

Report to Council

Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance
Ext. 4902

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Reason for Decision

This report presents to Council the forecast budget gap and the Administration's budget proposals for 2018/19 together with forecast budget gap estimates for the period 2019/20 to 2021/22 having regard to the Provisional Local Government Finance Settlement published on 19 December 2017 and subsequent Final Local Government Finance Settlement published on 6 February 2018.

Executive Summary

This report sets out proposals for the Council's Revenue Budget for 2018/19 and Medium Term Financial Strategy for 2018/19 to 2021/22. The report advises Council of the key financial challenges and issues which will be faced by the Council over the forecast period and presents the Administration's revenue budget proposals for 2018/19 together with updated budget gap estimates for the period 2019/20 to 2021/22.

The report presents the national and regional policy landscape within which the Council operates. It summarises:

- The UK's economic outlook published alongside the Chancellor's Autumn Budget Statement;
- Key aspects of the Local Government finance system including developments surrounding the Government's Fair Funding review and Business Rates retention including the Greater Manchester 100% Rates Retention Pilot Scheme and the pooling of Business Rates for 2018/19;

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- National and Regional policies affecting Local Government including the National Living Wage, Health and Social Care Devolution, Better Care Fund, the forthcoming Social Care Green Paper, Opportunity Area Funding, Adult Education Funding and the GM Spatial Framework; and
 - Local strategies and policies relevant to the Medium Term Financial Strategy including the Oldham Plan and Corporate Plan, Capital and Treasury Management Strategies as well as a range of other strategies covering, for example income generation, property and housing.

The report also highlights policy announcements and implications arising from the Chancellor's Autumn Budget Statement delivered on 22 November 2017, the Provisional Local Government Finance Settlement published on 19 December 2017 and the Final Local Government Finance Settlement published on 6 February 2018.

The settlement provided no significant additional funding that can be deployed towards balancing the 2018/19 budget position. Whilst additional grant funding for New Burdens and Housing Benefit Administration grant has made a small contribution towards reducing the budget reduction requirement, baseline funding levels and associated top up grant payments will continue to be reduced in line with previously published figures.

No additional funding has been provided to address pressures in Children's Social Care services although within the Final Local Government Finance Settlement the Secretary of State announced unringfenced 2018/19 Adult Social Care Support Grant allocations for which Oldham Council will receive £0.701m. In accordance with the recommendations of Cabinet at a meeting of 19 February 2018 this resource will be held for Social Care and its use will be determined during 2018/19 in the context of Government expectations and local need.

The settlement also included a relaxation of referendum limits for general Council Tax increases. The Government will permit rises of 3% per annum for 2018/19 and 2019/20 rather than 2% and the Police element of the Mayoral precept can be increased by up to £12 for 2018/19 without triggering a referendum. In addition there is no limit on changes to the Mayoral General Precept (which includes Fire and Rescue Services). The report includes a 1.99% general Council Tax increase for Oldham Council rather than the maximum allowed.

The Government also announced no change to the arrangements for the Adult Social Care Precept allowing up to a 6% increase in Council Tax (ringfenced for use for Adult Social Care) over the three year period 2017/18 to 2019/20. In line with previously approved policy, the Council will apply a precept increase of 2% in 2018/19.

The Government also intends to move to 75% Business Rates Retention nationally for all Councils by 2020/21 and has published a technical consultation relating to a review of relative needs and resources under the guise of its Fair Funding review which is also set to conclude and be implemented by 2020/21.

In regard to Business Rates, additional grant is being provided to compensate Councils for plans announced in the Autumn Budget regarding the indexation of business rates multipliers (moving from the Retail Price Index to the Consumer Price Index) which is offset by an equal and opposite reduction in retained business rates revenue.

The starting point for preparing the 2018/19 revenue budget estimates is the Month 8 2017/18 revenue budget forecast outturn position which is summarised in Section 7.

Section 8 of the report details key budget adjustments and expenditure pressures underpinning the forecasts that provide the backdrop for the Council's Medium Term Financial Strategy. Key adjustments include:

- £9.100m for Adult Social Care to cover the passporting of Adult Social Care Precept revenues, Improved Better Care Fund (iBCF) grant, demand pressures and the cost of National Living Wage increases;
- £0.701m for Support for Social Care;
- £8.063m for demand pressures in Children's Social Care;
- £0.689m of support for the Early Help Initiative (to be financed from reserves);
- £0.500m for additional investment in Special Educational Needs and Disabilities.
- £2.810m for pay awards, price inflation and superannuation contribution rate increases; and
- £1.244m of other adjustments primarily dealing with forecast changes in the Waste Levy, GMCA Transport Levy, other GMCA contributions and other smaller miscellaneous pressures set out in detail in the report.

The report also reflects the latest available forecasts for Government Grant income and locally generated income from Retained Business Rates and Council Tax.

Based on the latest estimates, the budget reduction requirement for 2018/19 has reduced from the previously reported figure of £24.818m to £13.950m. This significant improvement is due to a range of favourable changes to the estimates which are set out in detail in Section 12 of the report.

Section 13 of the report details the Administration's budget reduction proposals. There are a total of 35 proposals delivering savings of £6.686m in 2018/19. If approved in full, these proposals further reduce the budget reduction requirement to £7.264m for 2018/19.

Section 14 explains the approach to balancing the 2018/19 budget through the use of reserves. To protect services from deeper spending reductions it is proposed to finance the Early Help pressure of £0.689m from reserves and to utilise a further £2.658m of Business Rates resources carried forward from 2017/18. In addition to £0.250m of support from reserves approved in 2016/17, that leaves the remainder of £3.667m to be financed from Corporate Reserves. Members will note that the sum of Business Rates Resources (reserves) and Corporate Reserves being utilised to support the budget (£6.325m) is largely attributable to the requirement to provide £8.063m of resources to address demand pressures within Children's Social Care.

Approval of the proposals set out in this report in full delivers a balanced revenue budget for 2018/19. The budget reduction requirement for subsequent years is forecast to be £17.986m for 2019/20, £7.817m for 2020/21 and £7.470m for 2021/22.

It is important to note that due to the Government only providing grant funding figures up to the year 2019/20, the MTFs estimates for 2020/21 and 2021/22 are based on best information currently available and therefore must be considered indicative at this stage.

This leaves significant uncertainty and it hinders effective planning by the Council both financially and operationally as future Government funding intentions are difficult to assess. This position and the actions that the Council plans to take to pursue a MTFS are outlined in Section 20.

The report summarises the forecast reserves and balances position supporting the budget. The level of reserves (£71.437m) and balances (£13.991m) anticipated to be available for 2018/19 is deemed sufficient to underpin the financial resilience requirements of the Authority.

The Administration's proposals in relation to Fees and Charges are summarised at Section 16 with all charges for 2018/19 presented in detail at Appendix 4.

In accordance with the requirements of sections 38 to 43 of the Localism Act 2011, the Council's Pay Policy Statement for 2018/19 is summarised at Section 17 and presented in full at Appendix 5

Section 18 presents recommended Council Tax and Adult Social Care Precept levels for Oldham Council comprising a general increase of 1.99% and a 2% increase for Adult Social Care Precept (3.99% in total). The Oldham Council band D charge is therefore £1,562.04 of which £86.78 relates to the Adult Social Care Precept.

The overall Council Tax level in Oldham incorporates the Council Tax charged by precepting Authorities. On 26 January 2018 the GM Mayor proposed, to the Greater Manchester Combined Authority (GMCA), the GM Mayoral Precept. This encompasses two elements, the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services). The proposal was for a £12 increase to the Police element in line with Government limits and a £9 increase to the General precept for Mayoral functions (with no increase for functions previously covered by the Fire and Rescue Authority). On 20 February 2018 the GMCA approved the increase to the Police element and a revised lower £8 increase to the General precept bringing the overall Band D Council Tax up to £1,804.29. Section 18 also details the Precepts for the Shaw and Crompton and the Saddleworth Parish Councils.

Mindful of the continuing financial challenges that the Council will face over the medium term up to 2021/22, Sections 19 and 20 set out the future budget reduction requirements together with the approach the Council will take to close the budget gap.

The Overview and Scrutiny Performance and Value for Money Select Committee, at its meeting on 25 January 2018, scrutinised the Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22 and the Select Committee was content to commend the report to Cabinet without additional comment.

A further meeting of the Select Committee took place on 6 February 2018 which considered budget proposals put forward by the main Opposition Party. Whilst the Select Committee did not accept the budget amendments it did recommend that Cabinet accept three actions to be considered within the 2019/20 budget process.

At its meeting on 19 February 2018 Cabinet accepted the comments and recommendations of both Select Committees when considering the Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22. Cabinet were content to commend the report to Council subject to changing the approach to the use of the Adult Social Care Support Grant and including three actions for consideration within the 2019/20 budget process. These points have been addressed at paragraphs 8.7, 12.28 and Section 20 of this report.

Recommendations

That Council approves:

- 1 The national and regional policy landscape determining the context in which the Council is setting its revenue budget for 2018/19 and Medium Term Financial Strategy to 2021/22;
- 2 The impact of Oldham Council Policies and Strategies on the Council's budget setting process and the development of its Medium Term Financial Strategy;
- 3 The financial forecasts for 2018/19 to 2021/22 having regard to the Local Government Finance Settlement and associated funding announcements;
- 4 The 2018/19 Budget Reduction Proposals at a value of £6.686m;
- 5 The proposed use of £7.264m of reserves to balance the 2018/19 budget;
- 6 The fees and charges schedule included at Appendix 4;
- 7 The pay policy statement included at Appendix 5;
- 8 A Council Tax increase of 3.99% for Oldham Council services resulting in the charges set out in Appendix 8;
- 9 The draw on the Collection Fund for major preceptors of £100.439m for Borough Wide services of which £86.953m is for Council services;
- 10 The proposed net revenue expenditure budget for 2018/19 for the Council set at £216.921m; and
- 11 Revised budget reduction targets of £17.986m for 2019/20, £7.817m for 2020/21 and £7.470m for 2021/22.

Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22**1 Background**

- 1.1 Each year, the Council has to identify what it needs to spend on Council services for the following year as part of the budget setting process. This process also involves the identification of provisional spending plans for future financial years. This ensures the Council's future spending plans are balanced against the expected funding from Government, Council Tax payers and Business Rates payers. These plans form part of the Council's Medium Term Financial Strategy (MTFS). This report advises Members of the current position following publication of the Provisional and Final Local Government Finance Settlements (LGFS) on 19 December 2017 and 6 February 2018, associated funding announcements and the Administration's proposals for balancing the 2018/19 budget.
- 1.2 The MTFS is designed to build on the work and achievements of previous years and to help meet the challenges of the future. It is one of the key strategic plans of the Council. The strategy sets out the Council's proposed revenue spending plans for the next four years and the key factors which will influence the financial forecasts.
- 1.3 At the same time as considering the financial challenges facing the Council it is important to consider the Council's commitment to the co-operative way of working. Based on a set of values and the principle of enabling and motivating everyone to "do their bit", this shapes and influences the policy direction of the Council and its response to the financial challenges.
- 1.4 As an organisation, a co-operative approach provides the opportunity to find positive and sustainable solutions to the on-going financial challenges being faced. Oldham has a values driven approach which underpins the way it does business. The Council believes in the importance of fairness and responsibility. In practice, that means maximising the positive social, economic and environmental impact that can be achieved through everything we do as set out in the Council's values. From procurement practices to the pay policy, the Council is using its influence as a commissioner, service provider, facilitator and employer to deliver that added social value.
- 1.5 Additionally, Council services are being re-designed and innovative, alternative commissioning models developed to ensure that all our services, whether delivered in-house or with partners, are excellent and provide value for public money, getting the maximum impact for Oldham and its people for every pound spent. The Council is organising itself in a way that enables it to meet the challenges from Central Government and the devolution agenda with regard to integration with the NHS, whilst also delivering the Administration's priorities.
- 1.6 As a Co-operative Council since 2011, the Council is committed to its ambition for a co-operative future where everyone does their bit to create a confident and ambitious borough and to develop a different relationship with citizens, partners and staff. This means being a Council that listens, responds and engages as locally as possible and has strong civic and community leadership.
- 1.7 Working with communities at a neighbourhood level, the Council is continuing to enable residents to take greater control over their own lives and over the services and amenities that matter most to them. The Oldham Plan and Corporate Plan were both refreshed in July 2017 and they set out the vision for Oldham and the Council.

1.8 The Oldham Plan is based around the Oldham Model and is aligned to the three Corporate Plan objectives set out below which focus the activity of the Council in delivering its ambition:

- **An Inclusive Economy** – where people and enterprise thrive
- **Thriving Communities** – where everyone is empowered to do their bit
- **Co-operative Services** – with people and social value at their hearts

1.9 The Corporate Plan also sets out how everyone can do their bit to support the delivery of the ambitions and outcomes of the Council:

#ourbit is what Oldham Council is doing or contributing to help improve something.

#yourbit is how local people, businesses and partners are helping to make change happen.

The **#result** is how we are all benefiting from working together.

1.10 Together these objectives and ambitions reflect the on-going commitment to ensuring the Council and its partners work with the residents of Oldham to bring about positive change and provide strong leadership for a co-operative borough.

1.11 Working towards achieving its corporate objectives and in spite of the significant budget reduction targets, the Council has prioritised and invested in physical and social regeneration. As a consequence, there have been some significant positive outcomes in the borough even though these are challenging times.

1.12 The Council continues to develop an exciting portfolio of opportunities demonstrating Oldham is open for business by using its own resources to attract and secure significant additional investment in the borough's amenities and, by working with partners, encourages economic development whilst increasing employment opportunities for the residents of Oldham.

1.13 Some of the highlights in 2017/18 include:

- Get Oldham Working which is now firmly into Phase 2. Since its launch in 2013 it has now helped create more than 7,250 work-related opportunities - including more than 4,725 jobs, 1,100 apprenticeships, 300 traineeships and almost 1,100 experience placements.
- For those people already in work, the Council launched a pioneering Career Advancement Service. This will help 400 people in employment to get the mentoring and support they need to get a promotion or increase their skills and salaries.
- The Council's Skills for Employment programme is also helping residents improve their skills and confidence to find sustainable employment. Since launching in April 2016 more than 50 per cent of residents given a placement have since found work and the Council's achievement was recognised with a recent 'Employer of the Year' award from the Growth Company.
- October 2017 saw the opening of the new Audi showroom of Jardine Motors at Chadderton – creating 90 good quality jobs.
- Agreement to move forward a new parcel delivery depot at Greengate for a 57,500 sq. ft. building that will create 350 new jobs and is another example of top companies and market leaders seeing the borough as a place to do business and invest.
- Agreement of a new development at Hollinwood Junction, which is a hugely important strategic site. This will create 150,000 sq. ft. of new homes, employment opportunities and retail and leisure facilities with a projected 760 new jobs.
- The Council's new Digital Enterprise Hub was opened in July 2017 as home to Wayra UK's Open Future North and Hack Oldham.

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- Since its introduction, Warm Homes Oldham has now lifted over four and a half thousand local homes out of fuel poverty by installing boilers and cavity and loft insulation. The scheme has brought in approximately £3.5m of utility grant funding and generated an average saving of £800 per home, plus the additional savings benefits to health and local services.
 - The Council's Welfare Rights Officers have so far helped 1,507 residents claim an extra £2.609m that they are entitled to in Personal Independence Payments, Employment and Support Allowance, Attendance Allowance and Child Tax Credits.
- 1.14 A number of key stakeholders are integral to supporting the Council in providing services and the Council has regard to the various agencies and organisations and the linkages they have to the Council's financial planning process and also the impact of the financial planning process on these key stakeholders.
- 1.15 On 8 January 2018 the Government announced that following a ministerial reshuffle, the former Department for Communities and Local Government (DCLG) would be renamed as the Ministry of Housing, Communities and Local Government (MHCLG) which is used throughout this report.
- 1.16 The Overview and Scrutiny Performance and Value for Money Select Committee, at its meeting on 25 January 2018, scrutinised the Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22 and the Select Committee was content to commend the report to Cabinet without additional comment.
- 1.17 A further meeting of the Select Committee took place on 6 February 2018 which considered budget proposals put forward by the main Opposition Party. Whilst the Select Committee did not accept the budget amendments it did recommend that Cabinet accept three actions to be considered within the 2019/20 budget process.
- 1.18 At its meeting on 19 February 2018 Cabinet accepted the comments and recommendations of both Select Committees when considering the Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22. Cabinet were content to commend the report to Council subject to changing the approach to the use of the Adult Social Care Support Grant and including three actions for consideration within the 2019/20 budget process. These points have been addressed at paragraphs 8.7, 12.28 and Section 20 of this report.

2 Medium Term Financial Strategy (MTFS)

2.1 The purpose of the MTFS is:

“To identify how the Council wishes to structure and manage available resources over the medium term (four years) and to ensure that resource allocation is aligned with and supports Council priorities and objectives contained within the Corporate Plan.”

2.2 The MTFS is an assessment of the Council's current financial position and a determination of the financial position the Council wishes to be in over the medium term, the four years 2018/19 to 2021/22, given the environment in which the Council operates and its ambitions. This MTFS therefore enables the Council to plan how it can secure the delivery of essential public services, but also makes sure it is in a sustainable position to do so over the medium term and beyond.

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- 2.3 The MTFFS considers:
- Relevant international, national and regional influences on Oldham Council.
 - Local factors which influence policy within the Council including the Administration's priorities of regenerating the borough and creating jobs.
 - The impact of Government policy and associated announcements.
 - Key Council policy initiatives.
- 2.4 This remains a challenging time for Local Government with uncertainty around the future funding for the sector. The Oldham Efficiency Plan which the Council agreed with Government in 2016 gives a minimum funding guarantee only until the end of 2019/20. The Government has yet to give a clear indication of funding beyond 2020/21. Although there is a planned switch to funding under the Business Rates Retention scheme (now 75% rather 100%) the detail has not been finalised. The assumption is that funding is set to decrease further and Councils such as Oldham that are still reliant on the Government for a significant proportion of their resources will be especially hard hit by these reductions.
- 2.5 This report is complemented by others elsewhere on the agenda which form a core part of the Council's strategic financial framework and have a vital role to play in enabling the translation of the Council's ambition and priorities in action. In addition to this report which sets out the national and regional policy landscape as well as specific issues that underpin the revenue budget estimates including details of the Final LGFS, the proposed revenue budget and Council Tax levels for 2018/19. There is:
- The Capital Strategy and Capital Programme which presents the Council's Capital investment ambitions and priorities for the medium term.
 - Strategic Housing Revenue Account (HRA) estimates detailing financial forecasts for the medium term as well as setting the HRA budget, rent levels and service charges for the year ahead.
 - The Treasury Management Strategy Statement for the year ahead, including a Minimum Revenue Provision Policy Statement, Annual Investment Strategy as well as a suite of prudential indicators.
 - The Statement of the Chief Financial Officer on Reserves, Robustness of estimates and affordability and prudence of capital investments.
- 2.6 It is important to recognise cross cutting implications, where decisions relating to one element of the strategy have implications elsewhere. For example, capital investment decisions may carry revenue budget implications in terms of operating, maintenance or debt servicing costs. Similarly, capital investment financed by borrowing carries implications for Treasury Management as well as implications for the revenue budget.
- 2.7 Members will recall the MTFFS report for 2017/18 to 2020/21 that was approved at the Council meeting of 1 March 2017, anticipated a budget reduction requirement for 2018/19 of £20.755m. This was subsequently amended in June 2017 with a report to Cabinet that highlighted pressures in Children's Social Care and increased the budget reduction requirement for 2018/19 to £24.818m.
- 2.8 This report revises the MTFFS estimates for the period 2018/19 to 2021/22 based on local and national information including the Final LGFS published on 6 February 2018. At this time the budget reduction requirement has been revised to £13.950m as explained at Section 12 later in the report.
- 2.9 This report then sets out the Administration's proposals for the statutory balancing of the 2018/19 budget as per the detail set out from Section 13 onwards together with revised budget gap estimates for the period 2019/20 to 2021/22.
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3 National and Regional Issues impacting on the MTFS and budget setting for 2018/19

3.1 Paragraphs 3.5 to 3.73 set out a range of significant national, regional and local issues that influence the overarching MTFS and budget setting for 2018/19. The forecasts in this report are informed by the policy landscape within which Oldham Council operates.

3.2 The work undertaken by the previous Coalition Government and more recently by the Conservative Government has resulted in major changes to the role of, and arrangements for Local Authorities. This has therefore had a major influence on the operation of the Council, introducing new duties and responsibilities. These therefore shape the operational and financial environment of the Council as well as its approach to addressing financial challenges.

3.3 Recent key changes and forthcoming developments in the national and regional policy landscape are intertwined; particularly those driven by the devolution agenda. The policy areas to which the Council must have regard and respond are set out in the remainder of this section of the report.

3.4 However, underpinning the financial strategy of both the Government and the Council is the economic outlook which sets the scene for resource allocation and investment in the Public Sector.

Economic Growth

3.5 The latest prospects for the UK economy and public finances were set out in the Chancellor's Autumn Budget of 22 November 2017. Forecasts from The Office for Budget Responsibility (OBR) show that the medium term outlook for the UK economy has changed since the Spring Budget of 8 March 2017.

3.6 The forecast for the level of GDP growth by the end of 2020 has reduced somewhat significantly over the period to 2022 as shown in the table below:

Table 1 – GDP Forecast Growth

GDP Growth	2017	2018	2019	2020	2021	2022
	%	%	%	%	%	%
Spring Budget	2.0	1.6	1.7	1.9	N/A	N/A
Autumn Budget	1.5	1.4	1.3	1.3	1.5	1.5
Change	(0.5)	(0.2)	(0.4)	(0.6)	N/A	N/A

3.7 The forecast reduction in economic growth is due to a combination of business investment growth and household consumption being revised down in comparison to expectations at the time of the Spring Budget. This suggests a potential tightening of public finances.

Inflation

3.8 The OBR Consumer Price Index (CPI) inflation peaked at the end of 2017, with the 12 month rate at a level of 3.0% in December 2017 however, it is expected to reduce over 2018, reaching 2.0% by the end of the year. Inflation forecasts then remain steady at around 2.0% until the end of the forecast period (2022).

3.9 The MTFS includes estimates of the increase in budgets the Council requires in order to keep pace with inflation. Any unplanned inflationary pressures have an impact on the Council's purchasing power with higher rates resulting the Council paying more for supplies and services. The rise in inflation also affects the spending profile of Oldham residents and

their ability to pay Council Tax which can affect the collection rate and have a negative impact on the resources that the Council can generate through this income source.

Government Borrowing

- 3.10 The following table shows the Autumn Budget public sector net borrowing forecasts compared to those announced in the Spring Budget (8 March 2017), and highlights an anticipated reduction in 2017/18 and 2018/19 then increases in 2019/20 and 2020/21.

Table 2 – Public Sector Borrowing Forecasts

	2017/18 £bn	2018/19 £bn	2019/20 £bn	2020/21 £bn	2021/22 £bn
Spring Budget	58.3	40.8	21.4	20.6	N/A
Autumn Budget	49.9	39.5	34.7	32.8	30.1
Change	(8.4)	(1.3)	13.3	12.2	N/A

- 3.11 The expected changes in borrowing compared to the 2017 Spring Budget are based on a combination of the following:
- Public spending for 2017/18 being considerably lower than forecast due to lower than expected spending on welfare and tax litigation.
 - Public sector receipts forecast for 2017/18 have increased following a stronger than expected outturn position in 2016/17.
- 3.12 Increases in Public Sector borrowing may also influence Government policy towards Local Government finances after 2019/20.

Brexit

- 3.13 There remains uncertainty on the impact Brexit will have on future economic growth, inflation or Government borrowing levels and hence public sector spending. It is clear that Brexit is a significant area of focus for the Government and may lead to a potential diversion of resources, which if it were to happen, could impact on future funding available to support Local Government.

Local Government Finance Legislation

- 3.14 Prior to the General Election held on 8 June 2017, the Government had planned to introduce a Local Government Finance Bill to deliver 100% Business Rates retention across all Local Authorities. Both the result of the Election, giving the Conservatives no overall majority, coupled with pressure on the Parliamentary timetable arising from the legislative burden of Brexit meant the Bill was dropped and will no longer proceed. Nonetheless, the Government has signalled that it wishes to continue progressing Business Rates reform as well as its Fair Funding review examining the distribution of resources via the Local Government finance system. A series of joint working groups between the MHCLG and the Local Government sector, through the Local Government Association (LGA), have been in place and have taken this agenda forward since March 2016. However, the pace of progress coupled with the absence of primary legislation means Councils will not see any significant finance reforms implemented until 2020/21.
- 3.15 Information released alongside the Provisional LGFS advised that instead of 100% Business Rates Retention, a 75% scheme would be introduced from 2020/21. This does unfortunately add to uncertainty surrounding longer term financial forecasts that fall beyond the current spending review period (the final year for which is 2019/20).

Business Rates

- 3.16 Under the current Local Government finance system introduced on 1 April 2013, local billing authorities are required to prepare and submit to the MHCLG a locally determined and approved Business Rates forecast through the National Non-Domestic Rates (NNDR 1) return by 31 January each year. This forecast is used to determine the 2018/19 “demand” and payment schedule for Business Rates revenues between Oldham Council and the Greater Manchester Combined Authority (GMCA) as Fire and Rescue services are partially funded by Business Rates. Under the 100% Rates Retention Pilot arrangements, Central Government no longer receives a share of Business Rates revenues.
- 3.17 Business Rates are a highly complex and volatile tax and it is exceptionally difficult to forecast movements over the short to medium term with great accuracy. Since the change to the Business Rates regime in 2013/14 and the revaluation exercise undertaken by the Valuation Office Agency (effective from 1 April 2017), much more uncertainty has been introduced into the setting of Council budgets as the tax base is prone to significant changes and can fluctuate for many reasons.
- 3.18 Fluctuations in Business Rates income are also strongly linked to the performance of the wider economy. In an economic downturn there is a heightened risk of properties being left empty and lower levels of development activity. Conversely, when the economy is more buoyant, business activity and thereby rating income, can increase.
- 3.19 The level and timing of appeals against a rateable value are perhaps the most significant factors that can have an impact on variability in yield. Appeals are dealt with by the Valuation Office Agency (VOA) and can date back many years. Recent information highlights that appeals in Oldham covering around £63.776m of rateable value remain unresolved, the vast majority of which relate to the 2010 valuation list. Total rateable value for the Oldham Billing Area is around £158.236m meaning appeals currently affect approximately 40% of the overall business rates tax base.
- 3.20 The Check, Challenge & Appeal process introduced by Government in April 2017 has tried to incorporate a degree of consistency to the appeals submission process whilst simultaneously seeking to limit the numbers of ‘speculative’ claims. Early indications suggest the revised process is reducing the number of claims that reach the appeal stage. However, as the process has only been in place for ten months, it is not yet clear whether this is reducing the real number of appeals or simply holding back the tide. What is clear is that greater financial provision will need to be made for individual claims that reach the appeal stage as having been through check and challenge their probability of securing a rateable value reduction is much greater than under the previous arrangements. Furthermore, some appeals that are currently being considered elsewhere in the country are effectively test cases that may set precedents which prompt a whole new wave of local appeals or straightforward rateable value reductions.
- 3.21 Recognising the challenges that this volatility presents, the Council has put in place arrangements to monitor Business Rates liability on a monthly basis. The output from these monitoring arrangements shows that net liability tends to reduce as the year progresses from each April. These reductions are the result of:
- Reductions in gross rates payable as outstanding appeals are settled; and
 - Increases in mandatory and empty property relief as more claims are submitted and processed as the year progresses.
- 3.22 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2017/18 and forecast for 2018/19 as shown in paragraphs 9.18, 9.20 and 10.5.

Greater Manchester (GM) 100% Business Rates Retention Pilot Scheme

- 3.23 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. The participants agreed to pilot full Business Rates retention on the basis that no district would be worse off than they would have been under the original '50/50' arrangements whereby Business Rates revenues are shared between Central Government and the Local Authority sector. This has become known as the 'no detriment' principle. Under the pilot scheme, additional rates income is offset by reductions in other funding streams such as the Revenue Support Grant (RSG) and Public Health grant. In its first year of operation, the pilot scheme is already delivering fiscal benefits for its participants. At this stage during 2017/18, Oldham's share of these benefits is forecast to be around £1.300m; a sum which will be used to support the 2018/19 budget position. In 2018/19 and the longer term, it is hoped that the pilot will continue to deliver similar fiscal benefits as well as deliver significant economic benefits for the GM region and for the Oldham locality.
- 3.24 From the Government's perspective, the primary purpose of the pilot is to develop and trial approaches to manage risk and reward in a Local Government finance system that includes the full devolution of Business Rates revenues. It is hoped the new system will provide a stable funding stream whilst incentivising economic growth.
- 3.25 The pilot scheme for full business rates retention has created further impetus for working jointly across the Combined Authority area. The pilot scheme continues to provide an opportunity to develop new initiatives for cross-authority working in terms of business rates administration and also as part of the growth agenda to attract new businesses to Greater Manchester for the benefit of the region as a whole, as well as individual districts.
- 3.26 It is difficult to predict to what extent the pilot scheme and subsequent changes to the Local Government finance regime will be of longer term benefit to Oldham Council. The fair funding and systems design national reviews as previously advised have continued during 2017/18 but the work programme is still ongoing. Whether or not the reformed system will provide a more sustainable and stable platform for future Local Government finances remains to be seen. Oldham Council's Finance Service continues to participate in discussions at a Greater Manchester level with regard to the pilot and provides direct input and support to long-established MHCLG/LGA working groups as well as supporting the work of the Special Interest Group of Municipal Authorities (SIGOMA) and other established networks.
- 3.27 The 100% Business Rates Retention pilot will continue into 2018/19 until at least 2019/20. Members are reminded that the acceptance at GM level of the Greater Manchester Devolution Implementation Plan included the Business Rates pilot stating it would begin in April 2017 and continue its status until such time as Government and GM determine otherwise.

GM, Cheshire East & Cheshire West and Chester Councils Business Rates Pool 2018/19

- 3.28 Members will recall that Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within the pool for the benefit of all participants. Following the submission of an expression of interest in pooling for 2018/19, the MHCLG, alongside the Provisional LGFS asked Councils to confirm their membership of the pool. As in 2017/18, the pool for Business Rates includes all ten GM districts and Cheshire East and Cheshire West & Chester Councils.

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- 3.29 The business rates pooling proposition is such that no Local Authority should be worse off by pooling than it would be if it did not pool. Therefore, if there is any growth in business rates as a result of the economic regeneration activity planned within the borough, the Council would be able to keep its share of that benefit, also benefiting from a share in any levy payment that any other levy paying Authority in the pool would normally pay to Central Government.
- 3.30 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, participating in such a pool improves the 'no detriment' position of each district in the unlikely event that the 100% pilot scheme fails to derive any fiscal or economic benefits. On 18 December 2017 Cabinet therefore delegated the final decision of the Council's membership of the Greater Manchester, Cheshire East and Cheshire West & Chester Business Rates Pool for 2018/19 to the Cabinet Member for Finance and HR in consultation with the Executive Director of Corporate and Commercial Services and the Director of Finance. A final decision had to be made within 28 days of the receipt of the Provisional LGFS (16 January 2018) which did not accord with formal reporting cycles. A delegated decision to join the pool has now been taken. It is important to note that, if any of the proposed members of the pool had decided to withdraw, the pool could not have proceeded.

National Living Wage

- 3.31 The Government's new National Living Wage is now enshrined in legislation meaning all workers aged 25 and over are legally entitled to earn at least £7.50 per hour rising to £7.83 from April 2018 as announced in the Chancellor's Autumn Budget. The Council however has continued to invest in its workforce by committing to pay Council employees in line with the higher National Living Wage as championed by the Living Wage Foundation, so the legislative change had no direct impact on employee costs. However, the cost of externally provided services, particularly with regard to social care provision, has been significant.

Sleep In Shifts

- 3.32 The National Minimum Wage Regulations 2015 set out the rules for employers to pay the correct wage to their staff and further Government guidance was provided in a publication entitled 'Calculating the National Living Wage'. HM Revenue and Customs (HMRC) take action against those who do not follow this guidance.
- 3.33 Sleep-in shifts are most commonly undertaken by care workers in the Social Care sector and HMRC is currently investigating Social Care providers for underpayment of National Living Wage for such shifts. The full impact on Social Care providers and how this will materialise as an impact on Council commissioned services is not yet fully known and the estimates in this report do not reflect any additional pressures in this area.
- 3.34 Should, following further work, a pressure be identified then this will require the Council to address any adverse financial implications. There will be an opportunity to consider the potential position relating to past years when closing the 2017/18 accounts.

Public Sector Pay Awards

- 3.35 On 5 December 2017 the National Employers for Local Government Services wrote to Chief Executives confirming that they had made a final pay offer covering the period 1 April 2018 to 31 March 2020. This offer was for 2% on all spinal points with a 'bottom loading' on the lower scale points 6-19 in order to continue to close the significant gap with the National Living Wage. The offer has not been collectively accepted by the Trades Unions who are balloting their members regarding industrial action, however, in advance of any final agreement the impact of the proposed pay offer has been factored into MTFS estimates.

Devolution

- 3.36 The Greater Manchester Devolution Agreement was signed with the Government in November 2014. It brings both the decision making powers and control of finance far closer to the people of Greater Manchester. This gives them and their local representatives control over decisions which have until now been taken at a national or regional level.
- 3.37 Taking this forward the Cities and Local Government Devolution Act 2016 provides the legislative context which allows the GMCA to assume responsibilities performed and delivered by other public bodies. The key element of this is that such assumption of powers would only be with the agreement of the public agencies involved e.g. Local Authority and Health Authority functions.
- 3.38 Set out in the follow paragraphs are the key issues that are shaping the devolution agenda that will affect the operational and financial environment of the Council as well as its approach to addressing financial challenges.

Health and Social Care Devolution

- 3.39 February 2015 saw a Memorandum of Understanding (MoU) signed between the ten Local Councils that make up the Association of Greater Manchester Authorities (AGMA), all Greater Manchester Clinical Commissioning Groups (CCGs) and NHS England (NHSE). From April 2016 Greater Manchester has taken control and responsibility for the £6bn Health & Social Care Budget and is working to deliver its own sustainable Health & Social Care system by 2021.
- 3.40 The areas of the Health & Social care system that are included in the agreement are:
- Acute care (including specialised services);
 - Primary care (including management of GP contracts);
 - Community services;
 - Mental health services;
 - Social care;
 - Public Health;
 - Health Education; and
 - Research and Development.
- 3.41 Devolution in Greater Manchester has provided the momentum and impetus to explore how much further and faster GM can move towards realising a financially sustainable health system.

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- 3.42 Oldham Council and the Oldham CCG have jointly developed a Locality Plan for Health and Social Care Transformation covering the period 2016/17 to 2020/21. The successful delivery of this Locality Plan will mean that both organisations have worked together and will have:
- Transformed the relationship between the population and the health and social care system, so that the public expects services to promote healthy behaviours, independence and self-care and reducing dependency on high cost or institutionalised services;
 - A primary care-led place-based health and social care system that maximises the opportunity to pool budgets, integrate commissioning, and that provides outcome-focused integrated care closer to home;
 - A health and social care system that is built upon sustainable financial models;
 - A workforce that has the skills and capacity to enable people receive appropriate and timely help and support to address the root causes of health problems as well as the presenting symptoms;
 - A health and social care system that recognises and supports a wider associated workforce including carers, other public sector areas such as the fire service, social housing providers, voluntary and community organisations and volunteers;
 - Better service quality and improvements in the public's experience of health and social care, delivering greater efficiency, and improved health outcomes;
 - Developed an evidence base about the effectiveness of resilience-focused programmes and have scaled these up across Oldham and fostered the widespread adoption of community development and asset-based approaches; and
 - A systematic approach to developing community-centred approaches (including social prescribing) to health and social care, working closely with Oldham's voluntary and community sector.
- 3.43 Oldham Council and Oldham CCG continue to work together to redesign the way that Health and Social Care services are delivered in the borough to improve services and outcomes for residents and patients, and to meet a forecast budget gap. Together with Pennine Care Foundation Trust (PCFT) and Pennine Acute Trust (PAT) the organisations are moving to a joint commissioning approach to minimise duplication and improve standards.
- 3.44 The Council and the CCG aim to establish a Local Care Organisation. The structure of such an organisation is now being finalised and interim operating arrangements have been initiated. Both organisations will work together under an alliance arrangement around a pooled budget via a S75 agreement and with a Strategic Joint Commissioning Board.
- 3.45 In 2017 the Oldham locality successfully bid for GM Transformation Funding that will be used over the four financial years 2017/18 to 2020/2021 to facilitate new ways of working around an integrated approach. The funding will continue to be used in:
- Supporting people to be more in control of their lives.
 - Having a health and social care system that is geared towards wellbeing and the prevention of ill health.
 - Providing access to health services at home and in the community.
 - Providing social care that works with health and voluntary services to support people to look after themselves and each other.
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3.46 The proposal to the Transformation Fund built upon the work already undertaken in the locality over the last four years to progress the vision around integrated care. Specifically funding is for the following schemes:

- Establishing the primary care cluster system across the locality, completing the establishment of integrated health and care teams and creation of single structures at a GP cluster level.
- Creating and implementing a more effective urgent and emergency care offer on the Royal Oldham Hospital site.
- Oldham's community re-ablement, rehabilitation and community bed services (including a rapid response facility).

3.47 Performance and outcomes will be monitored to ensure that the Transformation Fund resources are delivering in line with the expectations of the bid.

Better Care Fund

3.48 Clearly aligned to health and social care devolution, the Better Care Fund (BCF) was established in 2013 and also provides an opportunity to transform local services to provide better integrated care and support. CCGs and Local Authorities must jointly agree how the BCF is spent, so it is essential to ensure the deployment of resources is developed in the interests of both parties. This arrangement continues to work successfully.

3.49 BCF allocations for 2018/19 and Oldham's share are yet to be finalised. The 2017/18, Government allocation was £16.470m which was supplemented by Oldham CCG funds of £0.789m. Therefore the total Oldham allocation was £17.259m and is managed jointly via an agreed BCF plan. As a result £10.161m was passed to the Council to commission services to cover issues such as personalisation, the provision of support for carers, information, advice and support and independent mental health advocacy. Funding in 2018/19 will again be allocated to the Oldham Clinical Commissioning Group (CCG) and is expected to increase in line with an inflationary uplift of 1.9%. In accordance with the pooling arrangements, part of the allocation will be passported to the Council as per the BCF plan and agreement.

3.50 The BCF also includes Disabled Facilities Grant, (DFG), which is a capital grant paid directly to the Council. Allocations for 2018/19 are yet to be finalised but are assumed to be at the same level as the 2017/18 allocation (£1.766m). This grant has been included within the Capital Strategy/Programme.

Improved Better Care Fund

3.51 The Improved Better Care Fund (iBCF) was first announced in the 2015 Spending Review, and is paid as a direct grant to the Council with a condition that it is pooled into the local BCF plan and is managed jointly with the Oldham CCG. The grant amounts announced and applicable from 2017/18 were, and remain, at values of £0.716m for 2017/18 rising to £4.687m in 2018/19 (an increase of £3.971m) and £8.150m in 2019/20 (an increase of £3.463m).

3.52 Further to this, on 8 March 2017, the Chancellor of the Exchequer delivered his Spring Budget which included a major policy announcement relating to Adult Social Care funding in England and advised of an additional £2bn iBCF funding nationally over the years 2017/18 to 2019/20. Following receipt of grant of £5.095m in 2017/18, Oldham Council will receive a further £3.201m in 2018/19 and £1.586m in 2019/20. The iBCF grant is presented in the table below and shows the 2015 Settlement funding increasing whilst the Spring Budget funding budget tapers away.

Table 3 – Improved Better Care Fund

	2017/18 £000	2018/19 £000	2019/20 £000
Oldham Funding Allocation			
iBCF Settlement 2015 - included in base budget **	716	716	716
Additional Funding			
iBCF Settlement 2015 (2018/19)		3,971	3,971
iBCF Settlement 2015 (2019/20)			3,463
iBCF Spring Budget 2017	5,095	3,201	1,586
Total Funding Allocation in Addition to 2017/18 Base Budget	5,095	7,172	9,020

** *Memo item*

3.53 The additional funding received in the Spring 2017 budget had a number of conditions and must be used to:

- Meet Adult Social Care needs
- Reduce pressures on the NHS, including supporting more people to be discharged from hospital when they are ready
- Ensure that the local social care provider market is supported

3.54 Members will recall that the financial pressures around Adult Social Care were a key concern at budget setting for 2017/18. The receipt of the Spring Budget funding after the Council had approved its budget, clearly alleviated some financial pressure in 2017/18 but the timing of the announcement and the conditions associated with the funding prevented the deployment of this resource from the start of the financial year. However, the Council, in conjunction with NHS partners has been proactive in carefully considering the pressures in the system and agreeing a comprehensive plan so that the additional grant is being spent effectively to meet those pressures and the need of residents.

3.55 The agreed three year spending plan for the Improved Better Care Fund include the following key spending areas of:

- Social worker staffing
- Commissioning support for the NHS and the social care market
- Short term care

3.56 A condition of the grant is that its use is closely monitored with quarterly returns being provided to the MHCLG. The Government notified Councils that if it considered that resources were not being utilised as intended, grant funding may be withdrawn. The Council was notified in December 2017 that the MHCLG was content with the information submitted about the use of the resources in 2017/18 and therefore the grant funding levels would be maintained.

Social Care Green Paper

- 3.57 On 16 November 2017, the Government announced that it will publish a Green Paper on care and support for older people by summer 2018. The paper will set out plans for how Government proposes to improve care and support for older people and tackle the challenge of an ageing population.
- 3.58 The Government has stated that it is intended that the proposals to be included in the Green Paper will build on the additional Improved Better Care Fund grant (detailed above) to reform social care and provide a long term solution to increasing demand as people live longer and the population ages. Clearly the outcome of this Green Paper will shape the financial policy landscape for 2018/19 and beyond and is therefore keenly awaited.

Opportunity Area (OA) Funding

- 3.59 Oldham is one of twelve Opportunity Areas that are receiving a share of £72m to boost opportunities for young people in the community. The OA programme is a key part of the Government's priority to boost social mobility. Oldham was identified as one of the localities most challenged in this area, however it has been recognised as already having built the necessary momentum and capacity for improvement.
- 3.60 The Oldham Opportunity Area Plan was launched on 9 October 2017 by Justine Greening, former Secretary of State for Education. The Oldham Plan identifies three priorities over the next three years which are to support parents to improve literacy at home; build high performance across the school system; and boost support for Mental Health. This work will be delivered in collaboration with the Oldham Education Partnership and the Opportunity Area Partnership Board.
- 3.61 As an Opportunity Area, Oldham will also receive a share of a further £22m through the new Essential Life Skills programme. This funding will be targeted toward helping disadvantaged young people to develop life skills.
- 3.62 The estimated investment into Oldham is around £10m over the next few years of which £1.5m will be in kind investment such as priority access to commissioned activities and £8.5m will be cash investment. The investment will be across the entire Education sector in Oldham and not all of the funding will be received by the Council. An initial payment of £0.500m was received in October 2017 with two further payments of £0.907m and £0.150m received in January 2018. Details of future years allocations have yet to be received, but will be incorporated into the budget upon notification.

Homelessness

- 3.63 The Homelessness Reduction Bill received Royal Assent on 27 April 2017. There are many implications arising out of the new legislation. Members will recall that the details of the Act were presented in a report at the Cabinet meeting on 23 October 2017. In order to assist in addressing new responsibilities the Government has awarded grant support. In March 2017 Government advised the Council it would receive a flexible Homelessness Support Grant at a value of £0.116m in 2018/19. The Government confirmed on 6 November 2017 that it will allocate some further new burdens funding for homelessness in the sum of £0.048m in 2018/19 and £0.062m in 2019/20.
- 3.64 The grants described in paragraph 3.63 will be passported to the homelessness service. In addition, £0.248m of Council resources will supplement this grant bringing resources available to a value of £0.412m from 2018/19.

Adult Education Funding Devolution

- 3.65 From 2019/20, Mayoral Combined Authorities (MCAs) will take on more responsibility to deliver quality adult education in their local areas when adult education funding is devolved, subject to agreed readiness conditions. A transitional year for MCAs will be created for the 2018/2019 academic year to give authorities time to learn the skills for success, strengthen their relationships with providers and test out mechanisms before Adult Education Budget (AEB) devolution comes fully into force.
- 3.66 There will be a significant step towards devolution, in the transitional year, giving MCAs including Greater Manchester, a greater role in shaping local area provision, to ensure a smooth transition and the continued protection of learners. During the transitional year, the Education and Skills Funding Agency (ESFA) will continue to manage the AEB budget nationally, and will be responsible for calculating AEB allocations and notifying all providers.
- 3.67 The Department for Education is supporting Combined Authorities as they build sustainable relationships with providers and will continue to work with them to align national and local policy on adult education.
- 3.68 It is unclear at present what, if any, impact this will have on the provision of adult education in Oldham through the Lifelong Learning Service. More detail will be provided in 2018/19 as the changes and devolved responsibilities progress.

Greater Manchester Spatial Framework

- 3.69 The districts of Greater Manchester are working together to produce a joint plan to manage the supply of land for jobs and new homes across Greater Manchester. The Greater Manchester Spatial Framework (GMSF) will ensure that the right land in the right places delivers the homes and jobs needed up to 2035, along with identifying the need for supporting infrastructure (such as roads, rail, Metrolink and utility networks) required to achieve this. It will be the overarching development plan within which Greater Manchester's ten local planning authorities can identify more detailed sites for jobs and homes in their own area. As such, the GMSF will not cover everything that a local plan would cover and individual Districts will continue to produce their own local plans. Nonetheless, the plan will have a significant long term influence on local revenue streams (Council Tax and Business Rates), capital investment and demand for services from local residents. In 2017 all member Authorities consulted with residents on the proposals included in the plan and following this, the second draft of the plan will be developed which to take account of the concerns raised. Following publication of the draft plan in June 2018 there will be a further 12-week consultation with the public.

New Legislation

- 3.70 The Queen's Speech was delivered on the 21 June 2017 and set out the Government's policies and proposed legislative programme for the new parliamentary session. The speech outlined plans for 24 Bills with a large focus on Brexit. The list of Bills in their entirety along with detail of non-legislative measures are listed by category below:

Bills identified in the speech

- Delivering Brexit
 - Repeal Bill
 - Customs Bill
 - Trade Bill
 - Immigration Bill
 - Fisheries Bill

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- Agriculture Bill
 - Nuclear Safeguards Bill
 - International Sanctions Bill

 - Building a Stronger Economy
 - Automated and Electric Vehicles Bill
 - Space Industry Bill
 - High Speed Rail (West Midlands – Crewe) Bill
 - Smart Meter Bill
 - National Insurance Contributions Bill

 - Making Our Country Fairer
 - Travel Protection Bill
 - Draft Tenant’s Fees Bill
 - Draft Domestic Violence and Abuse Bill
 - Civil Liability Bill
 - Courts Bill
 - Financial Guidance and Claims Bill
 - Goods Mortgages Bill

 - Making Our Country Safer and More United
 - Armed Forces (Flexible Working) Bill
 - Data Protection Bill
 - Draft Patient Safety Bill

 - Other Legislative Measures
 - EU Appraisals Bill

3.71 In addition to the Bills and Draft Bills introduced in the speech there were a number of non-legislative measures highlighted as follows:

- Brexit: Engagement With Parliament, The Devolved Administrations And Business
- Counter Terrorism Review
- Commission For Countering Extremism
- Public Inquiry Into The Grenfell Tower Fire
- Independent Public Advocate
- Mental Health Reform
- Social Care
- Digital Charter
- Public Finances
- Schools And Technical Education
- Northern Ireland
- National Living Wage And Workers’ Rights
- Tackling The Gender Pay Gap And Discrimination
- Critical National Infrastructure
- Housing
- Foreign Affairs
- Armed Forces
- Consumer Markets, Including The Energy Market

Non-Legislative items which may impact on the Council are:

Mental Health: The Government will begin to consider what further reform of mental health legislation is necessary, including changes in how a new Mental Health Act will be implemented on the ground. Considerations will include:

- looking at why rates of detention are increasing and taking the necessary action to improve service responses;
- examining the disproportionate number of those from certain ethnic backgrounds who are detained under the Act;
- reviewing the use of Community Treatment Orders, to see if they remain fit for purpose in helping people leaving hospital to receive better care and support in the community;
- considering how the rights of family members to get information about the mental health and treatment of their loved ones can be improved; and
- ensuring that those with mental ill health are treated fairly, protected from discrimination, and employers fulfil their responsibilities effectively.

As detailed in paragraph 3.44 the Council and the CCG aim to establish a Local Care Organisation which will be responsible for the future commissioning of Mental Health Services and any decisions taken will have regard to any reform of mental health legislation.

Employment: In addition to the National Living Wage (NLW) commitments dealt with at Paragraph 3.31 it was also announced that Government will make further progress to tackle the gender pay gap and discrimination against people on the basis of their race, faith, gender, disability or sexual orientation.

Schools and Education: The speech included reference to the Government continuing to work to ensure that every child has the opportunity to attend a good school and that all schools are fairly funded. Ministers will work to ensure people have the skills they need for the high-skilled, high-wage jobs of the future, including through a major reform of technical education. This mirrors the political approach detailed in the Spring Budget 2017. Following consultation on National Funding Formula for schools, there remains a commitment to continue with funding reform to ensure that resources are distributed based on a fair model and on 14 September 2017, the former Secretary of State announced the introduction of a National Funding Formula (NFF) for the Schools and High Needs blocks from 2018/19. The details of the new funding arrangements are included in this report at paragraph 9.37.

Implications for Oldham Council

- 3.72 Brexit formed the primary focus of the speech and negotiations between the Government and the European Union (EU) regarding the detailed agreement to leave the EU have continued throughout 2017/18 however the resultant impact on Local Authority finances is unknown at this time.
- 3.73 However as some of these Bills receive Royal Assent and non-legislative items are developed, they will have an impact on the Council. This may require action including the allocation of additional resources, the reshaping of existing programmes of spending or working with partners and the pooling of resources. However, all new initiatives and programmes of work must be developed within the financial estimates presented in the MTFS.

4 Oldham Council Strategies and Policies

4.1 In addition to Central Government guidance and national policies, the Council has a range of locally developed strategies, policies and work programmes that directly influence the day to day operations of the Council and indirectly the financial position. The Oldham Plan and Corporate Plan are key strategic plans which influence the Medium Term Financial Strategy and ensure resources are directed towards delivery of priorities within those plans.

The Oldham Plan and Corporate Plan

4.2 The Oldham Plan, the Oldham Partnership's plan for the borough, was endorsed by Council in July 2017. It is a collective action statement covering the period 2017-2022 and sets out the areas where the Oldham Partnership will add the most value as a partnership to achieve the ambition for Oldham to be a productive and co-operative place with healthy, aspirational and sustainable communities.

4.3 The Oldham Plan is based around the Oldham Model - three change platforms enabled and complemented by public service reform and empowering communities. These are:

- **Inclusive Economy**

The vision is for Oldham to become Greater Manchester's Inclusive Economy capital by making significant progress in living standards, wages and skills for everyone.

- **Thriving Communities**

The vision is for people and communities to have the power to be healthy, happy and able to make positive choices and both offer and access insightful and responsive support when required.

- **Co-operative Services**

The vision is to collaborate, integrate and innovate to improve outcomes for residents and create the most effective and seamless services in Greater Manchester.

4.4 The Corporate Plan 2015-2020 was refreshed and updated to sharpen its focus and ensure alignment with the Oldham Plan and was approved by Council, alongside the Oldham Plan, in July 2017.

4.5 The Corporate Plan is the Council's key strategic document and outlines the Council's contribution to achieving the vision and outcomes detailed in the Oldham Plan, as well as priority areas of focus and delivery for the organisation to continue to deliver the vision of a co-operative future where everyone does their bit to create a confident and ambitious borough.

4.6 The Corporate Plan Objectives and their contingent parts are shown in the following diagram:

Corporate Plan Objectives

An Inclusive Economy where people and enterprise thrive

#ourbit: Attracting investment and encouraging business and enterprise to thrive

#yourbit: Supporting and promoting local businesses and ventures

#result: Oldham is open for business

#ourbit: Delivering key regeneration projects that are growing our business base, creating jobs and transforming opportunities

#yourbit: Visiting the attractions and promoting them as ambassadors

#result: A regenerating and confident borough

#ourbit: Working with partners to create quality work prospects - and ensuring all residents can access new skills and opportunities and be work-ready

#yourbit: Making the most of the education and skills offer and aiming to better yourself

#result: An ambitious and socially mobile borough

Thriving Communities where everyone is empowered to do their bit

#ourbit: Increasing the sense of involvement and ownership of issues that affect people and they care about

#yourbit: Getting involved in your community: actively sharing ideas and experience with others about things you are passionate about

#result: Engaging and resilient communities

#ourbit: Working proactively with residents and partners in promoting healthy, independent lifestyles and providing the right level of care at the right time

#yourbit: Living well, eating healthily, inspiring others and getting the right support at the right time and place

#result: Healthier communities

#ourbit: Nurturing and safeguarding strong neighbourhoods that work together to improve their lives and the communities around them

#yourbit: Working with other residents to build strong networks that are shaping the future where you live

#result: Safer, stronger and thriving communities

Co-operative Services with people and social value at their heart

#ourbit: Building a sustainable co-operative workforce that innovates based on the principle of being equal partners and co-creators

#yourbit: Taking an active role by working with others in shaping better outcomes and making them happen

#result: A co-operative workforce

#ourbit: Putting social value and transformational outcomes at the heart of all our services

#yourbit: Telling us where services are not delivering the right outcomes for you and your community

#result: Outcome-driven services

#ourbit: Reforming public services and encouraging innovation, leading to better outcomes and delivery

#yourbit: Getting involved and having your say in designing future public services

#result: Empowering the positive reform of public services

Co-operative Council in a Co-operative Borough

4.7 Oldham has been a Co-operative Council since 2011 and the Council continues its commitment to delivering a co-operative future where everybody does their bit and everyone benefits. This is achieved by a real commitment to change and work closely with residents, partners and our wider communities to create a confident and ambitious borough.

4.8 The Corporate Plan sets out how everyone can do their bit to support delivery of the ambitions and outcomes:

#ourbit is what Oldham Council is doing or contributing to help improve something.

#yourbit is how local people, businesses and partners are helping to make change happen.

The **#result** is how we are all benefiting from working together.

4.9 The ethos of the Co-operative Council and the principles of the Corporate Plan set the framework for the Council strategies and the MTFS is informed by and takes account of these key strategies and policies as presented in the following paragraphs.

Capital Strategy

4.10 The Capital Strategy provides a framework within which the Council's Capital Investment plans will be delivered. These plans are driven by the Council's Corporate Plan. The Capital Strategy has been prepared to take account of the ambition for the borough including the major regeneration developments within the Town Centre and borough-wide, to ensure that new school buildings and extensions are delivered as well as ensuring that the highways network and corporate estate are adequately maintained. The Capital Strategy for 2018/19 to 2021/22 is a major strand of the Council's financial planning framework.

Treasury Management Strategy

4.11 Treasury management is defined as "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

4.12 The Strategy for 2018/19 reflects capital expenditure plans and highlights the Council's position in relation to prudential indicators arising from the Capital Strategy and also sets out the Minimum Revenue Provision (MRP) Policy Statement. It also highlights the:

- Current Treasury Position.
- Treasury Indicators for the period 2018/19 to 2020/21.
- Prospects for Interest Rates.
- Borrowing Strategy.
- Policy on Borrowing in Advance of Need.
- Debt Rescheduling Position.
- Investment Strategy.
- Creditworthiness Policy.
- Policy on use of external service providers.

4.13 The strategy therefore determines how the Council makes the most efficient use of its cash resources by the careful management of borrowing and investments. It is also a key document underpinning the financial planning arrangements of the Council.

Income Strategy

- 4.14 On 18 September 2017 Cabinet approved an Income Strategy for the Council. The strategy details the approach that the Council is taking in regard to income generation and covers all material sources of revenue that finance day to day service provision including:
- Government Grants;
 - Council Tax;
 - Business Rates; and
 - Fees, Charges and Other Contributions.
- 4.15 The strategy also considers:
- Investment Opportunities;
 - Opportunities relating to traded services and other chargeable activities; and
 - The process for setting charges and collection efficiency.
- 4.16 The approval of this policy formalised the approach to income activities and has been a key element in framing the budget setting process for 2018/19.

Commercial Property Investment Strategy

- 4.17 On 18 December 2017 Cabinet approved the Council's Commercial Property Investment Strategy. The strategy sets out the framework to secure long term investments and to generate a sustainable income stream for the Council by way of rental income from new property assets and from its existing non-operational property portfolio held specifically for income generation purposes. The strategy aims to improve the financial resilience of the Council over time and to offset some of the financial pressures created by the continued reduction in central Government grants.

Corporate Property Strategy

- 4.18 The Council is in the process of finalising the Corporate Property Strategy 2018 to 2022. This document is being updated to reflect the Council's strategic objectives as set out in the Corporate Plan 2017 to 2020.
- 4.19 In addition, recognising the greater attention on collaboration across the public sector, the Corporate Property Strategy reflects the Government's One Public Estate Agenda which is captured in the One Oldham Estate and the Oldham Strategic Estates Plan 2015-2020.

Procurement Policy

- 4.20 The Council's Procurement policy focuses on procurement activity which has the aim of ensuring the optimum balance between cost, quality and local social value, whilst also ensuring that any significant commercial risks are identified and mitigated at the commissioning stage of any procurement activity.
- 4.21 The policy ensures value for money and social value outputs are measured in an integrated way, in order to support the Council's co-operative agenda. In this way, the Council ensures that it secures the greatest local social, economic and environmental benefit from the Council's purchasing power.

Housing Strategy

- 4.22 In March 2015 the Council approved the Oldham Housing Strategy for 2015 to 2018.
- 4.23 The Strategy sets out current challenges, Oldham’s vision for housing and how it will work within Greater Manchester to deliver on its four key themes:
- Residential Growth.
 - Healthy Homes.
 - Improving Neighbourhoods.
 - Building Stronger Communities.
- 4.24 The strategy provides a framework to support other housing themed delivery plans relating to issues such as homelessness, residential development, private sector housing and affordable warmth. It also links in to other key Council initiatives such as ‘Invest in Oldham’ and ‘Get Oldham Working’ and clearly underpins decision making around the capital strategy, revenue and Housing Revenue Account budgets.
- 4.25 The strategy is due to be refreshed in the summer of 2018 and any financial implications will be duly considered.

Get Oldham Working Initiative

- 4.26 A key aim of the Council is to improve employment opportunities for Oldham residents and the Council has continued to take forward the flagship “Get Oldham Working” campaign which is now firmly into Phase 2. To date it has now helped create almost 7,250 work-related opportunities including more than 4,725 jobs, 1,100 apprenticeships, 300 traineeships and almost 1,100 work experience placements.
- 4.27 Recognising that the skill base of the Oldham workforce needs to be improved, the Council has invested in the skills agenda and, in line with the co-operative vision, has produced a Work and Skills Strategy.

Oldham Work and Skills Strategy

- 4.28 The Work and Skills Strategy was approved by Cabinet in June 2016. In line with the co-operative vision, the Strategy aspires to achieve four simple strategic goals over the 2016 to 2020 period:
- Create jobs;
 - Deliver social regeneration and in-work progression;
 - Deliver the vision of the Oldham Education and Skills Commission (OESC) and improve the colleges; and
 - Support a thriving private sector.
- 4.29 The strategy also contains an “outcomes framework” for employment and skills which seeks to improve population skills outcomes to support these strategic goals.

Oldham Education and Skills Commission (OESC)

- 4.30 Oldham Education and Skills Commission set out a vision for Oldham to create a ‘Self-improving education system’ where schools, colleges and all interested parties work together in a new collaborative partnership. The Council has allocated £1.000m of resources over the life of the programme in order to enable the OESC to take forward its work.

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- 4.31 The new Board of the Oldham Education Partnership agreed that to ensure successful implementation of its vision, key priorities would be identified to assist with the delivery over a four year period of the programme.
- 4.32 The focus for the Education Partnership is the continuous improvement of:
- Outcomes for children and young people
 - A broad and high quality curriculum
 - Progression to further learning, training, Higher Education and employment
 - Transitions between learning providers
 - The quality of provision in all settings, schools and colleges
 - Leadership that will drive the self-improving system
 - Teaching, learning and assessment
- 4.33 The Oldham Education Partnership works across five key themes:
- Ensuring the Oldham Offer is in place, shared and understood
 - Making education accessible and right for all
 - Taking action to actively involve communities and parents
 - Ensuring high quality school leadership including governance
 - Having a system underpinned by a culture of collaboration and improvement
- 4.34 With this in place children and young people will be School Ready, Work Ready and Life Ready.

People Strategy

- 4.35 Recognising that staff are the Council's greatest asset, the overarching People Strategy is regularly reviewed and developed around four themes that focus on organisation design, building organisational capability, working towards being an employer of choice and our people infrastructure (people, policies and processes) all of which are aligned to the co-operative ambition and underpinned by the Council's co-operative values and behaviours.

IT Strategy

- 4.36 The recently refreshed IT Strategy has been developed through engagement with key stakeholders across the business to shape the direction of the organisation in this regard.
- 4.37 It describes the development of core IT capabilities over the three years 2017/18 to 2019/20; laying a foundation for a longer-term vision of a digital platform of local public services for Oldham, making the most of its digital investment. Implementation of this strategy will allow the Council to address key challenges such as increasing demand, reducing budgets and embracing a wider reform of public sector across the Greater Manchester (GM) sub-region.
- 4.38 The strategy provides an aspirational vision and direction for the Council's technology platform, grounded in affordability. It reflects the balance between taking advantage of new opportunities in IT with the risk and cost of moving away from or changing existing solutions. The principles within the strategy also provide a framework for how the Council's IT services will be designed, commissioned and delivered.
- 4.39 The success of the IT Strategy is therefore a vital element in ensuring the Council can deliver its service transformation agenda with associated operational and financial efficiencies.

5 Autumn Budget Statement 2017

5.1 On 22 November 2017, the Chancellor of the Exchequer, Philip Hammond delivered his Autumn Budget.

5.2 This was the first Autumn Budget following a move from the historic delivery of a Spring Budget. The OBR will now produce an additional forecast from Spring 2018 and the Government will make a Spring Statement responding to that forecast. The Government will retain the option to make changes to fiscal policy at the Spring Statement if the economic circumstances require it. The key issues highlighted in the Autumn Budget Statement were:

a) Public Spending

The Chancellor reiterated the importance of the Government continuing to control public spending and improve the productivity of public bodies and services.

The Chancellor's Budget disclosed little information regarding the funding envelope for Local Government in 2018/19 and beyond. It did highlight that Departmental spending will continue to grow in 2020/21 and 2021/22 in line with profiles previously issued by Government but it is unclear exactly how the resources will be directed.

b) National Health Service

The Government will provide the NHS in England with £2.8bn of additional funding. Of this, £335 million will be provided in 2017/18 to help capacity issues over the winter, with £1.6bn in 2018/19 and the remainder in 2019/20. This will be accompanied by a £10bn package of capital investment (of which £3.5bn is new money). This has the potential to support health and social care integration.

c) Pay and Reward

The Chancellor announced that the Government is to increase the National Living Wage to £7.83 on 1 April 2018. This equates to a 4.4% increase over the equivalent £7.50 rate in 2017/18.

The Government also accepted the recommendations for other National Minimum Wage rates for youth employees, again to take effect from 1 April 2018.

There was no mention of general Public Sector pay rates or the 'pay-cap' as part of the Budget Statement however on 5 December 2017 the National Employers for Local Government Services wrote to Chief Executives confirming that they had made a final pay offer covering the period 1 April 2018 to 31 March 2020. This offer is detailed in paragraph 3.35 of this report.

d) Social Care

Notably, the Autumn Budget 2017 contained no reference to Social Care for either Adults or Children's Services. This was a significant omission. Whilst Adult Social Care pressures have been partly offset by the ability to raise an Adult Social Care Precept and the receipt of the Improved Better Care Fund grant, demand in this area, particularly for Children's Services, continues to increase and resources remain stretched for Local Authorities. The announcement of an extra £0.701m for Oldham for Adult Social Care within the Final LGFS has however provided some further funding support for the Council (as per paragraph 8.7).

e) Business Rates

The Budget reaffirmed previous announcements including an additional £435m in this Parliament to support businesses most affected by the recent business rates revaluation (Oldham Council will receive £0.146m in 2018/19 which is included within the £8.477m Grants in Lieu of Business Rates). In light of the recent rise in inflation, over the next five years the Government will provide a further £2.3 billion of support to businesses and improve the fairness of the system in England, by:

- Bringing forward to 1 April 2018 the planned switch in indexation from the Retail Price Index (RPI) to the main measure of inflation, the Consumer Price Index (CPI).
- Legislating retrospectively to address the so-called “staircase tax”. Affected businesses will be able to ask the VOA to recalculate valuations so that bills are based on previous practice backdated to April 2010.
- Continuing the £1,000 business rate discount for public houses with a rateable value of up to £100,000 for one further year from 1 April 2018.
- Increasing the frequency with which the VOA re-values non-domestic properties by moving to revaluations every three years (rather than five years) following the next revaluation, currently due in 2022. To enable this, ratepayers will be required to provide regular information to the VOA on who is responsible for business rates and property characteristics including use and rent. The Government will consult on the implementation of these changes in the spring.

Local Government will be fully compensated for the loss of income as a result of these measures and implications are included in later sections of the report.

f) Increased Productivity

Infrastructure

Greater Manchester and the Government will work in partnership to develop a local Industrial Strategy. The Government will provide a £243m allocation from the Transforming Cities Fund and will continue to work with Transport for Greater Manchester to explore options for the future beyond the Fund, including land value capture.

Transport

The Chancellor announced an additional £1.7bn transport fund for city regions. Half of this (approximately £850m) will be available to regions where there is an Elected Mayor, which includes Greater Manchester and will help deliver transport improvements for city regions.

On 13 December 2017, in a speech to the Urban Transport Group, the GM Mayor, Andy Burnham subsequently outlined his ambition for a major overhaul of transport in Greater Manchester from 2018. A Greater Manchester Strategic Transport Board will be established to monitor performance, progress on improvements and ensure joined up working. The strategy will aim to drive changes to all modes of transport in Greater Manchester and will look specifically at:

- Buses
- Metrolink
- Rail
- Congestion / Air Quality
- Cycling / Walking

As further details of the transport overhaul are announced the Council will work with the Board who will ensure that the ten councils of Greater Manchester are 'fully knitted' into the decision making process for any forthcoming proposals.

Education

The Chancellor's Budget reiterated the previously announced intention to encourage T' Level qualifications with a further £20m allocated for Further Education Colleges. There was also specific mention of encouraging more maths and computer science based subjects in schools and colleges with funding and proposals announced for:

- £40m to train maths teachers across the Country.
- The introduction of a £600 maths premium for schools for every additional pupil who takes A' Level or Core Maths.
- The invitation of proposals for new maths schools across England.
- The tripling of the number of trained computer science teachers.
- The intention to work with industry to create a new National Centre for Computing.

The Council will seek to maximise opportunities to direct funding arising from these infrastructure, transport and education initiatives into Oldham.

g) Universal Credit

The Government accepted some criticism of the Universal Credit scheme administered by the Department for Work and Pensions (DWP) however it reiterated that it would continue as part of their approach to delivering a fair benefits system. The budget contained an allocation of a £1.5bn package to address concerns about the delivery of Universal Credit. This is of particular significance as full roll out of Universal Credit began in Oldham in April 2017.

h) Housing

The Government announced a range of measures to invigorate the housing market, empower first time buyers and to reduce homelessness. The budget announced a comprehensive package of new policies to raise housing supply by the end of this Parliament by 300,000 per year. Measures include:

- Activating powers that will enable Government to direct local planning authorities to produce joint statutory plans and undertake an assessment of where they should be used.
- Strengthening the ability of the Homes and Communities Agency (now renamed Homes England) to use investment and planning powers to intervene more actively in the land market.
- Consulting on increasing housing density in urban areas.
- Developing a central register of residential planning permissions from Local Authorities to improve information on where permissions are held and progress towards them being built out.
- Removing (as part of Land Value Uplift initiatives) the restriction of Section 106 pooling towards a single piece of infrastructure where the Local Authority has adopted Community Infrastructure Levy, in certain circumstances such as where the Authority is in a low viability area or where significant development is planned on several large strategic sites.
- Providing a further £630m through the National Productivity Investment Fund (NPIF) to accelerate the building of homes on small, stalled sites, by funding on-site infrastructure and land remediation.

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- Lifting Housing Revenue Account borrowing caps for Councils in areas of high affordability pressure, so they can build more Council homes. Local Authorities will be invited to bid for increases in their caps from 2019/20, up to a total of £1bn by the end of 2021/22. The Government will monitor how Authorities respond to this opportunity, and consider whether any further action is needed.
 - Providing £400m of loan funding for estate regeneration to transform run-down neighbourhoods and provide new homes in high-demand areas.
 - Consulting on strengthening policy to be clear that allocated land should be taken out of a plan if there is no prospect of a planning application being made.
 - Making available £15.3bn of new financial support for housing over the next five years bringing total support for housing to at least £44bn over the period.
 - Allowing Councils to charge 100% Council Tax premium on empty properties to assist in reducing long term vacant provision (this cannot be implemented until 2019/20).
 - Introducing a new Homelessness Reduction Task Force and the Government will invest £28m in three new housing first pilots (one being Greater Manchester) with an aim to halve the level of rough sleeping by 2022 and eliminate completely by 2027.

The Council will respond to relevant consultations, bid for resources where appropriate and take advantage of housing initiatives which are expected to improve the Oldham position.

i) Local Infrastructure Funding

- Local Infrastructure rate available for three years to support infrastructure projects - Following a consultation in 2017, the Government confirmed that it will lend Local Authorities in England up to £1bn at a new discounted interest rate accessible for three years to support infrastructure projects that are high value for money. The Council will seek to access this funding having regard to its Capital Strategy.

6 Financial Resilience

- 6.1 Oldham continues to be well positioned to adapt and adjust to meet the new financial challenges in respect of 2018/19 and future financial years. The Audit Findings Report produced by the External Auditor when giving the audit opinion on the 2016/17 Statement of Accounts (July 2017) stated that the Council has, in all significant aspects, proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 6.2 The report stated that the Council has demonstrated a robust planning process and challenge of expenditure assumptions and this together with the quality of reporting and high level of scrutiny means the Council is well positioned to tackle the financial risks facing it in the medium term. Such comments from the External Auditor can give Members confidence about the financial planning process and hence the robustness of the estimates in this report.

7 2017/18 Revised Budget and Year End Forecasts

7.1 The starting point for the consideration of the 2018/19 budget is the current 2017/18 budget position. Since the 2017/18 budget report was approved by Council on 1 March 2017, there have been a number of further one off funding allocations and amendments. These are detailed in the table below. The budget for 2017/18 has therefore increased to £218.235m as reported to Cabinet on 19 February 2018 in the Month 8 financial monitoring report. The revised 2017/18 budget therefore becomes the revised base budget for 2018/19.

Table 4 - 2017/18 Revised Revenue Budget

	£000	£000
Net Revenue Budget as at 1 March 2017		203,343
Adjusted for use of reserves		6,525
Adjusted Net Revenue Budget		209,868
New One-Off Grant Funding Adjustments		
Capital Grants	1,675	
Opportunity Area Grant	500	
Additional Business Rates Relief Grant	389	
Adult Personal Social Care Grant	209	
School Improvement Monitoring & Brokerage Grant	150	
Flexible Homelessness Support Grant	104	
Staying Put Grant	61	
Homelessness Reduction - New Burdens Grant	53	
Discretionary Housing Payment Administration Grant	45	
Benefit Cap Administration Grant	39	
SEND Regional Leads Grant	24	
Extended Rights to Free Travel Grant	22	
DWP New Burdens Grant	14	
Business Rates Rebilling Grant	12	
Homelessness Overhauling Data Grant	9	
Reduction in Education Services Grant	(34)	
Total Budget Adjustments		3,272
Improved Better Care Fund (Spring Budget)		5,095
Total Revised Net Revenue Budget		218,235

7.2 The table below details the 2017/18 Month 8 year-end forecast position against budget for each Portfolio after the planned transfers to and from reserves:

Table 5 - 2017/18 Month 8 Year-End Forecast Position against Budget

Portfolio	Budget £000	Forecast £000	Variance £000
Chief Executive	2,413	2,413	0
Corporate and Commercial Services	5,013	4,797	(216)
Economy, Skills and Neighbourhoods	93,828	94,381	553
Health and Wellbeing	115,349	118,817	3,468
Capital, Treasury and Corporate Accounting	1,632	(2,323)	(3,955)
NET EXPENDITURE	218,235	218,085	(150)

7.3 Whilst overall corporately there is a small under spend projected at the end of the financial year of £0.150m, the key variance to note is a £3.468m projected over spend within the Health and Wellbeing Portfolio largely attributable to Children's Social Care (£3.105m). The principal reasons for this over spend are related to the increase in numbers of looked after children, the cost of commissioning services for children with disabilities and also the cost of adoption and fostering. This adverse variance is after £4.039m funded by reserves was added to the budget following approval of additional resources for Children's Social Care by Cabinet on 19 June 2017 and an additional use of £1.200m of reserves to support extra staffing costs. This therefore highlights the issues the Council is currently facing in relation to increased demand for children's services. Although management action is being implemented to reduce spending it is unlikely to have a significant impact prior to the start of 2018/19.

7.4 The projected overspends in 2017/18 have been offset due to the anticipated costs for borrowing and capital financing being lower than the prudent amount that was budgeted for. However this approach to addressing the pressures is only available in 2017/18.

8 Base Budget Adjustments and Expenditure Pressures 2018/19 to 2021/22

8.1 The Council regularly reviews the assumptions and methodologies used to calculate the budget reduction requirements as part of its Medium Term Financial Strategy. This is informed by new or updated funding notifications from Central Government, trends in inflation, other Government policy announcements and changes in issues directly under the influence of the Council, all of which are outlined in Section 3 and Section 4 of the report. It also assumes as the starting point that expenditure and activity levels will continue as in 2017/18, adjusted for any approved budget reductions, growth items and additional burdens arising from new legislation or Central Government policy initiatives. This section of the report sets out the revised expenditure assumptions that form the basis of the revenue budget estimates for the period 2018/19 to 2021/22 and change the budget requirement from that of 2017/18. The full MTFFS budget estimates including the adjustments detailed below but prior to the Administration's budget proposals are attached at Appendix 1.

Base Budget Adjustments

8.2 The starting position for calculating the estimates is revised to take account of the full year effect of 2017/18 adjustments. This has been updated to reflect the current position and includes:

- £3.272m of one-off adjustments relating to 2017/18 temporary funding as shown in Table 4.
- A £5.095m reduction for the 2017/18 allocation of Improved Better Care Fund. The 2018/19 allocation of £3.201m has been included in full as a new grant allocation.
- A £7.465m reduction due to reprofiling of the Minimum Revenue Provision (MRP), the amount that the Council has to set aside from revenue resources to repay debt. The manner in which the Council provides for MRP has been the subject of detailed review prompted by recent consultations covering the Treasury Management Code, the Prudential Code and MHCLG Statutory guidance covering MRP calculations. In previous years, the Council has made voluntary revenue provision which will now be taken into account in charges from 2018/19 onwards. Whilst the revised approach doesn't deliver a saving when considered over the long term, it has the effect of reprofiling actual charges. The revised approach effectively allows the Council to lower its provision in 2018/19 by £7.465m although charges will be higher in future years. This is also explained in the Treasury Management Strategy 2018/19 report elsewhere on the agenda.

- £1.903m reduction for other budget adjustments including a reduction in the investment fund due to the rephasing of the capital programme, and the 2018/19 impact of 2017/18 approved budget reductions.
- As detailed in paragraph 9.19, as part of the arrangements for participating in the GM 100% Business Rates Retention Pilot Scheme, the Council no longer receives separate funding allocations for the Public Health Grant however the indicative grant amount included in Government funding calculations assumes an annual reduction in line with national allocations. This results in a matched reduction of planned spending of £0.441m in 2019/20, £0.446m in 2020/21 and £0.446m in 2021/22.

Passporting of Adult Social Care Precept

- 8.3 From 2016/17, the Government has allowed Councils to raise additional Council Tax via an Adult Social Care Precept. This additional funding must be ringfenced to support the increased costs of Adult Social Care and is passported directly to Adult Social Care Services. The Adult Social Care Precept, assuming a 2% increase, for 2018/19 will generate an additional £1.694m to fund pressures within Adult Social Care.

Adult Social Care – Demand Pressures and National Living Wage

- 8.4 Given the national trends in Adults Social Care pressures which have been the subject of national publicity and also the local experience of increasing demand combined with more complex caseloads, a budget pressure of £7.406m has been added to the forecast financial position for 2018/19. This is over and above the Adult Social Care Precept detailed in paragraph 8.3.
- 8.5 As detailed earlier in this report, changes to the National Living Wage announced in the Autumn Statement have resulted in a financial burden for Local Authorities particularly around Adult Social Care providers and the budget estimates take account of estimated 2018/19 increases.
- 8.6 As highlighted in paragraphs 3.51 to 3.56, the Government has confirmed Improved Better Care Fund allocations to assist in the provision of new burdens associated with the 2014 Care Act. The budget estimates also passport additional funding to Adult Social Care to support a corresponding increase in spending.

Support for Social Care

- 8.7 As part of the Final LGFS published on 6 February 2018, following the introduction of the 'Adult Social Care Support Grant' in 2017/18 (at a national value of £240m) the Secretary of State for Housing, Communities and Local Government announced a further new national allocation of £150m for 2018/19 to be distributed to Local Authorities based on relative needs. In 2018/19 Oldham will receive an unringfenced grant of £0.701m and will hold this funding for Social Care pending a review of the best way to deploy this resource in the context of the need in Oldham. The Council is mindful of the expectation that the grant will be used by Councils to build on their progress so far in supporting sustainable local care markets and will consider this when agreeing the use of the resource during 2018/19. It should be noted that clarification of the grant conditions was not published until after Cabinet budget papers were distributed and as a consequence the treatment of the grant has been revised in accordance with the recommendation of Cabinet.

Demand Pressures – Children's Services

- 8.8 On 19 June 2017 Cabinet approved additional funding for 2018/19 of £4.063m with regard to Children's services following a rise in the demand for services and a requirement to

address staffing capacity issues and this increased the 2018/19 budget gap to £24.818m. In addition there is continued pressure in Children's services as outlined in the Month 8 financial monitoring report and discussed at paragraph 7.3. A further £4.000m has been added to the budget gap for 2018/19 taking the total additional budget requirement to £8.063m. This mirrors the national picture and a report by the Local Government Association (May 2017) highlighted an estimated national funding gap of £2bn within Children's Social Care by 2020, with unprecedented demand for services.

Early Help Initiative

- 8.9 Members will be aware that the Cabinet agenda of 22 January 2018 approved a report to agree additional one year funding of £1.039m for the Early Help service in 2018/19 to allow time for a service review to take place. On 16 January 2018 Schools Forum agreed to contribute £0.350m towards the cost of the Early Help Service from the Dedicated Schools Grant. As a result a resource allocation of £0.689m will be funded from reserves.

Special Educational Needs and Disabilities (SEND)

- 8.10 Members will be aware that a local area SEND inspection was undertaken in Oldham in September and October 2017 by Ofsted and the Care Quality Commission. The inspection report, published on 28 November 2018, highlighted a number of areas where improvements could be made to service delivery. Since the inspection the Council has been developing an approach to improve and develop SEND services and as a result of this, budgetary provision has been made to invest an additional £0.500m from 2018/19 for SEND services. There will be a review during 2018/19 to determine if any further resources are required to improve SEND services.

Pay and Price Inflation

- 8.11 As per paragraph 3.35, pay inflation is estimated to be 2% per annum for mainstream funded employees and all employees of Miocare. This has been allowed for in the MTFs and also the continuation of a locally agreed commitment to the Living Wage Foundation National Living Wage.
- 8.12 In line with Government targets the MTFs assumes a 2% per annum inflationary increase for supplies and services. There are also some areas of expenditure where there is a contractual commitment linked to a fixed or variable inflationary increase and the estimates for 2018/19 reflect that need. In the main, this relates to increased utility costs and inflationary rises built into service contracts such as those related to Private Finance Initiative (PFI) schemes.
- 8.13 In regard to the pay and price inflation detailed above, £2.524m is included in the budget estimates for general services for 2018/19. This is a total increase of £0.500m over previous estimates.
- 8.14 It should be noted that as detailed in Section 3 of this report, inflation rates at the end of 2017 were at a higher average inflation rate of 3.0%. Government forecasts show this reducing over 2018 however should there be no reduction it will further erode the spending power of the Council.

Pension Contributions

- 8.15 The £0.286m expenditure pressure for 2018/19 represents a pension contribution rate increase from 20.0% in 2017/18 to 20.6% in 2018/19. There is a further estimated rise to 22% for 2020/21 and 23% in 2021/22. Contribution rates for the period 2017/18 to 2019/20

have been agreed with the Greater Manchester Pension Fund (GMPF) as part of its triennial revaluation exercise which determines the required employer contributions.

Greater Manchester Waste Disposal Authority (GMWDA)

- 8.16 During 2017, following extensive consultation with Districts, the GMWDA made a decision to terminate existing waste PFI arrangements in order to reduce costs and deliver operational improvements. On 13 December 2017 the Council approved a revised Levy Allocation Methodology Agreement (LAMA) to be implemented from 2019/20 with transitional arrangements in place for 2018/19.
- 8.17 The termination of the existing PFI arrangements and the agreement of the LAMA will mean that the costs for waste disposal will reduce but there will be a change to the method by which the costs are allocated to the nine Districts that are party to the arrangements.
- 8.18 The Council's current budget estimate for the waste disposal levy for 2018/19 has been revised and is based on the estimated impact of the termination of the existing PFI arrangements and the agreement of the LAMA. As such the costs will be £1.900m lower than the forecast approved by Council on 1 March 2017. Nonetheless this still represents an estimated increase of £0.221m over the amount included in the budget for 2017/18 resulting in a total 2018/19 waste levy of £17.517m. Costs for 2019/20 and future years are indicative at this stage.
- 8.19 The GMWDA met and confirmed the GMWDA levy for 2018/19 and charge for 2019/20 on 8 February 2018.

Greater Manchester Combined Authority (GMCA)

- 8.20 The GMCA approved its 2018/19 budget and the transport levy chargeable to the Greater Manchester Districts on 26 January 2018. Oldham's GMCA Transport levy is £16.100m which favourably reduces 2018/19 estimates by a value of £0.288m. Members will recall that previous estimates had assumed a 2% rise in the levy at a value of £0.321m. Therefore the total increase for 2018/19 will be £0.033m.
- 8.21 Following the Mayoral election and further devolution powers that have been granted to the GMCA, responsibility for various functions have been transferred between the GMCA and the Mayor. This has resulted in a realignment of costs between GMCA transport and non-transport functions (including AGMA contributions) and the Mayor. Consequently, Oldham Council's non transport contribution will reduce by £0.466m when compared with 2017/18.
- 8.22 The GMCA also informed the Council of returned funding in 2017/18 in relation to Retained Business Rates. This is at a 2017/18 value of £0.410m and will be transferred to the Integrated Working Reserve to assist in funding any further regional initiatives.

Environment Agency Levy

- 8.23 On the 1 February 2018 the Environment Agency provided Councils with confirmed levy amounts for the 2018/19 financial year.
- 8.24 Oldham's levy for 2018/19 is at a value of £0.104m which is an increase of £0.002m when compared to the 2017/18 amount.

Net Impact of Levies/Contributions

- 8.25 The table below advises that taking all the information set out above compared to previous 2018/19 forecasts, resources of £2.652m have been released to support the overall budget position.

Table 6 – Comparison of Levy Contributions

2017/18 Budget £000	Levy/Contribution	Previous 2018/19 Forecast £000	Current 2018/19 Forecast £000	Forecast Difference £000	2018/19 Budget Change £000
17,296	GMWDA Levy	19,417	17,517	(1,900)	221
16,067	GMCA – Transport Levy	16,388	16,100	(288)	33
1,223	GMCA – Non Transport Contribution	1,223	757	(466)	(466)
102	Environment Agency Levy	102	104	2	2
34,688	Total Change to Levies/Contributions	37,130	34,478	(2,652)	(210)

GMWDA / GMCA Transfers

- 8.26 In 2017/18 the GMWDA added a sum of £77.700m to its levy with an equal and opposite adjustment agreed and applied to the GMCA Transport Levy. This was designed to mitigate the impact of a large forecast increase in that year's levy by bringing forward a savings programme which would see the costs of waste disposal significantly reduced. In September 2017 the first stage of those savings plans were brought to fruition in a way that meant that initial upfront investment was not needed. The savings plans are delivering, on average, annual savings of around £28.000m and a second round of the savings programme, to reduce annual operating costs, is underway.
- 8.27 As a result of the delivery of the initial savings without the extra revenue investment of £77.700m, the GMWDA is able to wholly return that sum to districts via the 2018/19 Levy. The GMCA Transport levy will therefore increase in 2018/19 from £16.100m to £23.459m and the GMCA Non Transport Contribution will increase from £0.757m to £0.766m due to a small adjustment for updated changes in district allocations. This equates to a total adjustment of £7.368m. The GMWDA levy will reduce from £17.517m to £10.149m, an equal and opposite change to switch back the resources.
- 8.28 These adjustments do not affect the base levy of the Authority and the overall impact of the changes in each year is at a nil value which will have no impact on Council Tax requirements. The adjustments to the final levy figures are shown in the table below. However, as this is only a temporary change to funding arrangements the base levies have been used in the full budget reporting tables.

Table 7 – GMWDA and GMCA – Levy Adjustments

Levy / Contribution	2017/18			2018/19		
	Base Levy £000	Adjust-ment £000	Final Levy £000	Base Levy £000	Adjust-ment £000	Final Levy £000
GMWDA Levy	17,296	7,368	24,664	17,517	(7,368)	10,149
GMCA - Transport Levy	16,067	(7,368)	8,699	16,100	7,359	23,459
GMCA – Non Transport Contribution	1,223	0	1,223	757	9	766
Total	34,586	0	34,586	34,374	0	34,374

Investment Fund

- 8.29 The Council has agreed an ambitious regeneration programme funded in part by prudential borrowing. This requires revenue spending to support the borrowing costs in line with the projected timeframe for the capital investment. The forecast for 2018/19 has reduced since previous estimates were prepared due to revisions to the profile of capital spending and now produce a reduction in the anticipated level of borrowing. No additional revenue funding is required in 2018/19 but this 2018/19 reduction in turn raises the forecasts for 2019/20 to a value of £3.942m.

Development Fund

- 8.30 A funding allocation of £0.500m is included in the budget estimates to facilitate the funding of business developments which may be identified subsequent to or during the budget process. This is a reduction of £0.500m from previous estimates due to the agreed transfer of funding for Homelessness (£0.248m) and Home to School Transport (£0.252m).

Homelessness

- 8.31 Paragraphs 3.63 and 3.64 detail the new pressures identified on homelessness services with a resource requirement for 2018/19 at a value of £0.412m. There is £0.164m available as Government Grant to part fund these pressures and as indicated at paragraph 8.30, the remaining £0.248m requirement has been transferred from the Development Fund for 2018/19.

Home to School Transport

- 8.32 Members will be aware that Revenue Budget Monitoring reports considered by Cabinet have highlighted a budget pressure in relation to home to school transport. There have been increases in both the number of pupils with Special Educational Needs and Disabilities using the service and Out of Borough Placements which have resulted in increased expenditure. The Home to School Transport Service is demand led and volatile, and whilst action is being taken to manage expenditure, it is considered appropriate to utilise £0.252m of the Development Fund to support this budget in 2018/19, as indicated at paragraph 8.30.

Impact of Changes in Early Years Funding

- 8.33 On the 1 December 2016 the Government notified Councils of changes to Early Years Funding including a requirement to reduce the level of early year's expenditure which is financed from the Dedicated Schools Grant (DSG). Additional resources from the General Fund were needed to support Early Years services and £0.600m was added to the 2017/18 budget with an increase of £0.233m required for 2018/19.

Coroners Service

- 8.34 An additional £0.050m is required in relation to the Coroner's service due to an increase in pathologist and undertaker costs. This is an external charge over which the Council has minimal control.

New Burdens and Service Transfers

- 8.35 Beyond the current spending review period, uncertainty remains regarding whether the Local Government sector will be required to absorb additional burdens and transfers of services from Central Government without additional funding. Following a review of HM treasury forecasts an initial estimate of £7.000m has been included in the budget requirement for the 2021/22 financial year. This is £2.000m above previous estimates.

Revised Parish Precept

- 8.36 The revised Parish Precept amount reflects the increases in the tax bases for Saddleworth and Shaw and Crompton parishes and the increased precept approved by both Parish Councils in January 2018. This is offset by an opposite and equal adjustment in the Council Tax generated in those areas. The revised 2018/19 Parish Precepts and the tax base growth applicable to the Parish Precepts in 2018/19 generates additional resources at a value of £0.007m.

Other Planning Assumptions

- 8.37 Other assumptions within the budget estimates are outlined below:
- Ringfenced grants will be used for the purpose intended. These include Housing Benefit Subsidy and the Dedicated Schools Grant (for the purposes of the MTFS it is assumed that all eligible expenditure will be met from this grant and any surplus or deficit from schools will be met from their own school balances). Ringfenced grant assumptions are based on the allocations that have been notified by the funding body; and
 - General Balances and reserves are managed on a risk based approach.

9 Local Government Finance Settlement (LGFS) and Associated Funding Announcements

- 9.1 The 2018/19 Provisional LGFS was released on 19 December 2017. It was issued by the Secretary of State for Housing, Communities and Local Government the Rt. Hon Sajid Javid MP, setting out the Government's formal proposals for the funding of English Local Authorities in 2018/19.
- 9.2 The Government provided figures up to 2019/20 in accordance with its offer to provide a multi-year settlement to Councils like Oldham that submitted an Efficiency Plan by 14 October 2016.
- 9.3 The Provisional LGFS was subject to a short period of consultation which closed on 16 January 2018. The Council's response was prepared and submitted by the Director of Finance in consultation with the Deputy Leader and Cabinet Member for Finance and HR.
- 9.4 Key issues included in the Provisional LGFS and associated announcements were as follows:
- Almost no new money for Local Government with no extra resources for Children's Social Care which is the current high pressure area.
 - An increase in the referendum limit for general Council Tax increases to 3% for 2018/19 and 2019/20 in line with current inflation rates as measured by the Consumer Price Index.
 - Continuation of the 100% Business Rate Retention pilot scheme for Greater Manchester from 2018/19 into 2019/20 with an additional ten Local Authority areas as well as London Boroughs and the City of London Corporation piloting 100% Business Rates Retention.
 - A change to Business Rates Retention arrangements with the introduction of 75% Business Rates Retention (rather than 100%) for all in 2020/21.
 - Scrapping of proposed changes to the New Homes Bonus payments scheme for 2018/19 with the growth baseline remaining at 0.4%.
 - Completion of the Fair Funding Review in April 2020 and a publication of a consultation paper

- The ability of the GM Mayor, as Police and Crime Commissioner, to increase the Police precept by up to £12 in 2018/19.
- Extension for three years to the end of March 2022 of flexibilities surrounding the use of capital receipts.
- Confirmation that Local Authorities can increase planning fees by 20% where they commit to spending the additional income on planning services.
- Issuing of updated Settlement Funding Assessment and Core Spending Power figures for each Authority which included revised Business Rate Top Up grant figures.
- Receipt of Section 31 Grants to compensate Councils for the reduced Business Rates income arising from the switching the Business Rates Multiplier to being indexed according to the Consumer Price Index for 2018/19 rather than Retail Price Index.

9.5 On the 6 February 2018 the Secretary of State for Housing, Communities and Local Government published the formal statement and supporting information on the Final LGFS for 2018 to 2019 which confirmed the funding approaches and in some instances updated figures set out in the Provisional LGFS and associated announcements.

9.6 In addition to the items contained in the Provisional LGFS, the Final LGFS however introduced two new funding streams for 2018/19:

- Following the introduction of the 'Adult Social Care Support Grant' in 2017/18 the Secretary of State announced a further new national allocation of £150m for 2018/19 to be distributed to Local Authorities based on relative needs (£0.701m for Oldham)
- The Secretary of State also announced that an additional £16m is to be added to the 2018/19 Rural Services Delivery Grant (not applicable to Oldham).

9.7 The implications of these matters in the context of Oldham Council are dealt with in the following paragraphs of the report.

Settlement Funding Assessment

9.8 The Settlement Funding Assessment (SFA) is a Government calculated figure which includes the Revenue Support Grant (RSG) and the Baseline Funding Level (BFL). The BFL comprises Business Rates Top Up Grant plus the Government's assessment of Business Rates that can be collected locally (known as Business Rates Baseline). GM Districts do not currently receive any RSG due to piloting 100% Business Rates retention.

National position

9.9 The Government is continuing with its spending review commitment to reduce departmental spending and as such the following table shows these reductions in the National SFA. Following the Final LGFS the reduction from £17.905bn in 2017/18 to £16.943bn in 2018/19 represents a 5.4% decrease in national funding.

Table 8 – National SFA Amounts

2017/18 £m	SFA for England	2018/19 £m	2019/20 £m
17,905	Settlement Funding Assessment	16,943	14,551
	of which:		
3,800	Revenue Support Grant	1,379	2,284
14,105	Baseline Funding Level	15,564	12,267

Oldham Council

- 9.10 The position for Oldham, following the submission and acceptance of its Efficiency Plan is as anticipated and the reduction in the SFA from £108.273m in 2017/18 to £102.816m in 2018/19 represents a 5% decrease (£5.457m). The MHCLG have not yet published figures for 2019/20 that reflect the 100% pilot scheme arrangements operating in GM hence the RSG is shown separately and the Public Health Grant has been excluded from Baseline Funding Levels.

Table 9 – Oldham SFA Amounts

2017/18 £000	SFA for Oldham	2018/19 £000	2019/20 £000
108,273	Settlement Funding Assessment	102,816	80,408
	of which:		
0	Revenue Support Grant	0	16,701
108,273	Baseline Funding Level	102,816	63,707

- 9.11 The SFA figures provided for Oldham compared to the current estimates within the MTFS suggest a reduction in overall top up grant of £0.124m for 2018/19. This is due to the updating of inflation assumptions for the Business Rates Multiplier reducing from 3.2% (disclosed in the 2017/18 final settlement) to 3% (based on CPI at September 2017).

Table 10 – Oldham SFA Changes

2018/19 Funding Stream	MTFS Current Estimates £000	Final LGFS £000	Variance £000
Settlement Funding Assessment	102,940	102,816	(124)

Business Rates Multiplier

- 9.12 As part of the recent Autumn Budget the Government announced that Business Rates will be indexed on the basis of CPI rather than RPI. This change will result in lower Business Rate revenues for which the Government will pay a Section 31 Grant. Alongside the Settlement, Oldham's allocation for this item is £1.298m. The reduction in SFA of £0.124m plus the additional Section 31 grant of £1.298m is offset by an equal and opposite reduction in forecast Business Rates revenue of £1.174m and has no net impact on the Budget Reduction requirement for 2018/19.

Core Spending Power

- 9.13 Published alongside the Final LGFS are the Government's updated estimates of Core Spending Power (CSP). This is the Government's assessment of the expected revenue resources available to Local Authorities through to 2019/20 using OBR estimates.

- 9.14 The Final LGFS includes detail by individual Authority and incorporates allocations for the Adult Social Care Support Grant. The CSP for Oldham is shown in the table below:

Table 11 – Oldham's Core Spending Power

2017/18 £000	Core Spending Power for Oldham	2018/19 £000	2019/20 £000
184,040	Core Spending Power	186,910	188,319

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- 9.15 Whilst the settlement Core Spending Power implies the Council has £2.870m more resources than in 2017/18, the Government's CSP figures include assumptions as to the growth of the tax base and annual tax increases that are not in line with the Council's own budget assumptions and estimates.
- 9.16 In addition, the Governments Core Spending Power figures do not reflect the impact of the 100% Business Rates pilot scheme arrangements. This is to enable funding allocations to be presented on a consistent basis across all Authorities for the remainder of the spending review period.

Unringfenced Grants

- 9.17 As part of the Final LGFS, the Government has confirmed the following funding allocations.

Business Rates Top Up

- 9.18 Business Rates top up grant for 2018/19 is £47.975m, some £6.772m less than the equivalent figure for 2017/18 which reflects the Government's planned and ongoing reductions in funding support for the Local Government sector and also reflects updates the Government has made to inflation assumptions for the Business Rates Multiplier reducing from 3.2% (disclosed in the 2017/18 final settlement) to 3% (based on CPI at September 2017). This change results in an equal and opposite reduction in the forecast level of Retained Business Rates and therefore has no net impact on the Budget Reduction requirement.

Revenue Support Grant and Public Health Grant

- 9.19 As part of the arrangements for participating in the GM 100% Business Rates Retention Pilot Scheme, the Council no longer receives separate funding allocations for Revenue Support Grant and Public Health Grant. Furthermore, the ringfence that normally applies to Public Health Grant funding has been removed. This funding has been replaced by a higher level of retained business rates and top up grant. The equivalent level of funding rolled into the 100% Rates Retention Pilot Scheme is Revenue Support Grant of £23.600m and Public Health Grant of £16.891m.

Grants in Lieu of Business Rates

- 9.20 Grants in lieu of Business Rates represent compensation for historic Government policy announcements including the £1.298m compensation referred to at paragraph 9.12 and for events that reduce the amount of business rates revenue that can be collected. These grants are effectively a substitute for Retained Business Rates income. Grant compensation has arisen from policy announcements that have included:

- Caps on increases in the Business Rates multiplier for 2014/15, 2015/16 and 2018/19;
- The doubling of small business rates relief and threshold changes for 2018/19;
- The cost of providing 100% rural rate relief; and
- Numerous small reliefs covering local newspapers, small retailers and pubs.

- 9.21 On 18 December 2017 Cabinet delegated the decision to vary the final Business Rates forecast and hence the Business Rates Tax base to the Cabinet Member for Finance and HR in consultation with the Executive Director of Corporate and Commercial Services and the Director of Finance. As grants are paid in lieu of Retained Business Rates, any revision to the Business Rates tax base results in an equal and opposite reduction in the forecast level of Retained Business Rates. Such a change therefore has no net impact on the Budget Reduction requirement

9.22 Alongside the Provisional LGFS (and confirmed in the Final LGFS), the Government notified Councils of a proposed methodology change to recognise and compensate for the impact of changes to Small Business Rates Relief (SBRR) thresholds. Oldham's share of this compensation is estimated to be £1.358m and is a substitute for retained Business Rates income. This is paid to the Council as a Grant in Lieu of Business Rates and reduces the amount of Retained Business Rates that the Council can generate. Compensation for the 2017/18 impact will be paid in 2017/18 and will be used to support the 2018/19 budget.

9.23 The compound effect of these changes coupled with the impact of 2017 revaluation means the calculation of these grant amounts has become incredibly complex and burdensome. Final figures are derived from the Council's NNDR 1 return which was submitted on 31 January 2018.

9.24 In February 2018 it was formally announced that the MHCLG had applied an incorrect rate to the 2018/19 Business Rates Multiplier Cap and as a result will retrospectively amend the grant totals listed within the NNDR 1 return. Following recalculation, the Council will receive additional Grants in Lieu of Business Rates in 2018/19 at a value of £0.210m which has revised the resources available to the Council to £8.477m.

Improved Better Care Fund Grant

9.25 The Provisional LGFS confirmed the iBCF allocations published as part of the 2015 settlement at £4.687m for 2018/19, an increase of £3.971m over 2017/18. The Provisional LGFS also confirmed the additional funding for 2018/19 which was announced in the Spring Budget 2017 at a value of £3.201m. The full detail of the grant and the proposed spending plans are detailed earlier in this report in paragraphs 3.51 to 3.56. Additional resources have been passported in full to the services.

Adult Social Care Support Grant

9.26 As detailed in paragraph 8.7, in 2018/19 the Council will receive £0.701m of Adult Social Care Support Grant which will be held for Social Care and deployed during 2018/19.

Independent Living Fund (ILF) Grant

9.27 The Council took over responsibility from Government for the functions associated with the former Independent Living Fund during 2015. Independent Living Fund Grant payments were again confirmed as the figures in the multi-year allocations published at the beginning of the 2016/17 financial year. These figures are included in the Council's budget estimates and are £2.661m for 2018/19 and £2.580m for 2019/20. This funding has been passported in full to the service as approved within the 2016/17 budget process.

Housing Benefit Administration Grant

9.28 The Government will continue the payment of this unringfenced grant which compensates Local Authorities for the administration of the Housing Benefit system. The Department for Work and Pensions, on the 6 February 2018, gave notification that the funding allocation will be £0.841m for 2018/19 which is £0.449m higher than previous estimates. The Housing Benefit Administration Grant increase is due to the delay and uncertainty with regard to the roll out of Universal Credit.

Council Tax Administration Grant

9.29 The Government provides an unringfenced grant which compensates Local Authorities for the administration of the Council Tax system. The MHCLG has given notification that the grant will be £0.379m for 2018/19 which is £0.016m higher than previous estimates.

Forecast grant amounts for 2019/20, 2020/21 and 2021/22 have also been updated in line with the 2018/19 notification.

New Homes Bonus Grant

- 9.30 The 2018/19 Local Government Finance Settlement Technical Consultation Paper issued in September 2017 proposed amendments to the New Homes Bonus Grant through the introduction of variable baseline growth adjustments and penalties for homes built following successful planning appeals. The Secretary of State for Housing, Communities and Local Government, following consultation feedback, has decided not to implement the proposed changes resulting in no change to the calculation methodology.
- 9.31 However, the Final LGFS indicates that following the introduction of baseline growth adjustments and lower than expected house building in 2017/18 the Council will receive a reduced level of grant at a value of £1.601m in 2018/19, £0.071m lower than previous estimates. A comparison to previous estimates is shown in the table below:

Table 12 – Changes to the New Homes Bonus

2018/19 Funding Stream	Council 1 March 2017 £000	Final LGFS £000	Variance £000
New Homes Bonus	1,672	1,601	(71)

Department for Work and Pensions - Implementation of Universal Credit / New Burdens Grants

- 9.32 On 6 February 2018, the Department for Work and Pensions confirmed 2018/19 funding allocations. The Council will receive £0.272m for Universal Credit Funding and £0.092m for New Burdens Funding. These two grants in total are £0.071m higher than previously estimated.

Homelessness Grants

- 9.33 2018/19 Homelessness Grants for which funding has been notified currently total £0.164m consisting of £0.116m Homelessness Support Grant and £0.048m Homelessness New Burdens Grant. These grants will be passported to the service.

Lead Local Flood Authority Grant

- 9.34 The Council, as a Lead Local Flood Authority also receives a grant from the MHCLG and on 13 June 2017 received confirmation of 2017/18 allocations and provisional funding allocations up to the 2019/20 financial year. The estimates in the MTFs assume funding as per these provisional funding allocations at a value of £0.011m in 2018/19 and £0.012m in 2019/20.

Extended Rights to Free Home to School Travel Grant

- 9.35 On 26 January 2018, the Minister of State for School Standards announced indicative funding allocations for the 2018/19 financial year in support of extended rights to free home to school travel. Oldham's allocation for 2018/19 is £0.026m. This grant will provide a part financing source for the £0.252m expenditure pressure as detailed at paragraph 8.32.

Ringfenced Grants

9.36 The estimates underpinning the Council's MTFS are based on ringfenced grants being allocated to fulfil their intended purpose. Such grants include Housing Benefit Subsidy and Dedicated Schools Grant. Ringfenced grant assumptions are based on the allocations that have been notified by the funding body.

Dedicated Schools Grant

9.37 The Dedicated Schools Grant (DSG) is a ringfenced grant payable by Government for the funding of schools. There is a significant change in funding arrangements from 2018/19 which moves away from a Local Funding Formula allocation to schools. On 14 September 2017, the former Secretary of State for Education announced the introduction of a National Funding Formula (NFF) for the Schools and High Needs blocks from 2018/19.

9.38 There is no requirement for Authorities to move directly to the allocation methodology introduced by the NFF in 2018/19, however there is a requirement for the Local Authority to consult with schools on the DSG allocation methodology that will be applied.

9.39 The DSG is made up of 4 blocks of funding from 2018/19:

a) The **Schools** block covers funding for:

- Individual mainstream schools and academies
- Growth Funding for planned growth by the LA in schools

b) The **High Needs** block covers funding for the education of pupils subject to Education, Health and Care Plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and Council centrally retained expenditure for High Needs.

c) The **Early Years** block covers:

- Two Year old Funding
- Early Years Funding in Schools and Private, Voluntary and Independent provision
- Centrally retained expenditure for under 5's

d) The **Central Schools Services** block covers:

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which has been discontinued from 2018/19
- Central school services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service, ICT for schools and School Improvement
- School Licenses
- Statutory and Regulatory duties

9.40 Each of the 4 blocks is determined by a separate National Funding Formula which calculates the funding due to Local Authorities. The Department for Education (DfE) calculated the funding that Local Authorities will receive for the Schools Block as if the National Funding Formula had been applied. Yet, for 2018/19 and 2019/20 it remains the role of the Local Authority to determine the funding to schools and academies via their Local Funding Formula for the Schools Block.

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- 9.41 The former Secretary of State for Education announced, in July 2017, the Schools and High Needs funding formula to Local Authorities would be supported by an additional £1.3bn of funding by 2019/20 (£416m in 2018/19 and £884m in 2019/20). Of this sum, the notional amount for Oldham which was then considered available for schools and High Needs was an increase of £4.525m in 2018/19, which brought the anticipated level of overall DSG resources to £220.131m. This was based on 2016 pupil figures and was subject to update once the 2017 pupil figures were taken into account. The notional allocations did not include any amounts for the Early Years Block.
- 9.42 As there is a requirement to agree the funding formula with schools, consultation with schools and the Schools Forum was required. A budget paper was presented to Schools Forum on 29 November 2017. This suggested a funding allocation methodology for schools, which continued to use Oldham's existing funding formula but moved part way to the proposed national formula but with a minimum funding guarantee of no change to 2017/18 allocations but a cap on gains of 1.27%. Importantly it also proposed:
- a) a 0.5% movement between the Schools and High Needs Blocks which Schools Forum was asked to approve; and
 - b) a further 0.5% movement between the Blocks (which required approval by the Secretary of State for Education).
- 9.43 This total 1% movement of funds between blocks was proposed as the DSG for 2017/18, as reported to Cabinet on 19 February 2018 in the Month 8 financial monitoring report, is projecting a deficit of £3.472m by the year-end. This is mainly due to the additional costs of funding from the High Needs block for Special Schools, the Pupil Referral Unit and additional children with statements in mainstream schools.
- 9.44 It is an important element of the financial management of the Authority that the DSG is not in a deficit position and therefore as a result action is required to eradicate the overspending. Schools Forum were advised of and agreed that the following policies and processes will be adopted to address the projected deficit:
- Exclusions – A process will be implemented, working collaboratively with Head Teachers, which will aim to reduce the number of pupils being excluded from school.
 - Timeliness and appropriateness of statements – the Council will revise its processes to ensure that education health plans are issued in a more timely manner and are reviewed on a more frequent basis to have regard to the changing needs of the individual child.
 - Out of Borough Placements – Changes to the process which ensure that placements to the correct facilities are made and there is a more regular review with regard to the changing circumstances of the individual child.
 - Inclusion and Best Provision – The promotion of school inclusion and ensuring that best educational provision is commissioned and resourced appropriately in a mainstream school setting.
- 9.45 The funding formula proposed was also agreed by Schools Forum and recognising the issues around High Needs that require addressing, members of the Schools Forum considered and agreed the overall movement of 1% (subject to the Secretary of State agreeing a 0.5% movement). This position was reported to and approved by Cabinet on 18 December 2017. The approval of the Secretary of State for Education was given on 9 February 2018.

- 9.46 On 19 December 2017, the Council received the final DSG notification for 2018/19 including an amount for the Early Years Block. The 2018/19 DSG for Oldham at a total value of £239.256m, analysed over the four funding blocks including comparisons to the notional allocations, are shown in the table below:

Table 13 – Dedicated School Grant 2018/19

	Schools block £000	Central school services block £000	High needs block £000	Early years block £000	Total DSG allocation 2018/19 £000
2018/19 Notional Allocation	186,532	2,992	30,607	0	220,131
2018/19 Actual Allocation	187,772	3,001	30,925	17,558	239,256
Variance	1,240	9	318	17,558	19,125

- 9.47 As a consequence of the final notification there was additional funding of £1.240m for the Schools Block. It is however anticipated that the Schools Block will be further adjusted downwards by £0.131m for subsequent establishment changes. Even with the additional funding for both Schools and High Needs blocks, the Council still considered that the movement between the two blocks was appropriate. However, it did allow a different approach to be taken around the funding available to schools via the formula.
- 9.48 A meeting of Schools Forum took place on 16 January 2018 at which the updated funding allocation was presented and the proposed DSG budget for 2018/19. Schools Forum was advised that the additional resources would allow a minimum funding guarantee (MFG) of an increase of 0.5% over 2017/18 funding levels with a cap on increases at 1.77%. Schools Forum was also advised that individual school budgets also include funding for non-pupil led funding i.e. Lump Sum, premises, Private Finance Initiative and split site costs, and these factors do not receive a 0.5% MFG increase. Therefore the percentage change in school budgets between 2017/18 and 2018/19 may not fully equate to 0.5% increase in all instances. Schools Forum was content to accept the proposed overall budget allocations and those for individual schools.
- 9.49 Following the receipt of the approval of the Secretary of State for Education the total adjustment between blocks has been confirmed at a value of £1.878m. This therefore results in a revised Schools Block of £185.763m and a revised High Needs Block of £32.803m.

Housing Benefit

- 9.50 Housing Benefit is an income related social security welfare scheme to help people pay their rent. It is referred to as Rent Allowance or Rent Rebate. The scheme is only open to people living in rented accommodation (including Council and social housing) and on low incomes.
- 9.51 As such, because Housing Benefit is so sensitive to local and individual conditions, unlike most social security benefits, it is administered on behalf of the DWP by Local Authorities as an agency agreement with the DWP reimbursing the Local Authority based upon audited grant claims for correctly administered benefits, with adjustments for benefits that have not been processed within the rules determined by the DWP.
- 9.52 Housing Benefit is paid by Local Authorities to private landlords on their behalf. If Housing Benefit is being paid to assist a Council tenant, it is directly deducted from the sum owed by the tenant to the Local Authority.
- 9.53 The Welfare Reform Act passed in March 2012 provided for Housing Benefit to be abolished, along with several other benefits, and for these to be replaced by a new single streamlined benefit - the Universal Credit.
- 9.54 The impact of the Welfare Reform Act on Oldham Council is for a steady transfer of working age benefit payments from the Council to the DWP, however in April 2018 responsibility for those in Temporary Accommodation will revert back from Universal Credit to Housing Benefit.
- 9.55 The Budget for 2018/19 for Housing Benefit is based upon the estimated outturn for 2017/18 at a value of £68.088m. This is a reduction of £9.438m compared to original 2017/18 estimates following the migration of 2,519 cases to Universal Credit since November 2016. As the Council is fully reimbursed from the Government for any benefit payments, any change in value does not impact on the Council's net budget requirements however, but it does reduce the Council's Gross Expenditure budget.

Discretionary Housing Payments (DHP)

- 9.56 On 26 January 2018 the Council received notification of the Governments DHP allocations for 2018/19. Oldham will receive an amount of £0.654m which is £0.029m lower than the amount received for the 2017/18 financial year (£0.683m). When received, this will be treated as a ringfenced grant as Authorities are required to provide a statement of grant usage and to return any unspent DHP allocation to the Government at the end of each financial year.

10 Locally Generated Income

- 10.1 As Government grant funding continues to diminish, locally generated income from Council Tax and Business Rates will provide an increasing proportion of funding for Council services.

Retained Business Rates

- 10.2 Included within Section 3 of the report is an explanation of the Business Rates system as applicable at present. Section 3 also explains the operation of both the GM 100% Business Rates Retention Pilot Scheme and Business Rates Pooling arrangements for 2018/19. From the figures presented in Section 9, it is also clear that the Government has implemented many policy changes since business rates retention was introduced in 2013 that have resulted in a reduction in the amount of business rates revenue it is possible to collect. The Government has assured Councils that such policy announcements will continue to be fiscally neutral with Council's being provided with grant compensation in lieu of Business Rates revenue. It has also provided specific assurances to areas like Greater Manchester to ensure the region is no worse off as a result of piloting 100% rates retention.
- 10.3 The 100% rates retention pilot scheme so far is proving to be a success and is generating additional gains for both Oldham, other participating Districts and the GMCA. The forecasts included in this report show a benefit to Oldham of participating in the pilot scheme of some £1.300m which will be carried forward as a reserve from 2017/18 which is helping to reduce the budget reduction requirement.
- 10.4 Based on the calculations undertaken to meet the statutory requirement to submit a NNDR1 return by 31 January 2018, the 2018/19 growth figure is estimated at a value in excess of £1.000m and of this the Councils share would be 50%. However, as the benefits of the Retained Business Rates regime are uncertain (a final position on 2018/19 estimates will not be known until July 2019) it is not proposed to rely on the anticipated benefit for the 2018/19 budget.
- 10.5 For budget planning purposes, the Council's share of business rate revenues are projected to be £51.352m for 2018/19. This estimate has been revised to take account of the LGFS, the operation of the GM 100% Business Rates Retention Pilot Scheme, the result of 2017 revaluation and the exercise undertaken to complete the NNDR1 for 2018/19.

Council Tax Tax Base

- 10.6 Council Tax is the largest single revenue stream that is used to support the Council's revenue budget. Council Tax and Adult Social Care Precept income changes each year due to changes in the tax base (increase/decrease in chargeable Band D equivalent properties), fluctuations in collection rates and the Council's annual decisions on the level of the tax.
- 10.7 Each year the Council is required to review its Tax Base by considering the:
- numbers of properties within the boundary of the borough which determines the number of Band D equivalent properties upon which the Council Tax calculations are based; and
 - anticipated level of Council Tax that will be collected known as the Collection Rate.
- 10.8 On 18 December 2017 Cabinet considered the calculation of the Council Tax Base for 2018/19. The approved tax base has increased by 761 from 54,905 to 55,666. The tax base calculations are summarised in Appendix 7.

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- 10.9 The tax base beyond 2018/19 is estimated to increase by around 350 Band D equivalent properties per annum to 2021/22 resulting from the building of new properties, fewer households claiming Council Tax Reduction support and empty properties being brought back into use. Projections for future New Homes Bonus grant are also in line with these tax base projections.

Council Tax Reduction Scheme

- 10.10 On 13 December 2017, Council approved the Council Tax Reduction Scheme for 2018/19. The scheme itself is unchanged when compared to 2017/18 and thus has a neutral impact on the financial projections presented in this report.

General Increase in Council Tax

- 10.11 Within the 2018/19 Provisional LGFS, the Government increased the referendum limit for general Council Tax increases to 3% for 2018/19 and 2019/20 in line with current inflation rates as measured by the Consumer Price Index. This is 1% above previous levels and therefore allows the Council the option of introducing a general Council Tax increase of 2.99% without triggering a referendum.
- 10.12 The current Council Tax policy is for a general Council Tax increase of 1.99% and it is not proposed to change this. The total 2018/19 Council Tax generated following this increase will be at a value of £82.122m.
- 10.13 As part of the 2017 Autumn Budget Statement, the Chancellor of the Exchequer announced a measure to allow Councils to charge 100% Council Tax premium on empty properties to assist in reducing long term vacant provision. However, this measure will require a change to primary legislation and, if passed, this will not be implemented until at least 2019/20. Hence this has not been included in planning assumptions at this time.

Adult Social Care Precept

- 10.14 As part of the 2017/18 LGFS the Government allowed Councils to increase the precept by up to 3% in 2017/18 and 3% in 2018/19 provided there is no further increase in 2019/20 (as the Adult Social Care Precept increases must remain at or below 6% for the remainder of the spending review period, i.e. to 2019/20). To help reduce the impact on residents, Oldham Council chose to charge the precept but at an increase of 2% in 2017/18 with a further increase of 2% in 2018/19 and 2019/20.
- 10.15 The revenue raised from the Adult Social Care Precept must be ringfenced to support the increased costs of Adult Social Care, in part caused by Government sanctioned increases in the National Living Wage and the consequent impact on the cost for provision of care. The Government's calculation of CSP assumes this precept is levied by Oldham and by all Councils. It is proposed that the precept, which has to be highlighted separately on the face of the Council Tax bill, will be levied by the Council at a 2% increase in line with previous assumptions. This will generate an additional £1.694m for 2018/19.
- 10.16 To ensure that Councils are using income from the precept for Adult Social Care, Councils are required to publish a description of their plans, including changing levels of spend on Adult Social Care and other services which requires sign off from the Council's Chief Finance Officer (The Director of Finance).
- 10.17 Although Government has only indicated that the Adult Social Care Precept will continue to 2019/20, the MTFs assumes it will continue beyond the current spending review period which ends in 2019/20.

Increased level of Council Tax income

- 10.18 The proposals set out in this report assume that a 1.99% general increase to Council Tax is applied for 2018/19. Together with the proposed increase in the Adult Social Care Precept detailed in paragraph 10.14, this represents an overall increase of 3.99% in Band D equivalent Council Tax for Oldham Council services. Oldham Council Band D Council Tax for 2018/19 is therefore proposed to be £1,562.04 of which £86.78 relates to the Adult Social Care Precept.
- 10.19 Compared to figures presented in the 2017/18 budget report, the proposed increases and revised Tax Base will generate additional Council Tax of £0.552m and Adult Social Care Precept of £0.033m. The budget gap estimates have been updated to reflect the increase in General Council Tax and the Adult Social Care Precept increase will be passported direct to Adult Social Care services.
- 10.20 Members are however reminded that the Council Tax and Adult Social Care Precept increases presented in this report reflect the recommendations of Cabinet which Council is asked to endorse.
- 10.21 Members are also reminded that the Council is required to calculate its Relevant Basic Amount (RBA) of Council Tax to determine whether there is a requirement to hold a referendum about a Council Tax increase above a level that the Government considers excessive. This “excessiveness” is determined annually and for 2018/19 has increased to a 6% increase in the RBA of Council Tax comprising a maximum 3% for the Adult Social Care Precept and 3% for other services. As a result of the changes in legislation arising from the passing of the Local Audit and Accountability Act 2014, the change in the RBA of Council Tax is now equivalent to the change in Band D headline Council Tax. Any increase below 6% would not therefore be classed as excessive and as such an increase of 3.99% would not trigger a referendum.

Parish Precepts

- 10.22 Parish Precept income is collected by the Council on behalf of the Saddleworth and Shaw and Crompton Parish Councils. These precepts are included on the Council Tax bills of properties falling within these parish areas. The revenue collected is for the benefit of each parish and thus has no impact on the financial projections presented in this report. The revised 2018/19 Shaw and Crompton Parish Precept, approved 8 January 2018, the revised Saddleworth Parish Precept for 2018/19 approved on 22 January 2018 and the 2018/19 growth in the tax base for both parishes produces an increase of £0.007m as shown in paragraph 8.36 which increases the total parish precepts to a value of £0.264m.

2017/18 Collection Fund Forecast Outturn Position

- 10.23 The Collection Fund is a statutory fund separate from the General Fund of the Council. The Local Government Finance Act 1992 (as amended) requires that the Council as the Billing Authority calculates a Collection Fund estimate on 15 January each year. This may produce a Council Tax surplus or deficit which can then be distributed to the Council and the GMCA in respect of the Mayoral Police and Crime Commissioner and Mayoral General Services. In addition, any Business Rates surplus or deficit can be distributed to the Council and the GMCA only.
- 10.24 The GMCA was notified in accordance with the statutory deadline of 15 January 2018 that no overall surplus or deficit on the Collection Fund for 2017/18 is anticipated.

11 Other Income Sources

Fees and Charges

- 11.1 The provision of many Council services relies on the collection of revenue from fees and charges. Specific proposals in relation to fees and charges are set out in Section 16 of this report.

Flexible use of Capital Receipts

- 11.2 In March 2016, the MHCLG published statutory guidance on the flexible use of capital receipts for a three year period covering 2016/17 to 2018/19. This guidance allows Local Authorities to use capital receipts to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners. As part of the 2018/19 LGFS, the Secretary of State for Housing, Communities and Local Government announced an extension of this flexibility for a further three years to 2022 and updated the previous direction accordingly.

- 11.3 In 2018/19, the Council intends to use up to £3m of capital receipts to fund revenue elements of Oldham's transformational agenda specifically:

- Further development of the Resident First programme
- Investment in the modernisation of IT systems
- Review and remodelling of Traded Services
- Transformation of service delivery.

- 11.4 The contributions to each of these project areas will be finalised in accordance with the phasing approved by each project board. The proposed expenditure and funding will be presented for approval within financial monitoring reports considered by Cabinet.

12 Revised Budget Gap Forecast

- 12.1 Since the 2017/18 budget was set on 1 March 2017, a number of developments have meant it is necessary to adjust future years base budget estimates and revisit a number of expenditure pressure calculations.

- 12.2 Bringing together all of the assumptions and information set out earlier in this report the budget gap for 2018/19, presented to Council on 1 March 2017 at £20.755m has reduced by £6.805m to £13.950m.

- 12.3 Members will recall that at the meeting of PVFM on 25 January 2018, an interim position was presented with the 2018/19 budget gap at a value of £15.712m. Cabinet however considered an updated budget gap of £13.950m after revisions due to the confirmation of 2018/19 Levies and Contributions, the Final LGFS and the completion of the NNDR1 form to set the 2018/19 Business Rates Tax Base.

- 12.4 The revisions to estimates reduce the 2018/19 budget gap to a value of £13.950m as detailed at paragraph 12.2 and are explained in full through the remainder of this section.

- 12.5 The full impact of revisions to assumptions for the period 2018/19 to 2021/22, compared to the position reported on 1 March 2017 is presented in Table 14 below and is summarised in the following paragraphs:

Additional Resources Directed Towards Children's Services

- 12.6 As detailed in paragraph 8.8, a national increase in demand for Children's Services and the associated resource costs has resulted in a requirement to increase the budget gap for 2018/19. The Cabinet report approved on 19 June 2017 detailed a 2018/19 resource requirement of £4.063m which formally increased the 2018/19 budget gap to £24.818m.

Adverse Changes to Estimates

Additional Children's Demand

- 12.7 In addition to the £4.063m detailed above, a further £4.000m has been added to the budget gap as a result of further pressures identified in the 2017/18 Month 6 revenue monitoring and confirmed at Month 8. The detail of this is also included in paragraph 8.8 and results in a total of £8.063m additional resources for Children's Services in 2018/19.

Early Help Initiative

- 12.8 As detailed in paragraph 8.9, the Cabinet agenda of 22 January 2018 approved a report to agree additional funding for the Early Help service in 2018/19 at a net value of £0.689m.

Special Educational Needs and Disabilities

- 12.9 As detailed in paragraph 8.10, in response to a 2017/18 inspection of SEND provision, the Council has been developing an approach to improve and enhance SEND services which has resulted in the need to provide extra resources of £0.500m.

General Inflation

- 12.10 Paragraphs 8.11 to 8.14 of the report detail inflationary pressures over and above those already assumed that the Council will face across the MTFs period resulting in additional resource requirements of £0.500m in 2018/19, £0.510m in 2019/20, £0.520m in 2020/21 and £0.532m in 2021/22.

Coroners Service

- 12.11 Paragraph 8.34 advises that an additional £0.050m is required in 2018/19 in relation to the Coroner's service due to an increase in pathologist and undertaker costs.

New Burdens and Service Transfers

- 12.12 Paragraph 8.35 highlights the continued uncertainty beyond the end of the spending review period and the requirement to increase the 2021/22 budget estimates by an additional £2.000m.

Environment Agency Levy

- 12.13 As per paragraph 8.23, on 1 February 2018 the Council received notification of its Environment Levy for 2018/19. The levy is a £0.002m increase over previous estimates which were at a neutral level when compared to 2017/18.

New Homes Bonus

- 12.14 Paragraph 9.31 shows that there is a reduction of £0.071m in the amount of New Homes Bonus Grant that the Council will receive in 2018/19 due to lower than expected house building in 2017/18. As growth based grant payments are made over a rolling four year

period this also reduces the expected grant payments in future years which subsequently increases the budget gap at values of £0.086m in 2019/20, £0.087m in 2020/21 and £0.089m in 2021/22.

Favourable Changes to Estimates

MRP Voluntary Contribution Adjustment

- 12.15 Paragraph 8.2 details revisions to the MRP policy. The revised policy approach allows the Council to lower its MRP provision and reduce the budget requirements in 2018/19 by £7.465m. The revised approach however doesn't deliver a saving when considered over the long term and increases the budget requirement by £1.211m in 2019/20, £0.617m in 2020/21 and £0.550m in 2021/22.

Other Adjustments Including Reduction in Investment Fund

- 12.16 Paragraph 8.2 also shows a £1.903m reduction for other budget adjustments including a reduction in the investment fund due to the rephasing of the capital programme and the 2018/19 impact of 2017/18 approved budget reductions. This is a favourable change from previous estimates at a value of £2.882m however the rephasing of the capital programme results in an increased requirement in 2019/20 at a value of £3.389m.

Future Years Savings Arising From Public Health Grant Reductions

- 12.17 As detailed in paragraphs 8.2 and 9.19, the indicative Public Health Grant included in the GM 100% Business Rates Retention Pilot is estimated to reduce by values of £0.441m in 2019/20, £0.446m in 2020/21 and £0.446m in 2021/22. The change to the estimates assumes that these grant reductions will be offset by equivalent reductions in Public Health expenditure across the MTFS period.

Waste Levy

- 12.18 The revised forecast Waste Levy amounts included in the calculations at paragraph 8.16 to 8.19 reduce the estimated budget 2018/19 requirement by a value of £1.900m. The revisions however increase the budget requirement in 2019/20 by £2.278m, by £0.774m in 2020/21 and in 2021/22 by £0.289m.

GMCA Transport Levy

- 12.19 The GMCA Transport Levy for 2018/19 is detailed in paragraph 8.20 and the 2018/19 budget requirement is estimated to be £0.288m lower than originally forecast having been adjusted for some movement between transport and non-transport functions. Previous assumptions were based on an annual 2% increase.

GMCA Contributions

- 12.20 As advised at paragraph 8.21, the transfer of various functions between GMCA transport, non-transport functions and the Mayor's office results in Oldham Council's 2018/19 non transport contributions reducing by £0.466m.

Housing Benefit Administration Grant

- 12.21 Paragraph 9.28 details the indicative Housing Benefit Administration Grant for 2018/19 which is £0.449m higher than previous estimates and reduces the forecast budget gap for 2018/19. The grant increase is due to the delay and uncertainty in regards to the roll out of Universal Credit and this delay moves expected reductions into subsequent years

increasing the budget requirement by £0.155m in 2019/20, £0.196m in 2020/21 and £0.098m in 2021/22.

Department for Work and Pensions – Universal Credit and New Burdens Grant

- 12.22 On 6 February 2018 the Department for Work and Pensions notified Authorities of funding allocations for 2018/19 as detailed in paragraph 9.32 and Oldham Council's grant allocations for that year will be £0.071m higher than previously anticipated.

Council Tax Administration Grant

- 12.23 Paragraph 9.29 details the Council Tax Administration Grant for 2018/19 which is £0.016m higher than previous estimates. The increase over previous estimates also increases the forecast for future years and reduces the budget gap by £0.015m in 2019/20, £0.013m in 2020/21 and £0.008m in 2021/22

Business Rates

- 12.24 On the 31 January 2018 the Council completed and submitted the 2018/19 NNDR 1 return which set the Business Rates taxbase at £51.352m producing a favourable adjustment to previous estimates at a value of £0.300m.

Increase to Grants in Lieu of Business Rates

- 12.25 Members will recall that an increase of £0.397m grants in lieu of Business Rates for 2018/19 was presented to Cabinet on 24 July 2017 as an additional resource notified to Councils after the 2017/18 budget and 2018/19 estimates were set. In addition, based on the completion of the 2018/19 NNDR 1 return there is a forecast increase to Grants in Lieu of Business Rates at a value of £1.658m and a further adjustment of £0.210m as the Government has revised the rate applied to the Section 31 Multiplier Cap Grant and Top Up Grant. In total these result in a total 2018/19 favourable adjustment at a value of £2.265m.

Extended Rights to Free Home to School Travel

- 12.26 As detailed in Paragraph 9.35, Oldham has been allocated indicative one year funding in support of the home to school transport service at a value of £0.026m for 2018/19.

Council Tax Income

- 12.27 As explained in Section 10 of the report, improved Council Tax Base projections will result in an increase in general Council Tax revenues of £0.552m in 2018/19, together with a further £0.033m Adult Social Care Precept (ASCP) passported to the service.

Adult Social Care Support Grant

- 12.28 Paragraph 8.7 details the 2018/19 Adult Social Care Support Grant announced on 6 February 2018 as part of the Final LGFS. Oldham Council will receive a 2018/19 allocation at a value of £0.701m which will be held for Social Care services.

Table 14 – Change to Budget Gap since 1 March 2017

Estimated revenue position 2018/19 to 2021/22	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Net Gap/Budget Reduction Requirement as at 1 March 2017	20,755	7,209	9,426	6,871
Additional resource - Children's Services - Cabinet 19 June 2017	4,063	25		
Revised Net Gap/Budget Reduction Requirement	24,818	7,234	9,426	6,871
Adjustments to Estimates				
Adverse change to Estimates				
Additional Children's Demand	4,000			
Early Help Initiative	689			
Special Educational Needs and Disabilities (SEND)	500			
General Inflation	500	510	520	532
Additional pressure - Coroner's service	50			
New Burdens and Service Transfers				2,000
Environment Levy	2			
New Homes Bonus	71	86	87	89
Favourable change to estimates				
MRP Voluntary Contribution Adjustment	(7,465)	1,211	617	550
Other adjustments including reduction in investment fund	(2,882)	3,389	62	
Future Years Savings Arising From Public Health Grant Reductions		(441)	(446)	(446)
GMWDA Levy	(1,900)	2,278	774	289
GMCA - Transport Levy	(288)	(6)	(6)	(5)
GMCA – Non Transport	(466)			
Housing Benefit Administration Grant	(449)	155	196	98
DWP Universal Credit and New Burdens Grant	(71)			
Council Tax Administration Grant	(16)	(15)	(13)	(8)
Business Rates - Increased income arising from the change in Tax Base	(300)			
Increase to Grants In Lieu of Business Rates	(2,265)			
Extended Rights to Free Home to School Travel Grant	(26)			
Council Tax - Increased income arising from the change in Tax Base	(552)			
ASCP - Increased income arising from the change in Tax Base	(33)			
ASCP – Passported to ASC Services	33			
2018/19 ASC Support Grant	(701)			
Support for Social Care Services	701			
Revised Gap after Adjustment to Estimates	13,950	14,401	11,217	9,970

12.29 An overall summary of the Council's revenue budget gap forecast for 2018/19 to 2021/22, including the adjustments detailed above, is presented at **Appendix 1**.

13 Budget Proposals

- 13.1 Following on from the successful processes adopted in previous years, the Administration approached balancing the budget by completing an exercise for the MTFs period. Using the well-established forum of Leadership Star Chamber there has been a review of the extent of financial pressures facing the Council and consideration given to initial budget reduction proposals to bridge the budget gap.
- 13.2 The budget has been reviewed by Portfolio area with proposals put forward for consideration. The Portfolio areas are as follows:
- Health and Wellbeing
 - Economy, Skills and Neighbourhoods
 - Corporate and Commercial Services (including Capital & Treasury)
 - Chief Executive
- 13.3 Work has also been undertaken to prepare cross cutting budget proposals where possible. Member support for Portfolio specific and cross cutting proposals has been demonstrated by proformas bearing the signatures of the relevant Cabinet Member.
- 13.4 The budget gap through to 2021/22 remains significant. As identified in 2017/18, if balanced budgets beyond 2018/19 are to be achieved, the Council must resolve to develop, approve and deliver wide ranging budget reduction proposals which will undoubtedly carry material policy, service delivery and staffing implications. During this budget setting process, much work has been done to look at options of a larger scope and options for the period 2019/20 to 2021/22 are also presented to Members for consideration.
- 13.5 A total of 35 Budget Reduction Proposals (BR1's) at a cumulative 2018/19 value of £6.686m with an FTE impact of 18.10 have been received from portfolios and can be seen in summary at Appendix 2 and in detail at Appendix 3. The proposed budget reduction amounts by portfolio are shown in the table below:

Table 15 – Summary of Proposed Budget Reductions

Portfolio	2018/19 FTE	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Health and Wellbeing	(5.10)	(701)	(200)	(1,400)	0
Economy, Skills and Neighbourhoods	(4.00)	(272)	(1,940)	(1,500)	(2,000)
Corporate and Commercial Services (including Capital & Treasury)	(6.00)	(5,270)	(350)	(500)	(500)
Chief Executive	(3.00)	(443)	0	0	0
Total Budget Reductions	(18.10)	(6,686)	(2,490)	(3,400)	(2,500)

- 13.6 Included within the proposals for 2018/19 are two reductions each at a value of £0.150m which are one off savings and therefore increase the savings target for 2019/20. These proposals are CCS-PPL-142 General Training Budget and HWB-PSV-116 Alignment of ASC Care Packages with Statutory & Policy Expectations.
- 13.7 Assuming that Members are content to accept all the proposals included in BR1's presented alongside this report, the effect on the budget gap would be as summarised in the following table:

Table 16 – Revised Position after Budget Reduction Proposals

Estimated revenue position 2018/19 to 2021/22	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Revised Gap after Adjustment to Estimates	13,950	14,401	11,217	9,970
Budget Reduction Proposals				
Budget Reduction Proposals	(6,686)	(2,790)	(3,400)	(2,500)
Reversal of one off 2018/19 proposals		300		
Revised Gap after Budget Reduction Proposals	7,264	11,911	7,817	7,470

13.8 This shows that the revised gap after the proposed Budget Reductions is at a value of £7.264m for 2018/19 with estimated future year's gaps of £11.911m for 2019/20, £7.817m for 2020/21 and £7.470m for 2021/22.

14 Balancing the Budget through the Use of Reserves

14.1 It is proposed to balance the revenue budget for 2018/19 by utilising reserves at a value of £7.264m based on the following criteria, these are detailed below and shown in summary in Table 17.

- Included within the use of reserves figure is £0.250m which was agreed by Members as part of the Budget process for 2016/17.
- £0.689m for the Early Help Initiative approved by Cabinet on 22 January 2018.
- £1.358m one off use of reserves for 2017/18 Small Business Rates Relief Threshold Change Compensation. This will be held as an earmarked reserve during 2017/18 and be released in 2018/19.
- £1.300m use of reserves arising from the Business Rates Retention Pilot. Following discussions with GM colleagues on the allocation of additional funding available under the piloting arrangements, £1.300m of resources are available to Oldham in relation to 2017/18 Business Rates. This will be held as an earmarked reserve during 2017/18 and be released in 2018/19.
- The remaining £3.667m is to be funded by a one off use of corporate reserves.

Table 17 – Budget Reductions and Use of Reserves

Estimated revenue position 2018/19 to 2021/22	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Revised Gap after Budget Reduction Proposals	7,264	11,911	7,817	7,470
Approved Use of Reserves				
2018/19 Use of Reserves approved 2016/17	(250)	(250)		
2018/19 One off Use of Reserves - Early Help Initiative	(689)			
Revised Gap after Approved Use of Reserves	6,325	11,661	7,817	7,470
Business Rates Additional Resources (Reserves)				
2017/18 Small Business Rates Relief Threshold Change Compensation	(1,358)	1,358		
2017/18 Business Rates Retention Pilot Reserve	(1,300)	1,300		
Revised Gap after Business Rates Adjustments	3,667	14,319	7,817	7,470
Proposed Additional Use of Reserves 2018/19	(3,667)	3,667		
Revised Gap after Use of Reserves	0	17,986	7,817	7,470

- 14.2 Members will note that the sum of Business Rates resources (reserves) and Corporate Reserves being used to support the budget (£6.325m) is largely attributable to the requirement to provide £8.063m of resources to address demand pressures within Children's Social Care.
- 14.3 The following table summarises all the actions proposed to balance the 2018/19 Budget using a combination of revisions to estimates of £10.868m, budget reductions totalling £6.686m, £0.250m use of reserves agreed in 2016/17, £0.689m use of reserves for the Early Help Initiative, 2017/18 Small Business Rates Relief Threshold Change Compensation Reserve at a value of £1.358m, the release of the 2017/18 Business Rates Retention Pilot Reserve at a value of £1.300m and the use of Corporate Reserves totalling £3.667m.

Table 18 – Revisions to Estimates, Budget Reductions and Use of Reserves

Budget Reductions / Use of Reserves	2018/19 £000
Budget Gap as at 1 March 2017	20,755
Additional Resource – Children's Services – Cabinet 19 June 2017	4,063
Revised Budget Gap	24,818
Adjustments to Estimates	(10,868)
Revised Budget Gap after adjustments to estimates	13,950
Budget Reduction proposals	(6,686)
Revised Budget Gap after Budget Reduction Proposals	7,264
2018/19 Use of reserves agreed in 2016/17	(250)
2018/19 One off Use of Reserves - Early Help Initiative	(689)
Revised Budget Gap after Previously Agreed Use of Reserves	6,325
2017/18 Small Business Rates Relief Threshold Change Compensation Reserve	(1,358)
2017/18 Business Rates Retention Pilot Reserve	(1,300)
Revised Budget Gap after Business Rates Use of Reserves	3,667
Proposed use of Corporate Reserves 2018/19	(3,667)
Revised Gap after all proposals	0

- 14.4 It is acknowledged that the 2018/19 revenue budget is underpinned by the deployment of reserves. However, there are sufficient reserves to support this contribution to balancing the 2018/19 budget and thereby protecting services for as long as possible without exposing the Council to undue financial risk.
- 14.5 This approach also provides additional time to develop strategies to address the cumulative budget gap for 2019/20 and future years which will be challenging as pressures on vital services such as Children's Social Care increase and Government funding continues to reduce.

15 Reserves and Balances

- 15.1 The forecast year-end earmarked reserves position presented below reflects the estimated closing balance for 2017/18 and hence the total reserves available for the financial year 2018/19. However, this is before the proposed use of reserves of £7.264m as highlighted at Table 18.

Table 19 – Earmarked Reserves Position

Earmarked Reserves	2017/18 Opening Balance £000	2017/18 Estimated Closing Balance £000
Adverse Weather Reserve	(1,600)	(1,250)
Balancing Budget Reserve	(6,525)	(7,264)
Business Units Reserve	(1,197)	0
Council Initiatives	(5,924)	(3,617)
Demand Changes	(2,265)	(1,959)
Directorate Reserves	(5,513)	(2,349)
District Executives Reserve	(605)	(341)
Emergency and External Events	(2,500)	(2,630)
Fiscal Mitigation	(8,413)	(16,536)
Insurance Reserve	(12,782)	(12,782)
Integrated Working	(4,392)	(4,362)
Levy reserve	(1,410)	(189)
Lifecycle Costs	(12,324)	(6,542)
Regeneration Reserve	(3,350)	(2,530)
Taxation/Treasury Reserve	(625)	(625)
Transformation Reserve	(15,733)	(8,461)
Total	(85,158)	(71,437)

- 15.2 Although the estimated level of reserves at the end of 2017/18 is £71.437m, this will be reduced by resources to balance the 2018/19 budget of £7.264m. In addition the call down of some of these reserves is committed into future financial years and so they are not available for alternative uses. However the final 2017/18 position will not be determined until the accounts are closed and traditionally the outturn revenue position has been healthier than the forecast.
- 15.3 In addition to the earmarked reserves there are Individual Schools Budgets Reserves (which are not available to the Council) estimated to be £4.656m in total at the end of 2017/18, (reduced from £6.310m at the end of 2016/17) and the Revenue Grants Reserve of £3.841m which is for specific grant related initiatives.
- 15.4 Having regard to all relevant information, the level of General Fund balances required to support the 2018/19 budget has been revised to £13.991m. Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to prepare a statement on the adequacy of proposed financial reserves and the robustness of the budget estimates. This is elsewhere on the agenda. Members are reminded, therefore, that the budget proposals have been subject to a risk assessment undertaken by the Director of Finance.
- 15.5 It is important to note that the level of reserves and balances anticipated to be available for 2018/19 is deemed sufficient to underpin the financial resilience requirements of the Authority.

16 Fees and Charges

- 16.1 Attached at Appendix 4 is the proposed fees and charges schedule for the 2018/19 financial year. An element of the charges have been uplifted following discussions with the Heads of Service and Cabinet Members, however a number are proposed to remain at the same level as the 2017/18 financial year. The proposed value and percentage increase for 2018/19 where applicable for each charge is included within the Appendix.
- 16.2 At this stage where services have proposed to increase fees and charges, due to volatility, any increases generated will be used to offset inflationary pressures within that service. In addition, the take up of services is unknown and therefore is a variable which cannot be quantified at this time. The income targets for each service therefore remain in the MTFS at the current level and will be monitored throughout the 2018/19 financial year so any pressures or surpluses will be noted and addressed for 2019/20.
- 16.3 The major issues for consideration for 2018/19 are:
- New charges are to be introduced for food hygiene training courses, food safety re-inspection visits, preparation of HMRC tax returns and music services delivered in schools.
 - Planning fees are to be increased by 20% with the additional income being spent on planning services as per the information that accompanied the Provisional LGFS.
 - Room Hire for the Link Centre charges will remain until the changes to the centre and service are completed.
 - A commercial approach to the charges for wedding services has been proposed which relates to the general wedding market, so Saturday weddings will be charged at a higher rate due to the popularity of the day.
 - Recycling charges are proposed to increase at above an inflationary rate but are still competitive.
 - Private Hire licencing and test increases – the cost of the licences is based on the number of licences issued and likely to be renewed. Therefore some charges have been increased and other charges have decreased due to the expected increase in the number of licences that will be issued.
- 16.4 As usual, the fees and charges relating to educational establishments and schools e.g. lifelong learning, outdoor education, music, adult and child school meals and swimming will be reviewed in line with the academic year and any resulting changes will commence from September 2018. The changes for these areas included within the Appendix relate to charges from September 2018.
- 16.5 Members will recall that on 18 September 2017, as detailed in paragraph 4.14, the Income Strategy 2018/19 to 2021/22 was approved by Cabinet. Traded Services and other chargeable activities form part of this strategy with a Traded Services review underway looking at the following areas:
- the extent to which costs are recovered from fees and charges;
 - which services are subject to income generation targets and to establish whether such targets are achievable and sustainable;
 - the rationale behind specific tariff structures, charges and concessions and whether this remains appropriate; and
 - whether alternative delivery models need to be considered in order to modernise service provision and fully recover costs through charging.
- 16.6 Included within the budget proposals is a budget reduction for 2019/20 which anticipates the benefit arising from the outcome of the Traded Services review.

17 Pay Policy Statement

- 17.1 Included at Appendix 5 is the Council's Pay Policy Statement. This Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011, which requires approval of the Statement through full Council. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees, with particular emphasis on the level of remuneration for the most senior staff.
- 17.2 Oldham Council, Oldham Clinical Commissioning Group (CCG), Pennine Care Foundation Trust (PCFT) and Royal Oldham Hospital (and the wider Northern Care Alliance) are working together to develop, introduce and operate an integrated system of health and social care to improve wellbeing and healthy life expectations in Oldham. The Oldham Locality Plan was agreed in March 2016 and sets a vision for an integrated system for Oldham, built on a number of core principles. Since then, significant work has been carried out to develop the structures and processes that need to be in place to deliver this vision.
- 17.3 In accordance with paragraph 28 of Oldham Council's Pay Policy Statement, Full Council are advised that a number of appointments to the revised senior staffing structure will be required from April 2018 with remuneration potentially in excess of the £100k. Those within the Council's remit include the Managing Director Community Health & Social Care Services (DASS); this post includes the statutory responsibilities of the Director of Adult Services and the Strategic Director of Joint Commissioning, responsible for a Single Commissioning Function bringing together health and adult social care commissioning functions. In addition, the role of Director of Children's Services is currently being considered.

18 Council Tax and Adult Social Care Precept Levels

- 18.1 Section 10, paragraph's 10.10 to 10.21 set out the current planning assumptions in relation to Council Tax and the Adult Social Care Precept.
- 18.2 It is recommended that a 1.99% general increase to Council Tax is applied for 2018/19 together with a 2% increase in the Adult Social Care Precept. This represents an overall increase of 3.99% in Band D equivalent Council Tax for Oldham Council services.
- 18.3 Oldham Council Band D Council Tax for 2018/19 is therefore recommended to be £1,562.04 of which £86.78 relates to the Adult Social Care Precept.

Impact of Decisions of Precepting Authorities

- 18.4 Whilst the spending decisions of precepting Authorities do not affect the level of resources available to the Council, they do affect the amount of Council Tax that is charged to Oldham citizens. The major preceptor is the GMCA which now, following the election of the Greater Manchester Mayor, precepts for two components:

Mayoral Police and Crime Commissioner Precept

- 18.5 The Mayoral Police and Crime Commissioner precept was proposed to the Police and Crime Panel on 18 January 2018 and the Mayor outlined his 2018/19 budget proposals to the GMCA on 26 January 2018 which included a £12 increase to the precept for Band D properties in line with the power detailed in paragraph 9.4. This increase will result in a Band D equivalent charge of £174.30 and a total precept of £9.703m. The precept was formally agreed at the GMCA budget setting meeting on 20 February 2018.

Mayoral General Precept (including Fire Services)

- 18.6 The Mayor also proposed the Mayoral General Precept, to the GMCA, on 26 January 2018. The proposal was to set an overall Mayoral General Precept of £68.95 (Band D) comprising of £59.95 for functions previously covered by the Fire and Rescue Authority precept (no change) and £9.00 for other Mayoral General functions. At that time, the position on District Council tax bases and surpluses or deficits on Collection Funds together with the position on the GMCA's share of Retained Business Rates was not fully available as the deadline for part of this information was 31 January 2018. The GMCA have now received the information which showed an improvement over the position previously reported, together with an increase in the forecast reserves at the end of 2017/18. These further resources will be utilised to reduce the originally proposed element of the precept for Mayoral General functions from £9.00 to £8.00, thus revising the Mayoral General precept by £1.00 to £67.95 (Band D). The revised precept was formally agreed at the GMCA budget setting meeting on 20 February 2018 and will result in a total Mayoral General precept for Oldham at a value of £3.783m.

Parish Precepts

- 18.7 The Shaw and Crompton Parish Council agreed its 2018/19 budget and parish precept at a meeting on 8 January 2018. It agreed to increase its Band D equivalent charge by £0.16 (1%) to £16.21 resulting in a total precept of £86,934. Including an increase in the tax base, this equates to a 2018/19 increase of £0.002m.
- 18.8 On 22 January 2018, Saddleworth Parish Council agreed a 2% increase to its Band D equivalent charge at a value of £20.76. Including an increase in the tax base, this results in a total precept of £177,062. For 2018/19 this increase equates to £0.005m.

Draw on Collection Fund

Council Tax

- 18.9 Having received confirmation from all precepting bodies, taking account of the approved Council Tax Base of 55,666 for 2018/19 and the Oldham Council Tax and Adult Social Care Precept set out in Section 10 of the report, the sums to be drawn from the Collection Fund for Council Tax for 2018/19 are:

Table 20 – Draw on the Collection Fund

Precepting Body	2018/19 £000
Oldham Council including Social Care Precept	86,953
Mayoral Police and Crime Commissioner Precept	9,703
Mayoral General Precept (including Fire Services)	3,783
Saddleworth Parish Council	177
Shaw & Crompton Parish Council	87
TOTAL	100,703
Less: contribution from Parish Taxpayers	(264)
TOTAL Draw on Collection Fund for Major Preceptors	100,439

- 18.10 The Band D Council Tax for 2018/19 is therefore as follows:

Table 21 – Band D Council Tax

Council Tax Raising Body	2017/18 £	2018/19 £	Change %
Oldham	1,502.11	1,562.04	3.99%
Mayoral Police and Crime Commissioner Precept	162.30	174.30	7.39%
Mayoral General Precept (including Fire Services)	59.95	67.95	13.34%
TOTAL BAND D COUNCIL TAX	1,724.36	1,804.29	4.64%
Saddleworth Parish Council	20.35	20.76	2.00%
Shaw & Crompton Parish Council	16.05	16.21	1.00%

- 18.11 The full Council Tax levels and bandings are attached at **Appendix 8**

19 Overall 2018/19 Revenue Budget Strategy

19.1 The key elements of the 2018/19 revenue budget strategy are:

- The revised budget gap of £13.950m for 2018/19;
- The budget reduction proposals set out in Section 13 of the report;
- The approach to reserves and balances set out in Section 14 of the report; and
- Council Tax and Adult Social Care Precept levels set out in Section 18 of the report.

19.2 Having regard to the issues outlined at 19.1, the overall budget strategy for 2018/19 can be summarised as follows:

Table 22 – Overall Budget Strategy

Budget Strategy	2018/19	
	£000	£000
Directorate budget requirements	223,607	
Budget Reduction Proposals excluding use of reserves	(6,686)	
Budget for 2018/19 before use of reserves		216,921
<u>Less Government Funding</u>		
- Business Rates Top Up	(47,975)	
- Grants in Lieu of Business Rates	(8,477)	
- Improved Better Care Fund Grant - Settlement 2015	(4,687)	
- Improved Better Care Fund Grant - Spring Budget 2017	(3,201)	
- Adult Social Care Support Grant	(701)	
- Independent Living Fund (ILF) Grant	(2,661)	
- Housing Benefit Administration Grant	(841)	
- Council Tax Administration Grant	(379)	
- New Homes Bonus Grant	(1,601)	
- Department for Work and Pensions - Implementation of Universal Credit Grant	(272)	
- Department for Work and Pensions - New Burdens Grant	(92)	
- Homelessness Support Grant	(116)	
- Homelessness New Burdens Grant	(48)	
- Lead Local Flood Authority Grant	(11)	
- Extended Rights to Free Home to School Travel Grant	(26)	
		145,833
<u>Less</u>		
Retained Business Rates	(51,352)	
Collection Fund Surplus	0	
Parish Precepts	(264)	
		94,217
<u>Add Precepts</u>		
Mayoral Police and Crime Commissioner Precept	9,703	
Mayoral General Precept (including Fire Services)	3,783	
Total Council Tax including Levies (A)		107,703
Current Council Tax, adjusted for Tax Base (B)		100,439
Difference (A-B)		7,264
This additional expenditure is being funded by resources from appropriations from earmarked reserves		

- 19.3 On approval of the 2018/19 budget reduction proposals, the revised revenue budget position for 2018/19 to 2021/22 would be as set out at summary level in the table below and in detail at **Appendix 6**. This presents a balanced position for 2018/19, a budget gap of £17.986m for 2019/20, and budget gaps of £7.817m for 2020/21 and £7.470m for 2021/22.

Table 23 – Budget Presentation 2018/19 to 2021/22 - After Budget Proposals

Estimated revenue position 2018/19 to 2021/22	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Prior Year Net Revenue Budget	218,235	209,657	208,365	206,209
Adjustments to the Base	(17,735)	3,417	(1,165)	104
Revised Base Position	200,500	213,074	207,200	206,313
Net Budget Amendments	23,107	16,017	10,226	16,265
Proposed Budget Reductions	(6,686)	(2,490)	(3,400)	(2,500)
Total Expenditure	216,921	226,601	214,026	220,078
Government Grant Funding	71,088	63,816	56,078	55,698
Locally Generated Income	138,569	144,549	150,131	156,910
Revised Budget Funding	209,657	208,365	206,209	212,608
Budget Gap	7,264	18,236	7,817	7,470
Use of Reserves	(7,264)	(250)	0	0
Net Gap/Budget Reduction Requirement	0	17,986	7,817	7,470
Cumulative Total	0	17,986	25,803	33,273

- 19.4 Taking all the information in this report into account, the indicative 2018/19 net revenue budget by portfolio and directorate, after the allocation of Central Support Service recharges, is presented at **Appendix 9**.

20 Budget Strategy and Medium Term Financial Planning for Future Years

- 20.1 As the Council prepares a Medium Term Financial Strategy spanning four financial years, currently 2018/19 to 2021/22, it requires continuous review as issues arise throughout the financial year that have an impact, sometimes on a one off basis, but in most instances have a multi-year effect. Estimates have been prepared based on the best information currently available and after the 2018/19 budget has been finalised, the next stage will be to review the budget reduction requirement for 2019/20 and future years. It is anticipated that based on the good foundations in place with the established working arrangement, proposals will be developed and brought forward for detailed review and scrutiny during 2018/19.
- 20.2 Clearly there is still a lot to do to address the budget reduction target of £17.986m for 2019/20. Only £2.490m of indicative budget reductions for 2019/20 have been identified so far having been included with the 2018/19 proposals.
- 20.3 The overarching challenge is that Central Government has only advised of guaranteed funding allocations on major funding streams until the end of 2019/20, in line with the submission by the Council of an Efficiency Plan in September 2016. This therefore makes it difficult to confidently predict the budget reduction requirement for financial years beyond 2019/20.

Government Funding beyond the current Spending Review period

- 20.4 Other than announcing an intention to move to 75% Business Rates retention nationally and undertake the previously mentioned Fair Funding review, the Government has provided virtually no indication of the level of funding Local Authorities can expect to receive for 2020/21 and beyond. In the context of how HM Treasury manage the spending review process this is understandable but it means the development and provision of longer term financial forecasts is extremely challenging.
- 20.5 Whilst this report includes forecast budget reduction requirements of £7.817m for 2020/21 and £7.470m for 2021/22, Members must consider these forecasts as indicative only and should also note the Government has provided no indication of:
- The future of Business Rates Top Up Grant and how this could be impacted by 75% Business Rates Retention or the fair funding review;
 - Whether GM will continue to be able to pilot 100% Business Rates Retention beyond 2019/20;
 - Whether Grants in lieu of Business Rates will continue to be provided or rolled into Top Up grant which will likely give rise to winners and losers;
 - Whether major funding support for Adult Social Care in the form of Adult Social Care Precept and Improved Better Care Fund monies will continue beyond 2019/20; and
 - Intent with regard to Council Tax particularly in terms of the Adult Social Care Precept and future referendum criteria and longer term plans for reform.
- 20.6 The cessation of some of these funding streams and restrictions on the ability to raise revenue through local taxation could, in a worst case scenario, lead to a doubling or trebling of longer term budget reduction requirements which would have devastating consequences for locally provided services.
- 20.7 Since 2010, the Government has delivered unprecedented reductions in funding to Local Authorities with the stated intention of encouraging Councils to become financially self-sufficient through efficiency measures and local income generating initiatives. The estimates included in this report reflect a continuation of this approach into the next spending review period albeit tempered by the recognition that resource allocation within the Local Government finance system requires a major overhaul which the Fair Funding Review will hopefully address.

Forecast Uncertainties

- 20.8 In addition to uncertainty surrounding Government funding, there are challenges forecasting how developments in the wider economy will impact on the Council's finances. The performance of the global economy and Brexit both carry potentially significant implications for the UK economy and public finances. Inflation and interest rates in particular will influence the level of cost pressure the Council will face in the medium term; something which is always challenging to deal with in an uncertain economic environment.
- 20.9 At the local level, Business Rates revenue continues to present specific forecasting challenges due to general volatility surrounding Business Rates income, the impact of appeals and changes in Government policy around Business Rates reliefs.

Reserves and Balances

- 20.10 In the light of these risks and uncertainties, it is important to maintain a healthy and robust level of reserves and balances to manage uncertainty in both the current and next spending

review period. Based on the level of reserves disclosed in Section 15 of the report, the Council meets this requirement.

Local Policies and Strategies

- 20.11 Despite the challenges presented by uncertainty surrounding Government funding, the Council has developed a range of medium term strategies (detailed in Section 4 of this report) which are designed to make a positive contribution to the Council's financial standing and support the Oldham Plan and Corporate Plan also set out in Section 4. These include:
- Capital Strategy
 - Treasury Management Strategy
 - Income Strategy
 - Commercial Property Investment Strategy
 - Corporate Property Strategy
 - Procurement Policy
 - Housing Strategy
 - Get Oldham Working Initiative
 - Oldham Work and Skills Strategy
 - Oldham Education and Skills Commission (OESC)
 - People Strategy
 - IT Strategy
- 20.12 When developing and implementing these and other policies and strategies, they will be linked where possible to future budget reductions and/or income targets.

Other Developments

- 20.13 Alongside the above strategies, there are several key service developments which, whilst the outcome remains uncertain, will inevitably impact on the Council's medium term budget strategy and associated financial planning. A summary of these developments are set out below.

Health & Social Care Devolution

- 20.14 As advised earlier in the report, good progress has so far been made with regard to Health & Social Care Integration. Oldham Council and Oldham CCG aim to establish a Local Care Organisation and this will take forward initiatives to improve the delivery of health and social care as well as ensuring the future financial sustainability of the local health and social care economy.
- 20.15 It is inevitable that change of the magnitude envisaged will take time to be developed. So far therefore the MTFS does not rely on any significant financial benefits arising from the integration agenda, however, this is a key strand for development over the life of the MTFS.

Working with Other Partners including Local Authorities and the GMCA

- 20.16 Linked to the health and social care devolution agenda is the opportunity to develop closer working arrangements with other partners including other GM Authorities and the GMCA. The Council will look to build on the existing collaborative working arrangements and sharing of services as a means to deliver future financial and operational efficiencies.

Town Centre Masterplan

- 20.17 In July 2017, the Council launched its Town Centre Masterplan. This Masterplan was developed to assist with the delivery of the '2035' regeneration vision for Oldham.

20.18 Detailed costings are being developed and analysed to ensure that they are sufficiently robust. The Council is working to set up a Delivery Vehicle in line with the wider context of the Council and Greater Manchester Strategic Investment Framework and other initiatives, such as One Public Estate to ensure that it is in an optimal position to obtain any available grant funding to support the development of the scheme.

20.19 The Masterplan will have a large impact on the future strategy of the Council. The regeneration of the town centre aims to bring future benefit to the Council through additional Business Rates and Council Tax revenue derived from economic and housing growth. Any financial resource implications will be included in the MTFS as and when information is available.

Use of New Technology

20.20 The opportunity to utilise the advantages provided by new technology is the foundation upon which much of the change agenda will be driven including integrated working from health and social care devolution. The Council's IT strategy is determining the direction of travel and is supported by £7.451m of Capital Programme investment. This investment will enable new and more efficient ways of working and will improve citizens' access to Council services. It also improves the business intelligence supporting service delivery decisions.

Developing the Co-operative Agenda

20.21 Oldham has been a Co-operative Council since 2011 and the Council remains committed to delivering a co-operative future where everybody does their bit and everyone benefits. The MTFS anticipates the ongoing development of this agenda representing a real commitment to change and work closely with residents, partners and our wider communities to create a confident and ambitious borough.

Bids for External Funding

20.22 The Council will aim to maximise external funding for both revenue and capital projects to supplement investment by the Council in priority areas.

Future Operating Model

20.23 The developments set out above coupled with the development of revised working arrangements between the Council and its strategic delivery partners will likely have implications for the structure of Council and the operating model the Council adopts to deliver services in future. As well as being prompted by policy and service developments, transforming the way the Council procures and delivers services will also be necessary to support the delivery of future savings requirements and a sustainable balanced budget position.

Specific Initiatives – Bus Lane Enforcement and Street Lighting

20.24 Two specific initiatives, as identified in the 2018/19 budget process will be developed further and considered for potential adoption in the 2019/20 budget, these are:-

- a) Bus Lane Enforcement;
Following on from the initiative introduced within the 2017/18 budget, increasing bus lane enforcement to another four routes will be evaluated, having regard to the costs incurred for the purchase of relevant infrastructure and likely income generation.
- b) Replacing traditional street lighting with LED bulbs;
Opportunities for a phased progressive change to the borough's street lighting by replacing conventional bulbs with a more energy efficient alternative will be

investigated. The results of this requested review will be reported to the PVFM Select Committee in the first instance to determine the next course of action.

21 Options/Alternatives

21.1 The options are as follows:

- Option 1 – to accept the assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 1; and to approve the budget proposals included in this report leading to a balanced 2018/19 budget position at Appendix 6.
- Option 2 – to propose amendments to the assumptions which will change the resulting budget gap and financial forecasts and/or to make comments on and revise the budget reduction proposals/resource allocation outlined in this paper.

22 Preferred Option

22.1 Option 1 is the preferred option. Council approves the 2018/19 budget including £6.686m of budget reduction proposals, the use of reserves of £7.264m (of which £3.667m are corporate reserves) and that Council Tax levels are set as recommended in this report. Assumptions are based on objective research and the latest available information and the Council has a statutory duty to set a balanced budget. The budget reductions included in this report along with the proposed use of reserves fulfil that requirement.

23 Consultation

23.1 An earlier version of the Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2021/22 report was presented to the PVFM Select Committee on 25 January 2018 which is a key stage in the budget consultation process. A total of 35 proposals were submitted towards the process, however of these three were deemed to be a continuation from the previous budget savings period and therefore did not require any additional formal consultation. The remaining 32 proposals are made up from in-house savings which negates the need for any formal public consultation. The report was considered, approved and commended to Council by Cabinet at its meeting on 19 February 2018. As a matter of course, the Council ensures local businesses are kept informed of its budget saving requirements and this was carried out via the Council's monthly business update newsletter.

(Jane Rotherham)

23.2 The Schools Forum has been consulted on the proposed allocation of resources via the Schools Funding Formula and has agreed the recommended approach. The Secretary of State for Education has confirmed on 9 February 2018 the request for the transfer of resources between the Schools and High Needs block.

23.3 The Council submitted a consultation response to the MHCLG on the Provisional LGFS. The Final LGFS did not address the Council's concerns.

(Anne Ryans)

24 Financial Implications

24.1 Financial Implications are dealt with in full within the detail of the report.

25 Legal Services Comments

25.1 Legal issues are addressed in the body of the report. The Council has a legal obligation to pass a resolution to agree its budget and Council Tax resolutions by 11 March 2018.

(Colin Brittain)

26 Co-operative Agenda

- 26.1 The revenue budget projections have been prepared so that they embrace the Council's co-operative agenda with resources being directed so that the aims, objectives and co-operative ethos of the Council are enhanced.

27 Human Resources Comments

- 27.1 High level union and staff engagement on corporate budget options commenced on the 1 November 2017 in order to give an overview of where savings were being considered and the Council's initial thoughts on how these may be delivered.
- 27.2 The Council commenced formal consultations with regard to service redesigns taking place concurrently within Adults Social Care and Education and Early Years and separate S188 notifications were issued in relation to these in October and November 2017. These notices identified a maximum potential of 97.729 FTE reductions in these areas combined. These options do not form part of the budget options being presented to Council.
- 27.3 The S188 document starting formal consultation on the £6.686m of corporate budget reduction proposals was issued to the recognised trade unions on the 13 November 2017, indicating a potential 18.10 FTE reductions.
- 27.4 With the additional potential 97.729 FTE reductions in Adults Social Care and Education and Early Years there is a potential for a total 115.829 FTE redundancies within a rolling 90 day period during 2018. As such there is a requirement for the Council to consult for a minimum of 45 days in relation to potential redundancies arising from the corporate budget reduction programme.
- 27.5 In order to ensure proper and meaningful consultation on the budget options has taken place, regular meetings with the Trades Unions were scheduled from the opening of consultation on 13 November 2017 to the close of consultation on 15 February 2018. This was also to allow for full consideration of any comments or alternatives submitted by unions or staff in advance of, and where relevant for presentation to this Council meeting. There have been no further comments or concerns following the ending of consultation.
- 27.6 The work for budget proposal 'Review of Joint Ventures' CCS-PSV-135 is ongoing and at this point any staffing implications are unknown. However, in the event that any implications arise in the future, proper and meaningful consultation with staff and the Trades Unions will take place at that time in accordance with statutory timescales.
- 27.7 People Services and the HR Advisory Service within Unity will continue to work with the Directorates to ensure that the proper process is followed with regard to the implementation of agreed budget reduction proposals from 1 April 2018.

(Vanessa Bedford)

28 Risk Assessments

- 28.1 There are a wide range of issues which could impact on the MTFs and projections. A regular review of projections will ensure that any key changes are highlighted immediately.

(Mark Stenson)

29 IT Implications

- 29.1 Any specific IT implications associated with the proposals included in the report are detailed within the individual budget reduction proformas included at Appendix 3.

30 Property Implications

- 30.1 Any specific property implications associated with the proposals included in the report are detailed within each individual budget reduction proformas included at Appendix 3.

31 Procurement Implications

- 31.1 Any proposals that impact on the procurement of goods, services etc. will be undertaken in full liaison with the Procurement Service and in compliance with all necessary Council and statutory requirements.

32 Environmental and Health & Safety Implications

- 32.1 Environmental and Health and Safety implications will be taken into account when dealing with the individual proposals as appropriate.

33 Equality, community cohesion and crime implications

- 33.1 In taking financial decisions the Council must demonstrate that it has given “due regard” to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

- 33.2 Demonstrating that “due regard” has been given involves:

- assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision making process - so that it informs the development of policy and is considered before a decision is taken; and
- ensuring that decision makers are aware of the equality duties and any potential equality issues when making decisions.

NB – having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately, it means that we must be clear where this is the case, and must be able to demonstrate that we have consulted, understood and mitigated the impact.

- 33.3 To ensure that the process of impact assessment is robust, it needs to:

- Be specific to each individual proposal;
- Be clear about the purpose of the proposal;
- Consider available evidence;
- Include consultation and involvement with those affected by the decision, where appropriate;
- Consider proposals for mitigating any negative impact on particular groups; and
- Set out arrangements for monitoring the actual impact of the proposal.

- 33.4 The Equality Act 2010 extends the public sector equality duties to cover nine protected characteristics, namely:

- age,
- disability,
- gender,
- gender reassignment,
- marriage and civil partnership,
- pregnancy and maternity,
- race,

-
- religion and belief and
 - sexual orientation.
- 33.5 In December 2010, the Government announced that it would not be taking forward the socio-economic duty for public bodies. Despite this we have continued to consider people on low incomes as part of our equality impact assessment process.
- 33.6 Assessing the potential equality impact of proposed changes to policies procedures and practices is one of the key ways in which public authorities can show 'due regard'. Equality Impact Assessments (EIAs), therefore, provide a structured framework which enables the Council to ensure that it considers the equality impact of decisions, and to demonstrate to others that it has done so.
- 33.7 Oldham's EIA form is based on the experience of previous years and incorporates elements from good practice elsewhere. The main aims of our current EIA are to:
- strengthen the process through improved accountability – identifying a lead officer for each EIA;
 - stimulate a more rigorous and overt analysis of the impact and possible mitigations; and
 - implement a stronger equality monitoring and management process to ensure that we follow through on what we said we would do. This includes identifying risks to implementation and how these will be managed.
- 33.8 The EIAs attached to the budget proposals are the final EIAs.
- 33.9 The equality impact assessment process undertaken for the Council's budget process involves:
- An initial equality impact screening – The budget proposal action plan forms completed by each Director / Service Manager incorporate an initial equality screening to identify whether any proposal has the potential for significant disproportionate adverse impact in respect of any protected characteristic i.e. whether the impact of the proposal falls disproportionately on any particular group – such as people with a disability.
 - The initial screenings are then independently reviewed by a small group with knowledge of the equality legislation, comprising of the Cabinet Member for Social Care and Safeguarding, and officer representatives from Health and Wellbeing, Corporate and Commercial Services and the Chief Executive's Directorates.
- 33.10 The key aims of this review process are to:
- assess the potential equality impact of each proposal using the information provided.
 - provide challenge to those where the Group feel the initial screening does not accurately identify those equality groups potentially affected and that a further screening process needs to be completed.
- 33.11 Full equality impact assessment – An equality impact assessment is carried out if the initial screening identifies that the proposal could have a potential significant, disproportionate adverse equality impact.
- 33.12 A key element to assessing the equality impact has been the involvement of elected members. This involvement has included:
- The Cabinet Member for Social Care and Safeguarding who sits on the Equality Challenge Group.
-

- Consideration of equality impact throughout the Leadership Star Chamber process, including through the initial screenings on the proposal forms and a briefing paper.
- Briefings between Executive Directors and Cabinet Members during development of proposals and working together to consider the equality impacts and identify any mitigating actions.
- Both the EIA screening information contained with the budget proposals and the EIA forms themselves have been considered by the Performance and Value for Money (PVFM) Select Committee. NB: where public consultation was required and was ongoing, the EIA forms were in draft form at the time of being considered by PVFM;
- Final EIAs are made available to Members alongside the budget proposals in the Council papers.

(Heather Moore)

34 Key Decision

34.1 Yes

35 Key Decision Reference

35.1 CFHR-14-17

36 Background Papers

36.1 The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as defined by that Act.

File Ref: Background papers are contained in Appendices 1 to 9
 Officer Name: Anne Ryans / Neil Stott
 Contact No: 0161 770 4902 / 5060

37 Appendices

- Appendix 1 - Current Budget Position 2018/19 to 2021/22
- Appendix 2 - Full Summary – Budget Reductions
- Appendix 3 - Detailed Budget Reduction Proposals and Draft Equality Impact Assessments
- Appendix 4 - 2018/19 Fees and Charges Report
- Appendix 5 - Pay Policy Statement 2018/19
 - 5a – Table 1: Senior management remuneration
 - 5b – Chart 1: Family tree of officers earning over £50k
 - 5c – Table 2: Salaries expressed as a ratio of the Chief Executive as at December 2017
- Appendix 6 - Budget Position 2018/19 to 2021/22 post Budget Reduction proposals
- Appendix 7 - Council Tax Tax Base 2018/19
- Appendix 8 - Council Tax Bands 2018/19
- Appendix 9 - Indicative Budget Presentation 2018/19

