted a report that outlined the specific savings proposals and relevant delivery issues to meet the Financial Forecast for the next 2 years.

The report outlined the following:-

- The budget options which formed the basis for formal consultation for the 2015-17 budget; and
- The associated policy, financial, capacity and cultural challenges and proposed solutions that related to the policy and budget strategy 2015-17.

A summary of proposals for each department, in line with the principles set out in the previous report (minute 18 refers) were detailed in the report.

A full strategic equality impact assessment had been undertaken and was considered by members during their deliberations.

**Resolved - The Cabinet agreed, as a basis for consultation, the detailed budget options to deliver the two year budget for 2015-17, as set out in the report; the strategy relating to capacity and delivery and associated allocation of one-off resources of up to £40m to enable budget delivery, as set out in section 4 of the report and the development of the work described in sections 2.1 and 2.4, with associated budgets, relating to:**

- (i) the development of a detailed business case and delivery plan for the adult services “arm’s length” company;**
- (ii) the development of a detailed implementation plan for the partnership working with Wigan Council on environmental services; and**



**(iii) the development of a business case and plan for the establishment of a corporate support services function.**