

PESTLE Analysis

Annex 1

In formulating the Medium Term Financial Strategy a review is undertaken of the Political, Economic, Social, Technological, Legal and Legislative and Environmental (PESTLE) issues that may impact on the Council's future revenue position. Table 1 below details this analysis.

Table 1 PESTLE analysis on Council's MTFS

	Theme	On the radar	Summary analysis	Impacts on LG considered in MTFS	MTFS review
P	Political What are the key policy directions of the current government as it relates to our operating environment? What are the possible and likely alternative policy directions on the horizon? (of this and any future government)	Localism and De-centralisation – changes to the role of local government	<p>Changes to the role and duties of local government in the last few years including responsibility for Public Health (PH) and the transfer of those budgets pertaining to PH.</p> <p>The Localism Act contains a range of opportunities for communities including the community right to both buy and take over community assets, as well as challenge the Council to run certain services. The Act also gives communities the right to veto excessive council tax rises.</p> <p>De-centralisation is a key feature of the Government's open public services policy. It aims to free up public bodies to deliver services in differently and innovatively to balance the pressures of demand and reducing budgets. This provides the freedom to pursue an innovative public service reform agenda.</p>	<ul style="list-style-type: none"> • Transfer of Public Health and statutory duties • General Power of Competence – how can this be used? • Community Right to Challenge • Community Right to Buy • Community Right to Build • Reform of social housing allocations and tenure (New Homes Bonus) • Transfer and delegation to councils of functions of other public functions that are a high priority for their communities • Council tax referendums 	<ul style="list-style-type: none"> • Public Health further transfers – expected that ringfenced grant will remain unchanged for future years. Current transformation of services includes provision for further transfer of statutory services for 0-4 within the 0-19 offer. • Council Tax assumptions are either no change or below the current level of veto • Budgets calculated transparently to allow scrutiny and review for transfers to other potential operating models
		Local Government Finance Act	The Local Government Finance Act 2012 included a range of changes that fundamentally alter the way that local authorities will be financed in future. The Act permits local authorities to retain a	<ul style="list-style-type: none"> • Localised Council Tax Support Scheme • Technical reforms to Council Tax in relation to second 	<ul style="list-style-type: none"> • Approved 2015/16 Council Tax Reduction Scheme remaining unchanged in future years.

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			<p>proportion of the business rates generated in their area, connecting council finance to the local economic position. The Act provides the framework for the localisation of support for council tax in England. In addition, the Act introduces tax increment finance, which makes borrowing against future business rates growth possible, as well as introducing changes to council tax rules in relation to the council tax local authorities can charge on empty properties.</p>	<p>homes and empty properties</p> <ul style="list-style-type: none"> • Generation of additional business rates linked to regeneration programme • Risk of non-collection of retained Business Rates 	<ul style="list-style-type: none"> • Collection Fund, Council Tax, Business Rates and also New Homes Bonus are linked to local management information data and the regeneration plans of the Borough. • Review of the Council Tax and Business Rates collection has been undertaken and an action plan is in place to increase collection
		Welfare Reform Act	<p>The Welfare Reform Act was introduced in 2012. It aims to reduce the welfare bill by £5.5bn over the next four years. The other stated aims of the Act are to make the system simpler and ensure the system is fair to those claiming benefits and to the taxpayer; provide a range of incentives to those coming off benefit and into employment to ensure they are not financially worse off; provide a stronger approach to tackling fraud and abuse of the welfare system. This has significant implications directly for residents in terms of the level of benefits they receive; it also impacts on the support that has to be offered from public services, both in terms of financial management, and overcoming often complex barriers to work.</p> <p>Further changes to welfare include the withdrawal of Local Welfare Provision monies and the Discretionary Housing Payments Scheme.</p>	<ul style="list-style-type: none"> • Abolition of a number of benefits including income-based jobseekers allowance, Income-related Employment and Support Allowance, Income Support, Housing Benefit, Council Tax Benefit, Child Tax and Working Tax Credit and the introduction of a single Universal Credit • Changes to Housing Benefit including reductions in benefit for under-occupancy • Introduction of Benefit Cap to ensure that no-one on benefits gets more than the average working household • Change from Disability Living Allowance to Personal Independence Payments • Introduction of a new system of claimant conditionality including the introduction of new sanctions and investigation techniques, and 	<ul style="list-style-type: none"> • Current assumptions within MTFS are that all Welfare Reform Act implications are fully funded. Demand impact reviews are continual and any identified that cannot be met from existing resources will be presented to Members for consideration. • Transfer of the operation of Housing Benefit to the Department for Work and Pensions (under the Universal Credit initiative) is also considered cost neutral.

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				<p>the speedier recovery of fraudulent overpayments</p> <ul style="list-style-type: none"> • New system of child support designed to “put the needs of the child first” 	
		Public Service Reform/Early Help	<p>Oldham has taken a leading role in testing innovative ways of working that reduce demand on the public sector. This builds on our co-operative ethos, encouraging people to help themselves and each other wherever possible, with public services focusing more on helping people develop the skills to help themselves, rather than ‘fixing things’ for people.</p> <p>This work continues to fit into a wider Greater Manchester context, as Greater Manchester continues to lead conversations with Whitehall departments based on learning from the work carried out across Greater Manchester.</p> <p>This work is critical in meeting some of the challenges ahead of us, designing solutions to tackle issues innovatively and more importantly alongside partners and other key stakeholders to ensure a seamless, streamlined delivery to residents. The key focus for this work is on supporting residents to be more independent and self-reliant, so that they need high-cost, reactive public services less. This will support us in re-profiling our spend from high-cost, reactive services to more preventative activity.</p>	<ul style="list-style-type: none"> • Further development of Partnership Investment agreements – such as the one currently in place to lift 1,000 people out of fuel poverty • Commissioning an All Age Early Help Offer, creating for the first time a single, holistic offer to support people to develop the skills to help themselves and prevent them from reaching crisis point. • Consideration of how savings are recouped when done in conjunction with one or more partner organisations • Realisation of longer term savings generated from preventative measures such as the All Age Early Help Offer. 	<ul style="list-style-type: none"> • At this stage no long term direct impact on the MTFS, however as part of the Cooperative Transformation Group and budget review process, public sector reform has been considered and taken forward as an option to deliver services differently and meet the challenging budget gap.

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		Health and Social Care Act	<p>The Health and Social Care Act introduced substantial changes to the way the NHS in England is organised and run.</p> <p>The major changes introduced by the Act include:</p> <ul style="list-style-type: none"> • Primary Care Trusts were abolished and their commissioning functions have now transferred to Clinical Commissioning Groups (CCGs), made up of GPs and other clinicians. • Strategic Health Authorities have been abolished. NHS England has been established to support CCGs and hold them to account. • Responsibility for public health has transferred from PCTs to local authorities. • Public Health England has been established as a national body to provide advice and leadership on the public health agenda. • Health and Wellbeing Boards have been established to provide a forum for key stakeholders to work together to improve the health of local populations. • Healthwatch England has been established as the national voice for patients and services users in health and social care, and a Local Healthwatch organisation in Oldham has been established to provide information, support, advice and advocacy to patients 	<ul style="list-style-type: none"> • Consideration of the effectiveness and completeness of the Public Health Transition Plan. • It will be important to consider the impact of the Better Care Fund (previously known as the Integration Transformation Fund) on local authority finance. This fund was announced in June as part of the 2013 spending round, and provides an opportunity to transform local services so that people are provided with better integrated care and support. CCG's and Local Authorities must jointly agree how the funds are spent, so it will be essential to ensure the fund is developed in the interests of both parties. • Following new guidance issued by the Department of Health on the 25th July 2014, local plans have been agreed with the CCG re the BCF. The Better Care Fund has a performance related element to the fund which is associated with achieving a reduction in non-elective hospital admissions. 	<ul style="list-style-type: none"> • Current assumption in relation to the Public Health grant is that it remains static over the period of the MTFS. However the grant has been increased over the period for the transfer of Health Visiting (HV). The additional grant for HV is a ring-fenced grant of circa £2.164m. • The Better Care Fund has been dealt with working with the CCG and the current budget reflects the agreed position. All plans have been submitted to NHS England and the current budgets include the agreed position in relation to the Better Care Fund. The plans have received approval from the Oldham Health and Wellbeing Board and 'Approved with Support' by NHS England. £4.1m worth of Social Care services have been protected in 2015/16 by the fund. A further £1.8m is expected in 2016/17 through the joint identification of efficiencies. Both of these figures have been approved through the Council's budget process.

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			<p>and service users.</p> <ul style="list-style-type: none"> • Monitor was created to become a sector-specific regulator for health. 		
		Care Act	<p>The Department of Health published the Care Bill earlier in 2013, which reached Royal Assent on the 14 May 2014. The Act aims to 'modernise the law to put people's wellbeing at the heart of the care and support system'. It introduces legislation which aims to provide protection and support to the people who need it most and to take forward elements of the government's initial response to the Francis Inquiry. It also aims to 'give people peace of mind that they will be treated with compassion when in hospital, care homes or their own homes'.</p> <p>The main provisions of the Act will come into force in April 2015, and the funding provisions in the Act will come into force in April 2016,</p> <p>The Act introduces a cap on the costs that people will have to pay for care in their lifetime, as recommended by the Dilnot Commission on the Funding of Care and Support. The Act also pulls together threads from a number of different Acts into a single framework, taking forward most of the recommendations made by Law Commission's review of existing care and support legislation. Taking forward the recommendations of the Law Commission's report, Part 1 of the Act</p>	<ul style="list-style-type: none"> • The increase in requests for care assessments will create large additional demands on the care services the council currently provides. This is currently being assessed. • The financial elements of the Act will have far reaching and complex implications for Oldham and for Adult Social Care services. As such, work to assess the specific impact of these measures is currently underway. The scale of these reforms in policy and financial terms is very significant. Giving local authorities this level of additional responsibility at a time when the whole sector is downsizing makes the task of implementation even more challenging in terms of organisational capacity and financial risk. • The council is currently working on a model which will attempt to understand the financial implications of the Care Act across not only charging but the additional costs the new burdens will bring and additional service users the authority may 	<ul style="list-style-type: none"> • The budget currently assumes a grant of £1.088m has been allocated for 2015/16 to cover the care cap assessment and deferred payment agreements. This is to be locally ringfenced. Ongoing assessments of funding have been included in the MTFS.

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			<p>aims to consolidate existing care and support legislation. It aims to refocus the law around the person not the service; strengthen rights for carers to access support, and; introduce a new adult safeguarding framework.</p>	<p>inherit. This is a very complex area and we are still lacking in information relating to certain key components of the jigsaw. This work is on-going and is being developed in partnership with other local peers and through national networks such as the CIPFA Finance Advisory Network.</p> <ul style="list-style-type: none"> • A Programme Manager and a Project Manager have been appointed to lead on the implementation of the changes arising from the Act. Many new duties are placed on the Authority from April 2015 which are to be funded through a non ring-fenced revenue grant announced at £1.088m. • An internal and external communications strategy is also being developed to communicate the changes arising from the legislation and what this will mean for service delivery in Oldham. 	
		<p>Anti-Social Behaviour, Crime & Policing Act</p>	<p>The Act includes measures to:</p> <ul style="list-style-type: none"> • Replace 20 powers with six to deal with anti-social behaviour. • Criminalise forced marriage • Introduce offences for owning dangerous dogs and illegal firearms • Introduce a new "community trigger", where police, councils and agencies would be forced to act if five 	<p>In order to retain current community protection orders that are currently applied to specific areas / communities (for example the designation of the town centre as a restricted area for alcohol consumption) the council will have to re-apply for them in order for these to be retained, and within a</p>	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area.

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			<p>households made a complaint about anti-social behaviour.</p> <ul style="list-style-type: none"> Introduce a "community remedy", which provides a greater say for victims in what form of sanction an offender can receive out of court. 	<p>period of three years. This will have significant resource implications for the Council.</p> <p>This merging of powers will increase the power that the council has to take action against individuals where there is no 'course of conduct' (where there is repeated mis-conduct over a period of time) but where conduct is sufficiently serious to warrant immediate legal action. The financial implications for such actions will need to be considered.</p> <p>It will also be pertinent to give further considerations to further funding issues arising from the implications of this Act, and in particular;</p> <ul style="list-style-type: none"> Positive Requirements Crime Prevention Injunction applications Replacement of obsolete explanatory literature Training of Neighbourhood Resolution Panel members 	
		Local Audit and Accountability Act	<p>The Act includes measures to;</p> <ul style="list-style-type: none"> Close down the Audit Commission and replace it with a new local audit framework for local government and health. Local authorities will need to set up independent panels with a majority of independent members to make recommendations on who should be appointed as their 	<p>The Council will have to:</p> <ul style="list-style-type: none"> Deal with any concerns with the external auditor such as fee levels direct once the Audit Commission is abolished. Undertake procurement in 2016-17 to appoint its own external auditor as per the Bill. This could be a stand-alone 	<ul style="list-style-type: none"> The MTFS currently assumes no additional pressures or savings in relation to this area. The impact of any changes to audit fees are insignificant in the context of the Council budget. Any change arising

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			<p>external auditors. Responsibility for value for money and preparation of the Code of Audit Practice will transfer to the National Audit Office. The Secretary of State for the Department of Communities and Local Government will also have powers transferred to him to instigate an inspection of a local authority if deemed appropriate.</p> <ul style="list-style-type: none"> • Extending the council tax referendum provisions introduced in the Localism Act in order to allow local council taxpayers to veto rises in council tax caused by bodies such as waste disposal authorities and integrated transport authorities. • Making it mandatory to comply with the Codes of Practice on local authority publicity. 	<p>procurement or done in partnership with other public bodies affected by the legislation.</p> <ul style="list-style-type: none"> • Ensures that referendum requirements if necessary. 	<p>from these proposals are likely to impact on administrative organisational arrangements rather than budgets.</p>
		Social Value Act	<p>The Public Services (Social Value) Act 2012 requires public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes. The Act requires local authorities to consider the economic, social and environmental wellbeing of the area where a service is commissioned. It aims to make the concept of 'social value' more relevant and important in the placement and provision of public services.</p>	<ul style="list-style-type: none"> • Social Value in Procurement Framework has been developed – need to monitor success and outcomes • An issue to be considered is; how do you successfully estimate value of outcomes from social value schemes? • Social value is considered internally when making decisions about service redesign or development of alternative delivery models. 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. However there are a number of pieces of work currently being undertaken to review such areas and following these reviews the MTFS will be updated with any resulting financial impact.
		Children and Families Act	<p>The Children and Families Bill was published by the Government on 5 February 2013, and received Royal Assent on the 13 March 2014. The Act</p>	<ul style="list-style-type: none"> • Oldham's Adoption Service is currently working on a Service Improvement Plan which will incorporate the implications of 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. The expectation specifically in

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			<p>takes forward the Government's commitment to improve services for vulnerable children and support strong families.</p> <p>The Act aims to:</p> <ul style="list-style-type: none"> • reform the systems for adoption, looked after children, family justice and special educational needs; • encourage growth in the childcare sector; • introduce a new system of shared parental leave; • ensure children in England have a strong advocate for their rights <p>The key elements of the Act are;</p> <ul style="list-style-type: none"> • Adoption and virtual school head (VSH) • Family Justice System • Special Educational Needs (SEN). • Childcare • Office of the Children's Commissioner (OCC) • Shared parental leave and flexible working 	<p>this new legislation.</p> <ul style="list-style-type: none"> • The Children and Families Act has introduced a time limit of 26 weeks, within which cases involving children being taken into care must be concluded. In Oldham, we expect that there will be capacity issues initially for both legal services and social care workers, who will have cases reaching conclusion much more quickly than usual. Assessments may need to happen in shorter timescales, which could lead to initial capacity issues. However, currently, Oldham Council is meeting this requirement in that during the first six months since implementation the average timescale in which a case is managed within the legal framework is 26 weeks. • The Act will extend the SEN system from birth to 25, giving children, young people and their parents, greater control and choice in decisions and ensuring needs are properly met. As an SEND pathfinder we are currently testing all of these areas and through this work we will be well placed to reshape service delivery. • The Childcare element of the Act will impact on parents of young children; childcare providers from the private, 	<p>relation to shared parental leave and flexible working is that this should be within the same financial envelope as the current offer.</p> <ul style="list-style-type: none"> • The Council has within its capital programme spending plans for the expansion of the number of childcare places in line with local requirements. This will be kept under review in 2015/16 and future years. • Grant funding for the SEND initiative has been received for 2015/16 and will be locally ringfenced. • The Staying Put initiative for looked after children is also being financed.

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				<p>voluntary, independent, and maintained sectors; and the local authority in terms of its duty to manage the local childcare market. This includes putting in place reforms to ensure investments made in early education achieve a return, through improved school readiness.</p> <ul style="list-style-type: none"> • Consideration should be given to the impact on council finances in respect of possible changes to parental leave and flexible working. It is likely to create demand for an increasingly flexible childcare offer to meet parental need. 	
		<p>Academies Act 2010 and Education Act 2011 (Free schools and academies)</p>	<p>The Academies Act 2010 authorises the creation of free schools and allows all existing state schools to become academy schools. A number of Oldham's schools are now academy schools.</p> <p>Free Schools were introduced by the Coalition Government making it possible for parents, teachers, businesses and charities to set up their own schools. The schools are free to attend but are not controlled by the Local Authority.</p> <p>Funding is on an equal basis with state maintained schools, although additional start-up grants to establish the schools are available. Free schools are still subject to Ofsted inspections and should comply with standard performance measures. The first 24 free schools</p>	<ul style="list-style-type: none"> • 18 schools in Oldham are now academies, meaning they sit outside of local authority control • BSF and Academy funding programme linking to the Capital Programme • Issues around potential loss of prime development land or reduction in value of retained land – DfE can order Council to hand over land to Free Schools for no charge – as happened in Oldham. • Oldham currently has one Free School – Collective Spirit. 	<ul style="list-style-type: none"> • The MTFS has reflected an estimated impact of maintained schools transferring to Academy status. This is specifically in relation to the Central Services Education Grant (CSEG). The CSEG is estimated to continue to reduce by 25% over the life of the MTFS. • DSG funding projections also reflect the changed status of schools. • The use of capital receipts to the finance the capital programme will have regards to land issues around transferring schools/free schools.

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			<p>opened in autumn 2011.</p> <p>The Education Act 2011 requires those Local Authorities who are creating a new school to seek proposals for an Academy or Free School, in the first instance. A traditional community school can only be proposed where there is no suitable free school or academy proposals put forward.</p>		
		<p>General election in 2015 – potential change of government – what would that mean?</p>	<p>Whilst it is impossible to predict the outcome of the next general election in 2015, it is prudent to consider the possibility of a change in government and consider how in turn this might affect the landscape for local government.</p>	<p>The Labour party carried out a policy and funding review ahead of publishing of their manifesto for the election. This included a specific review on Local Government funding and an LG Innovation Taskforce to consider how the relationships between all public services, organisations and people could be transformed if they were organised around local areas rather than institutional hierarchies. The Adonis review was released at the end of July and made a number of recommendations for central, regional and local government that, if implemented, could have financial consequences. The final report from the LG Innovation taskforce is expected.</p> <p>A document from the LGA entitled: Investing in our nation’s future, looks at what the first 100 days of the next government should address. Again, if adopted, this could have an impact on LG finances.</p>	<ul style="list-style-type: none"> • The MTFS assumes that the current policy that is supporting the deficit reduction will continue over the period of the strategy and this is built into the projections for reducing Revenue Support Grant and other government grants as included in the MTFS assumptions. • The financial implication of a change in Government would be considered via a MTFS refresh

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		Sustainable Drainage Systems (SUDS) – Flood and Water Management Act (Planning)	Local authorities are required to take more action to prevent surface water from highways overwhelming the capacity of combined sewers and flooding homes and businesses.	The Council will at some stage be required to set up a SAB (Suds Advisory Board) which will work with Planning and Development Control. This will have a resource cost. However, the government keeps changing the target date.	<ul style="list-style-type: none"> The MTFS assumes that this will be fully funded/cost neutral or met from existing resources.
E	<p>Economic What are the current trends in the economy and how might they affect (favourably or adversely) our organisation, local government and the public sector?</p> <p>What are the trends in individuals prosperity and how will this impact on our current and future service offering?</p>	Economic downturn, need for restructuring the country's economic base	For nearly five years, the UK has been experiencing a significant economic downturn and its impact is resulting in the need for long term restructuring of the economic base of the country. This was a direct result of the banking crisis and the recession of 2008 and 2009. This led to the largest budget deficit in peacetime history and a dramatic increase in public sector indebtedness. The Government's austerity measures, aimed at getting the public sector deficit into order, have now had to be extended to 2019/20 which is a longer period than the four years the Government initially envisaged. Achieving this new extended time frame will still be dependent on the UK economy returning to a reasonable pace of growth towards the end of this period. On the positive side banks have made huge progress since 2008 in shrinking their balance sheets to more manageable levels and also in reducing their dependency on wholesale funding; however, availability of credit remains tight.	<ul style="list-style-type: none"> Comprehensive Spending Review Current levels of interest rates for borrowing are low due to the stability of the base rate. The MTFS includes borrowing for the capital investment programme at current levels and should the base rate increase the cost of borrowing is likely to increase. Due to the banking crisis the ratings of a number of financial institutions have been downgraded. As the Councils Treasury Management Strategy puts the security of investments first the number of institutions available for the Council to invest in has reduced, therefore impacting on the return on the investment. 	<ul style="list-style-type: none"> The MTFS assumes that the current policy that is supporting the deficit reduction will continue over the period of the strategy. Projections for the cost of borrowing have been based on updated interest rate projections The issue of a Comprehensive Spending Review will be reflected by a refresh of the MTFS as there are likely to be significant implications
		Impact of public service cuts elsewhere – who has what	GM analysis has demonstrated that overall public sector spend in GM is similar now to 2008: although spend on agencies delivering services within GM	<ul style="list-style-type: none"> To address the future financial position of the Council work has commenced via the Public Sector Reform/Early Help 	<ul style="list-style-type: none"> At this stage no direct impact has been reflected within the MTFS, however as part of the Cooperative Transformation

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		resources	<p>has reduced considerably, spend from DWP on benefits has increased to match this reduction.</p> <p>This emphasises the need to work collectively across public services to re-profile our collective spend, towards preventative activity.</p>	project and the transformational change workstreams to review opportunities within the Greater Manchester family.	Group and Star Chamber process, public sector reform has been considered and taken forward as an option to deliver services different and to meet the challenging budget gap.
	Impact of welfare reform on local economy		<p>Oldham is ranked 26th worst affected out of the 379 local authorities in Great Britain with the overall annual impact of welfare reform changes being estimated at £90.1m once the changes are fully implemented. This equates to a loss of £637 a year per working-age adult. This is a key finding for Oldham from the previously reported Centre for Regional Economic and Social Research (CRESR, Sheffield Hallam University) report: "Hitting the poorest places hardest – The local and regional impact of welfare reform". That report shows that in Oldham the biggest impact on the local economy from Welfare Reform comes from changes to disability benefits (an estimated loss of £29m) from changes to Incapacity Benefit (£22.3m by 2015/16) and from the change from Disability Living Allowance (DLA) to Personal Independence Payment (£6.7m by 2017/18).</p>	<ul style="list-style-type: none"> • Changes to Welfare reform particularly: <ul style="list-style-type: none"> • Housing Benefit • Benefit Cap • Local Council Tax Reduction Scheme • Local Welfare Provision Scheme • Links to Get Oldham Working and creation of jobs and support to get unemployed residents into work 	<ul style="list-style-type: none"> • The MTFS currently assumes no other changes to additional pressures or savings in relation to this area. • The Council has as one of its priorities to support people into getting into work under the Get Oldham Working programme. The costs of this are included within the base budget. • The 2015/16 budget includes resources to allow for a budget for local welfare provision,
	Unemployment rate, including youth unemployment		<p>Over the last 12 months unemployment in Oldham has fallen sharply.</p> <p>The unemployment rate in Oldham as at November 2014 stands at 3.1% (down from 11.6% in February 2013). Whilst much improved, it is the highest rate</p>	<ul style="list-style-type: none"> • Positive in terms of effect on the local economy and also in terms of numbers of people being able to pay their Council tax, needing less support etc. • Links to Get Oldham Working and creation of jobs and 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. • The Council has as one of its priorities to support people into getting into work under

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			<p>within Greater Manchester, marginally above Bolton and Manchester (3.0%). This currently breaks down as 1,740 unemployed on Universal Credit, 2,628 unemployed on JSA, with a further 900 persons claiming Universal Credit who are employed. Levels of unemployment have fell in Oldham this month (November 2014) (-3.7%); however, again this decrease is below the Greater Manchester (-4.8%) and England (-4.4%) averages.</p>	<p>support to get unemployed residents into work.</p> <ul style="list-style-type: none"> • Links to the Enterprise Trust – A £1m donation from Norman Stoller helped to launch the Enterprise Trust. 	<p>the Get Oldham Working programme. The costs of this are included within the base budget.</p> <ul style="list-style-type: none"> • Support for the Oldham Business Leaders Group, which is administering the Enterprise Fund is included within the base budget.
	Rising energy and water costs		<p>The six major energy companies have all recently announced and implemented increases in the cost of energy. One company has increased its prices by 9.2% resulting in an average increase of £117 on a standard tariff. Another has increased its prices by 3.9% to an average £1,237 per year. This will have a direct effect on both the council and residents. It will also impact on the local economy, resident's health, fuel poverty, business competitiveness and employment. However this will be an opportunity for Low Carbon businesses.</p>	<ul style="list-style-type: none"> • Cost of Council's energy and water bills • Office Accommodation Review and District Asset Review to rationalise and make better use of our office space and assets should lead to lower energy costs • Link to Carbon Reduction Tax – the less energy we use, the less tax we pay • Investment in energy generation projects will become increasingly attractive from an income generation perspective 	<ul style="list-style-type: none"> • The MTFS does reflect an estimated impact of rising costs of energy via an inflation increase. • The Council has a capital programme priority investment in low carbon initiatives and these will be introduced on an invest to save basis. Any consequent revenue savings will be included in future years MTFS.
	Growth Deals		<p>These are a series of Growth Deals with businesses and local authorities across England to invest at least £12 billion in local economies. The money will go towards providing support for local businesses to train young people, create new jobs, build of new homes and start infrastructure projects; including transport improvements and superfast</p>	<p>For the first time ever, housing, infrastructure and other funding is being brought together in a single pot, and put directly into the hands of local authorities and businesses to spend in the best interests of the region. The GM LEP has secured £476.7 m from the Government's Local Growth Fund to support</p>	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. • Working closely within the GM family any agreement from the Local Authorities to invest or offer additional revenues will be included

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			<p>broadband networks.</p> <p>The first £6 billion of local projects has been agreed as the first wave of Growth Deals announced. This includes the complete allocation of £2 billion from the Local Growth Fund for 2015 to 2016.</p> <p>The government will provide £78 million of capital funding towards the construction of a new theatre and exhibition space in Manchester called 'The Factory Manchester'.</p> <p>A £235m science research centre has been given the go-ahead for Manchester in the Chancellor's Autumn Statement. The Sir Henry Royce Institute for Advanced Materials Research and Innovation will also have branches in Leeds, Liverpool, London, Cambridge, Oxford and Sheffield.</p>	<p>economic growth in the area and combined with other funding creates a total new investment package of £556.7m for the Greater Manchester area.</p> <p>This Growth Deal, focus on five key priority areas as identified in the Greater Manchester Growth and Reform Plan:</p> <ul style="list-style-type: none"> • Securing Greater Manchester and the North West's place as a major centre for Life Sciences. • Enhancing further education facilities, creating more apprenticeships and maximising skills investment. • Major Investment in public transport and highways. • Reforming public services so that they reduce duplication and are designed around the needs of residents. • Providing effective business support services. 	<p>should this occur, although it is expected that many projects will be GM wide.</p>
		Ageing population	<p>The 2011 Census population estimate for Oldham is an increase of 3.5% since the 2001 Census. This is less than half the percentage increase for England of 7.9%. The proportion of people aged 65+ has increased by 6.3% in Oldham compared with 10.9% across England and the proportion of people aged 90+ has increased by 17.9% in Oldham compared with 27.9% across England.</p>	<ul style="list-style-type: none"> • Changes to Care funding for the elderly announced as part of the Care Act will have implications for the MTFS • Increase in demand for older peoples' services leading to an increase in the cost of providing the service 	<ul style="list-style-type: none"> • Adults Social Care budget planning has been focussed around ageing population demands, • The MTFS review will highlight if there are specific demand pressures.

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			As forecasted, the numbers of older people have increased, and this will have implications for the future costs of social care and health services, as well as the age profile of service requirements in Oldham.		
S	Social What are the social trends that will affect our citizens and users? In what ways will demographics, changes in purchasing patterns, families and community cohesion influence our strategy?	Large increase in number of residents aged 0-19	<p>Oldham has a relatively youthful age structure. The proportion of the population aged under 20 in Oldham is considerably higher than that for England. The increase in the proportion of under 5's since 2001 is 8.6%, compared with an increase of 13.4% across England.</p> <p>For young people, we already have good quality population estimates via the school census, and these and earlier projections have already highlighted expected increases in school-age populations over the next decade which will require a significant increase in school provision.</p>	<ul style="list-style-type: none"> • Increase in school provision requiring investment in new schools – potential increase in number of Free Schools or academies given the requirements of the Education Act 2011, see above. • Increase in demand for services against this age profile including Children's Centres and youth services. 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. • The current budget process has included a service redesign of the 0-19 offer and this is now included within the base budget, • The MTFS has reflected an estimated impact of maintained schools transferring to Academy status. This is specifically in relation to the Central Services Education Grant. • The capital programme includes funding for schools replacement and expansion to provide additional places.
		Greater requirement for personalisation of services	The traditional service led approach to social care is steadily being replaced by personalisation of services, which means thinking about social care in a completely different way. The personalisation approach places the individual at the centre of their care, identifying their needs and deciding on the support that they would like to be able to live their lives. This will require a different way of thinking and an overhaul of processes, funding and employee.	<ul style="list-style-type: none"> • Greater use of individual budgets and demand for services in line with ageing population 	<ul style="list-style-type: none"> • The MTFS review will highlight if there are specific demand pressures.

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			The successful introduction of individual budgets in Oldham has already seen an increase in the choice and freedom that service users have in terms of their care.		
		Increase in demand for certain services	Despite the funding reductions, we face increased demand for many of our services. These include social care, housing, school admissions, advice about debt, as well as increased take up of free services such as school meals. Such pressures will therefore require extremely careful management and are a major driver in the work to develop new delivery models and investment agreements in line with the work in Greater Manchester on public service reform. As stated this work is focused on increasing productivity and reducing dependency driven demand.	<ul style="list-style-type: none"> • Links to co-operative agenda – everybody doing their bit and enabling people to do more for themselves. 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. • Within the previous budget processes and the 2015/16 process, work has been undertaken across the Council, in transforming services to support early help/preventative services and demand reduction through invest to save initiatives which have been supported from the base budget,
		Prevention agenda – save resources upstream	The prevention and intervention agenda is primarily concerned with savings upstream, mostly realised in the longer term. For example, early investment in services to educate families about healthy eating may reduce the amount spent on heart disease or obesity further down the line. Many prevention solutions take the form of invest to save proposals where the commitment is needed now, but the savings will only be realised in the longer term. Much of the PSR work taking place is predicated on the preventative agenda, but it sometimes requires a real leap of faith to wait for the results.	<ul style="list-style-type: none"> • Invest to save commitments • As part of PSR, the Council as part of the transformation agenda and particularly in developing the All Age Early Help Offer may invest preventative services which may release savings across the public sector. Realising these savings for the Council will required the negotiation of an investment proposition with partners. 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. • Within the previous budget processes and the 2015/16 process, work has been undertaken across the Council, in transforming services to support early help/preventative services and demand reduction through invest to save initiatives which have been supported from the base budget. • Public Health ringfenced budgets underpin health related preventative initiatives and the use of this resource is included in the MTFS.

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		Increase in online usage for shopping	The trend for online shopping is undoubtedly contributing to the decline of high street / town centre shopping. Recently released figures show that online sales rose by almost 31.1% in the five weeks to 29 December 2013 compared to the same period last year. The same figures show a reduction in offline shopping of 2.2%. (Source: Internet retailing)	Links to the economic growth agenda and town centre offer development plans linked to the Capital programme	<ul style="list-style-type: none"> The Council has already initiated major capital schemes and revenue schemes to improve the offer of Oldham Town Centre to attract customers back into traditional high street shopping. This regeneration agenda will develop over the period 2015/20. Current revenue consequences of the approved programme are included within the MTFS.
		Rising cost of living – increase in debt issues and usage of pay day lending / loan sharks	The rising cost of living set against the economic challenges we currently face mean that the number of people in debt, or in danger of falling into debt is rising. For Oldham as a whole, the prevalence of loans is high, especially loans for debt consolidation, which will be a significant issue. A higher than national proportion of households are having difficulty making repayments, and double the national rate are struggling to pay debts of between £5k and £15k.	<ul style="list-style-type: none"> Links to funding for advice services within Oldham Links to Credit Union and ongoing work to tackle loan sharks 	<ul style="list-style-type: none"> The MTFS currently assumes no additional pressures or savings in relation to this area. The base budget included resources to support advice services
		New communities and community cohesion	Increasing immigration levels combined with the increased amount of conflicts globally, including Syria, Ukraine and other parts of the Middle East is likely to increase the number of individuals and families coming into the UK, GM and Oldham.	<ul style="list-style-type: none"> The potential influx of people will increase demand for a number of Council services. 	<ul style="list-style-type: none"> The demand for additional school places is being addressed by planned capital schemes.

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		Greater usage of internet, social media and social networking to give and receive information.	Undoubtedly, the huge increase in the use of the internet, social media and social networking has made these channels one of the main ways of informing, and communicating with, others. This provides a great opportunity in terms of engaging with customers in a way that is quicker, more real-time and convenient to them than more traditional forms of communication such as letters and council magazines. Oldham was the first Council to accept public questions via social media at the Council meeting and other use has been made of the web through live streaming of Council meetings and Cabinet Question Time events. There is also however a greater reputational risk in terms of the viral nature of social networking and social media, where organisations do not have control over what is being said by who, to who, or how many times.	<ul style="list-style-type: none"> Investment in up to date forms of technology to enable us to make the most of the opportunity Appropriate steps taken to minimise the reputational risk arising from social media and networking 	<ul style="list-style-type: none"> The MTFS currently assumes no additional pressures or savings in relation to this area. The capital programme has funding in place for enhanced IT initiatives. Savings from the use of on-line service contract/provision have already been assumed.
T	Technological How will new technologies help us to get our services to our customers? What changes and opportunities will technology present in the future?	Greater opportunity to collect customer insight through online collection	With the increase in online activities such as shopping and subscribing to different sources, there is a greater amount of information available about customer s and users of particular services. This is valuable to organisations in terms of knowing their customers and it is important to the Council in terms of knowing our communities and ensuring we use this intelligence to reach people effectively. The launch of the My Account software, an electronic interface for residents contacting the council is enabling us to deliver a more personalised offer to residents.	<ul style="list-style-type: none"> Link to My Account and the Customer Transformation programme Annual purchase of the Customer Insight data 	<ul style="list-style-type: none"> These elements are included within the base budget. The Customer Services Transformation programme is enabling the realisation of already planned efficiency savings. The capital programme includes funding for investment in planned new technology developments.
		Low digital inclusion levels	Latest digital inclusion figures for Oldham show that 23.6% have never	<ul style="list-style-type: none"> Link to Channel Shift Strategy Link to Customer Service 	<ul style="list-style-type: none"> The MTFS currently assumes no additional pressures or

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		in Oldham	used (20% national), 68% use daily (72.6% national). The majority of those not digitally included tend to be older people. Given the Channel Shift to more services online, there is a need to consider how to improve the inclusion levels of this age group and others, whilst considering how we can still provide other forms of contact such as face to face and telephone.	Transformation programme	savings in relation to this area
		Constant advances in technological innovations	The speed with which technological innovation advances is showing no signs of slowing down. It is almost unbelievable to think that at the last General Election the iPad, such an integral piece of hardware for many people, had not yet been launched in the UK – in Q2 2013 Apple sold 14.6 million of them (Source: Apple) – and iPad is currently on its fourth iteration. Whilst this gives organisations the opportunity to improve efficiency and do more – better – for less, it requires a lot of investment in hardware, software and staff training, and additionally can mean considerable investment in the upkeep of the equipment.	<ul style="list-style-type: none"> • Link to ICT strategy and investment in new technologies 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area. The Council already has an ICT refresh budget which finances on-going ICT requirements. • The capital programme includes investment funding for planned ICT developments.
		Open and transparent data	Need for openness and transparency is outlined in the Localism Act and links in well with the co-operative values especially on accountability. Open data such as street level crime data can empower citizens. Links to calls for open data portals.	<ul style="list-style-type: none"> • Link to open data portals • Link to performance indicators and dashboards 	<ul style="list-style-type: none"> • The MTFS currently assumes no additional pressures or savings in relation to this area
		Carbon Reduction Commitment	The CRC Energy Efficiency Scheme (often referred to as simply 'the CRC') is a mandatory scheme aimed at improving energy efficiency and cutting emissions	Oldham Council is now a participant in Phase 2 of CRC. Carbon = £12 per tonne in 2012/13; Carbon = £15.60 per tonne	<ul style="list-style-type: none"> • The base budget includes funding for CRS energy efficiency costs. New requirements will be


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		(CRC)	in large public and private sector organisations. Organisations which participate within the CRC are required to monitor their energy use, and report their energy supplies annually. The Environment Agency's reporting system applies emissions factors to calculate participants' carbon dioxide (CO2) emissions on the basis of this information. Participants must purchase and surrender allowances to offset their emissions. Allowances can either be bought at annual fixed-price sales, or traded on the secondary market.	(forecast sale) and £16.40 (buy to comply sale) in 2014/15, increasing every year. The financial implication of this needs to be considered.	<p>considered with demand pressure budgets.</p> <ul style="list-style-type: none"> Energy efficiency initiatives/investment should enable to manage the consequences of CRC.
L	<p>Legal / Legislative</p> <p>Given current and emerging trends in national and international legislation, what do we see as the most significant factors?</p> <p>What are the internal and external requirements of future legislation?</p>	Small Business, Enterprise and Employment Bill	<p>This new Bill includes key measures to:</p> <ul style="list-style-type: none"> Stop highly paid public sector employees keeping redundancy payments when returning to the sector within 12 months Providing small firms with fair access to public procurement contracts; and increasing the availability and sources of finance for businesses that want to invest Strengthen UK Employment Law by tackling abuses of the National Minimum Wage and zero hours contracts Increasing transparency for who owns and controls UK companies Making select childcare regulations more flexible to meet the needs of working families <p>Other measures include:</p> <ul style="list-style-type: none"> Regularly review red tape that affects small businesses to 	<p>Implications for Oldham arising from the Small Business, Enterprise and Employment Bill</p> <ul style="list-style-type: none"> The crackdown on zero hours contracts and paying the NMW are both issues that Oldham Council has committed to already – and done more. The Council developed a Fair Employment Charter which it has signed up to and is encouraging other employers in Oldham to do the same. Oldham currently pays more than the Local Living Wage for GM. <p>Regulation is expected in the areas of:</p> <ul style="list-style-type: none"> Public sector redundancy claw back: AGMA and other 	<ul style="list-style-type: none"> The capital programme already include planned expenditure on 2 year old provision. The Council has identified resources to support the Fair Employment Charter

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			<p>ensure regulations are either cut or remain effective</p> <ul style="list-style-type: none"> • Make it easier for small businesses to expand overseas • Create a new Statutory Code and independent Adjudicator to ensure that publicans who are tied to a pub owning company are treated fairly 	<p>regional public sector partners could also work together to develop a common protocol if need be and if appropriate.</p> <ul style="list-style-type: none"> • Zero hours contracts: The issue is the current absence of definition around 'zero hours' and regulation will help interpretation, compliance and the raising of standards within the council and local employers where there may be exceptional vulnerability. Regulation will also support our Fair Employment commitment since compliance will be made clearer and with this, the council will be less vulnerable to reputational risk from association and accreditation of suppliers and employers where standards are not currently legally definitive. • Procurement practices: When we commission and procure, this means that we need to focus on outcomes rather than outputs to ensure that we achieve the greatest possible impact and, therefore, the best value for money on behalf of Oldham's residents. Our social value procurement framework seeks to achieve this by ensuring that social, economic 	

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				<p>and environmental outcomes are systematically incorporated into procurement practices, so that we can achieve greater impact from each and every contract.</p> <p>Childcare Regulations The bill will make it easier for schools to take in two-year-olds by removing the requirement to register separately with Ofsted. Some 2000 two-year-olds in Oldham have become eligible for 15 hours per week of free early education from September 2014. To meet the new duty, a massive expansion of places is necessary, and a capacity building programme, including some schools is underway.</p> <p>Early education is a key strand of Oldham’s Early Help Strategy, and is central to commissioning arrangements for children’s centres. These are co-ordinated at district level. The proposals will support the principle of schools as community hubs, working in conjunction with children’s centres. For example, the place allocation process will forge stronger links between schools and District Early Help Panels.</p>	

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		Infrastructure Bill	<p>This new Bill includes key measures to:</p> <ul style="list-style-type: none"> • Reducing unnecessary delay and costs by allowing certain types of planning conditions to be discharged where a local planning authority has not notified the developer of their decision within a set timeframe • Simplify the process for making changes to Development Consent Orders (DCO) by speeding up non-material changes to a DCO, and allowing simplified processes for material changes • Transfer statutory responsibility for the local land charges register to the Land Registry supporting the delivery of digital services • Set minimum energy performance standards through building regulations <p>Other measures include:</p> <ul style="list-style-type: none"> • Permitting land to be transferred directly from arms-length bodies to the Homes and Communities Agency, reducing bureaucracy and managing land more effectively • Ensuring that future purchasers of land owned by the Homes and 	<p>Implications for Oldham arising from the Infrastructure Bill</p> <p>Increasing service efficiencies – for example by allowing specific planning conditions to be discharged where a local planning authority has not notified the developer of their decision – Oldham is a high performing local authority and is well placed to meet the requirements of this element of the Bill. We actively seek to minimise the use of planning conditions where applicable in order to support sustainable growth through planning across the Borough.</p> <p>Oldham Council currently co-ordinates land charges, devolved to councils in line with localism. Local land charges inform potential buyers whether they will inherit any obligations or restrictions on the property, and provides certain property-related information. There is presently no further detail on when and how local land charges could be transferred. It's estimated that the centralisation of this function to the Land Registry could take between 2-4 years. However there is a risk that this could impact on the quality of services as the Land Registry will be less able to integrate with planning, highways and other locally regulated services.</p>	<ul style="list-style-type: none"> • The MTFS assumes that any implications arising from this Bill will be cost neutral and met from within existing resources.

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			<p>Communities Agency and the Greater London Authority will be able to develop and use land without being affected by easements and other rights and restrictions suspended by the Agency</p> <ul style="list-style-type: none"> • Turning the Highways Agency into a Government owned company, with the stable, long term funding needed to plan ahead • 		
		Modern Slavery Bill	<p>This new Bill includes key measures to:</p> <ul style="list-style-type: none"> • Create a statutory duty for public bodies, including local authorities, to notify the National Crime Agency about potential victims of modern slavery <p>Other measures include:</p> <ul style="list-style-type: none"> • Consolidate and simplify existing modern slavery offences into one Act • Increase the maximum sentence available for offenders to life imprisonment • Ensure that perpetrators convicted of slavery or trafficking face the toughest asset confiscation regime • Give the courts new powers to order perpetrators of slavery and trafficking to pay financial redress to their victims • Restrict the activity of individuals 	<p>Implications for Oldham arising from the Modern Slavery Bill</p> <ul style="list-style-type: none"> • The Bill will create a statutory duty to co-operate with the new Anti-Slavery Commissioner to ensure local law enforcement is doing all it can to tackle anti-slavery crime nationally. • As a public body, the council will be obliged to notify the National Crime Agency about potential victims who may be at risk from modern slavery and human trafficking crimes. <p>The new obligations have strong links to Greater Manchester’s ‘Operation Challenger’ – a multi-agency operation with partners working together to tackle crime</p>	<ul style="list-style-type: none"> • The MTFS assumes that any implications arising from this Bill will be cost neutral and met from within existing resources. Funding for the MASH team and work with key partners is already included within the base budget.

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			<p>convicted of modern slavery offences or where they pose a risk of causing harm</p> <ul style="list-style-type: none"> • Create a new Anti-Slavery Commissioner and provide a statutory defence for victims of modern slavery and support through the criminal justice process. • Statutory guidance on victim identification and victim services <p>Power for child advocates to support child victims of trafficking</p>	<p>across the region. The requirements also support the work of the Multi-Agency Safeguarding Hub (MASH) which works closely with police on safeguarding issues and protecting potential victims of crimes including modern slavery and human trafficking.</p> <p>Next Steps</p> <p>The council will continue to work together with core strategic partners including Operation Challenger and MASH in order to actively safeguard vulnerable residents who may be at risk. It will also co-develop approaches to tackling modern slavery and human trafficking in Oldham and across GM.</p>	
	<p>Environmental</p> <p>What environmental factors are likely to influence or require us to adjust our strategy?</p>	<p>Adverse weather conditions e.g. flooding, droughts, severe winters</p>	<ul style="list-style-type: none"> • Adverse weather conditions may require extra investment in preventative measures such as grit, as well as costs to the economy if infrastructure is out of action for an extended period of time. 	<ul style="list-style-type: none"> • Consideration of civil contingency monies being available in the event of adverse weather conditions or long term damage to infrastructure through weather. • Costs of improving assets for long-term resilience to extreme weather events. 	<ul style="list-style-type: none"> • The MTFS assumes that any implications arising from adverse weather will be met from within existing resources be cost neutral or via government funding. The Council has benefitted in 2014/15 from Severe Weather Grant funding from Central Government as the Government recognised extreme conditions cannot always be anticipated or budgeted for at a local level • The Council has a severe weather funding reserve to

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					supplement mainstream budgets if required.