

***POLICY OVERVIEW AND SCRUTINY COMMITTEE
Overview & Scrutiny Committee
Agenda***

Date Tuesday 8 February 2022

Time 6.00 pm

Venue Crompton Suite, Civic Centre, Oldham, West Street, Oldham, OL1 1NL

- Notes
1. DECLARATIONS OF INTEREST- If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Constitutional Services at least 24 hours in advance of the meeting.
 2. CONTACT OFFICER for this agenda is Constitutional Services Tel. 0161 770 5151 or email constitutional.services@oldham.gov.uk
 3. PUBLIC QUESTIONS - Any Member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the contact officer by 12 noon on Thursday, 3 February 2022.
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**MEMBERSHIP OF THE POLICY OVERVIEW AND SCRUTINY
COMMITTEE**

Councillors Alyas, Brownridge, Curley, Hobin, McLaren (Chair), K Phythian, Surjan and Williamson

Item No

6 Liberal Democrats Budget Amendment Proposals 2022/23 (Pages 1 - 38)



Oldham
Council

7 Conservative Budget Amendment Proposals 2022/23 (Pages 39 - 48)



Report to the Policy Overview and Scrutiny Committee

Liberal Democrats Budget Amendment Proposals 2022/23

Portfolio Holder: Deputy Leader of the Liberal Democrats and Shadow Cabinet Member for Finance and Low Carbon, Liberal Democrat Group, Councillor Chris Gloster

Officer Contact: Andy Cooper, Senior Finance Manager
Ext. 4925

08 February 2022

Reason for Decision

The report presents to the Policy Overview and Scrutiny Committee (POSC) the Liberal Democrats suggested amendments to the Administration's Budget proposals for 2022/23 and offers some forward-looking proposals to achieve savings in future years.

Executive Summary

The report presents to the Committee a number of 2022/23 budget amendments in addition to those proposals already presented by the Administration to this Select Committee at its meeting on 27 January 2022.

This report identifies additional savings totalling £0.987m in 2022/23 and £0.013m in 2023/24 which can be considered individually or collectively. There are also initial investments that will be funded from the range of savings proposals put forward to offset the increased expenditure and suggested amendments to the Capital Programme. Details of the proposals can be found in section 3 and in summary at Appendix A. Business cases for the individual budget reductions can be found at Appendix B.

Recommendations

That the Policy Overview and Scrutiny Committee recommends that:

1. The Investment and Savings proposals for 2022/23 as summarised at Appendix A are commended to Cabinet.
2. The amendments to the Administration's proposed Capital Programme are implemented as set out in this report.

Liberal Democrats Budget Amendment Proposals 2022/23

1. Background

- 1.1 The Council is required by legislation to produce a balanced budget each financial year. Aside from the legal requirements, financial plans are important because they set out the financial management of the Council's policies and guide officers on the areas where they should prioritise resources.
- 1.2 In the current economic environment, it is becoming more difficult to deliver a balanced budget. There are 20 to 30 Local Authorities in discussion with the Department of Levelling Up, Communities and Housing about their long-term financial sustainability. Recent events have seen two Local Authorities issue Section 114 notices highlighting extreme financial pressures and a number have had to approach the Department for capitalisation directions to assist them in balancing their budgets
- 1.3 The Liberal Democrats produce budget amendments to challenge key decisions set out by the Administration, identify other areas for revenue savings and propose alternative priority areas for the Council to concentrate its resources. There is also a review of the Administration's Capital Programme with the Liberal Democrats proposing alternative schemes to deliver their priorities.
- 1.4 In producing this budget amendment, the Liberal Democrats offer common-sense practical solutions to the borough's problems and challenge the Administration to cut waste and provide the value-for-money local services the public want. Throughout this document there is a focus on making the borough safer, greener and cleaner.
- 1.5 In preparing the Opposition Budget, the Liberal Democrats would like the Committee to note the significantly reduced timescales afforded to the party to construct a meaningful and robust proposal with the right amount of due diligence applied.

2. Current Position

- 2.1 The context of the whole budget setting process has once again been greatly influenced by the ongoing impact of COVID, the sustained impact of the pandemic together with the removal of on-going general grant support for COVID by Central Government. Taken together, these issues are having a profound and far-reaching impact on the Council in terms of service delivery. There was already uncertainty particularly around anticipated demand, and this has put additional pressure on already strained expenditure budgets in several areas.
- 2.2 A further emerging trend is the impact of inflation; the Consumer Prices Index (CPI) for December 2021 was 5.4%, the highest level since March 1992, this will undoubtedly impact on both pay and prices.
- 2.3 Considering these factors and existing budget constraints, the Administration has presented a series of savings proposals as part of the 2022/23 budget setting process. The Liberal Democrats recognise that, especially for the forthcoming budget, difficult choices need to be made to ensure a balanced budget can be presented to Council, and therefore accept the majority of the proposals for 2022/23. In doing so the Liberal Democrats recognise the future savings required to reduce the future reliance on reserves as set out in the Medium-Term Financial Strategy are a challenge but are assured at this stage the Council has appropriate plans in place to improve its long-term financial resilience reducing its reliance on one off reserves.

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- 2.4 The proposal by the Administration to increase Oldham Council's element of Council Tax by 1.99% for 2022/23 as well as the 2% increase for the Adult Social Care Precept is accepted by the Liberal Democrats.
- 2.5 Despite the position we find ourselves in we must continue to strive for improvements in the borough. More than ever the decisions we make now will have a direct impact on future generations, therefore collectively, we want to ensure that the correct priorities at the forefront of decision-making processes. As such the budget amendments included in this report can be categorised into broad themes based on Liberal Democrat priorities.
- 2.6 The Liberal Democrats recognise that these priorities will not be achieved in the short term, therefore there is a real focus on including both revenue and capital investment proposals that tackle the issues within these budget amendment proposals. The proposals we have identified are also set against a background of ensuring the best interests of the borough are supported through every day decision making at the Council, for example the Liberal Democrats believe that the Council should use its spending power to support the local economy by, where possible, spending locally.

3. 2022/23 Proposals

- 3.1 The Liberal Democrats propose a range of specific budget amendments to be considered this year. These are split into:
- An alternative Capital Programme 2022/23 to 2026/27
 - Investment proposals which would achieve significant benefits within the borough
 - Budget Reduction proposals where it is considered individual service areas can make new or additional savings in order to fund the investment proposals put forward in this report.
- 3.2 If the savings proposals are acceptable to the Administration, then, if taken in isolation, they have the option to reduce the level of reserves required to support the budget, thereby improving the financial resilience of the Council.

Liberal Democrat Alternative Capital Programme 2021/22 to 2025/26

- 3.3 The Liberal Democrats are proposing a series of adjustments to the Council's Capital Programme in order to achieve the goals of tackling health deprivation for residents, combatting climate change and regenerating the borough. Further details of these proposals are included below with a summary shown in Table 1.

A - Expedite the work around Green Energy and invest in solutions to address Climate Change and to ensure carbon neutrality

- 3.4 The Liberal Democrat Group has long been active in advocating that prompt and effective action be taken by this Council to address Climate Change and reduce this organisation's Carbon Footprint. As a Party we acknowledge and welcome the work that the Council intends to do over the future period, however for this budget we intend to expand on the proposals, to implement 'green' projects that will provide transparent verifiable non-financial benefits. Launched in November 2020, the Government's publication "The Ten Point Plan for a Green Industrial Revolution", shows projects that benefit the environment can also bring jobs and other benefits to the locality.
- 3.5 We have, in previous years introduced numerous proposals in Council including identifying the measures needed to abandon the use of single-use plastics, to promote the take-up of electric vehicles, and to utilise geothermal and other renewable energy sources.

3.6 Despite the fact that the Climate Change Act 2008 did not include a statutory duty for Local Authorities to develop plans or deliver cuts to emissions, the Council announced its commitment, to be the UK's first Green New Deal Council in July 2019, with a target of carbon neutrality for the borough by 2030 and for the Council itself by 2025. It is also creditable that, at the instigation of the Liberal Democrat Group, the Council joined many other UK Local Authorities in declaring a Climate Emergency in September 2019. The Liberal Democrat Group both welcomes and supports these developments; the Group will do everything that it can to support the Administration in their realisation.

3.7 Whilst the Administration has a number of schemes planned to tackle Climate Change, such as increasing the number of electric vehicles charging points across the whole of the borough, the Liberal Democrats believe that more can be done and done earlier to deal with this issue. It is therefore proposed that additional capital investment be made available for this purpose of £3.750m over the period 2022/23 to 2026/27; an initial investment of £0.400m increases steadily and peaks at £1.500m in 2025/26; reflecting the challenges that lie ahead.

3.8 In line with the Governments '10 Point Plan' detailed above the Liberal Democrats will make this funding available for the following priority areas:

Create Greener Buildings

Creating greener buildings which generate less carbon through the installation of E-Pumps and movement away from fossil fuel boilers throughout the borough, developing the UK heat pump manufacturing base and keeping buildings and homes warm and comfortable.

Greener Transport

Expanding the use of Electric Vehicles and accelerating the current plan for the installation of charging points across the borough.

B- Invest in the Transport Infrastructure of the Borough- Footways, Roads, Safety Schemes and Disabled Parking

3.9 The investment builds on what has been a been a 'cornerstone' Liberal Democrat priority over a number of years, proposed expenditure of £3.000m; £2.000m in 2022/23 and a further £1.000m in 2023/24 will be targeted at a number of transport and pedestrian related initiatives which will contribute to the regeneration of the Borough and allow us to build back better in a post Covid-19 environment. A detailed programme will be prepared covering the four areas as follows:

Footways

3.10 An allocation of resources to ensure footpaths are well maintained and safe for pedestrians.

Local Traffic Safety Schemes

3.11 Funding for improvements in measures aimed at slowing traffic down on local highways which will keep the most vulnerable members of our society safe whilst they are out and about. The proposal also links with the "20's Plenty" revenue investment proposal detailed at paragraph 3.21 to 3.23.

Roads

3.12 A programme of expenditure for the road network in the borough, improvements to the general condition and also targeted investment to make travelling throughout Oldham safer for all road users and pedestrians.

Disabled Parking

- 3.13 Investment to provide designated Disabled Parking spaces on the Boroughs highways, in the first instance to address the current backlog and then fund a planned programme to improve the level of provision.

C - Create a specific investment fund for the borough's Public Rights of Way

- 3.14 The proposal is to create a specific fund to remediate and invest in the public rights of way throughout the Borough, £0.100m in each of 2022/23 and 2023/24. Particularly as a result of the pandemic public rights of way have seen markedly increased footfall and their general condition has suffered as a consequence. The investment would make significant improvements and enhancements in what are now widely used and valuable assets, give local people a sense of pride in their surroundings it would also complement the GM Cycling and Walking Bee Networks initiative.
- 3.15 The additional capital investment required to deliver the revised programme would total £6.950m. The Liberal Democrats are proposing to reallocate the majority of the Emerging Priorities funding identified in the Administrations Capital Strategy (£7.291m). This offsets the need for any revenue support for additional schemes to be added to the Capital Programme by the Liberal Democrats. Further details of this are set out in the table below:

Table 1 - Liberal Democrats Alternative Capital Programme 2021/22 to 2025/26

	22/23 £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000	Total £000
Funding						
Fund for Emerging Priorities (Cap prog)	2,520	2,050	836	1,722	163	7,291
Proposals						
A. Combat Climate Change	400	900	800	1,500	150	3,750
B. Footways ,Roads, Local, Safety Schemes and Disabled Parking	2,000	1,000				3,000
C. Public Rights of Way	100	100				200
Total Proposed Capital Expenditure	2,500	2,000	800	1,500	150	6,950
Balance of Fund for Emerging Priorities	20	50	36	222	13	341

The Liberal Democrat Alternative Revenue Budget 2022/23

Investment Proposals

- 3.16 The Liberal Democrats are proposing a range of additional budget reduction proposals for 2022/23 which will make £0.987m available for investment and a further £0.013m in 2023/24, as detailed in section 4. The resource will be used to invest in a range of proposals aimed at improving the lives of residents within the borough. Details of the individual investment proposals are provided below.

Parish Council Grant funding (£0.015m)

- 3.17 The Liberal Democrats propose to reinstate a prior reduction of Parish Council Grant funding for both Saddleworth and Shaw & Crompton Parish Councils at a value of £0.015m. The Administration began the reduction in Parish Council funding as part of the 2017/18 budget

setting process and reduced the grant over a three-year period in line with the reductions in Revenue Support Grant imposed by Central Government.

3.18 The Liberal Democrats have always believed that Parish Councils are an essential part of the structure of local democracy and have a vital role in acting on behalf of the communities they represent and therefore propose the full reinstatement of this funding for 2022/23 to ensure activities such as the following can continue:

- give views, on behalf of the community, on planning applications and other proposals that affect the parish.
- undertake projects and schemes that benefit local residents.
- work in partnership with other bodies to achieve benefits for the parish.
- alert relevant authorities to problems that arise or work that needs to be undertaken.
- maintain community buildings and land.

Increase the investment in tackling environmental crime to combat issues such as fly tipping, littering and dog fouling across the borough (£0.200m)

3.19 The Liberal Democrats believe that visible incidences of environmental crime such as fly tipping, littering and dog fouling create an environment that encourages further acts, e.g., a culture where 'because they've done it, I can too'. Focusing on the prevention of these crimes and quickly remedying any acts that do occur helps to create a positive atmosphere and encourages residents to have pride in where they live, which will then in turn reduce future infractions. It is therefore proposed to increase the previous Administration investment in tackling environmental crime by £0.200m in 2022/23

20's Plenty (£0.235m)

3.20 The '20 is plenty' scheme aims to provide a cleaner, healthier, fairer and greener way of life by implementing 20 mph zones across built up zones. This is considered such a prominent issue that for the second Decade of Action for Road Safety the United Nations has endorsed the setting of 20mph maximum speed limits wherever pedestrians, cyclists or other vulnerable road users mix with motor vehicles.

3.21 There are multiple benefits to implementing 20 mph as the speed limit, this includes lower emissions and therefore better air quality. However, one of the most significant benefits is the associated decrease in accidents involving pedestrians and vehicles. There are approximately 20% fewer injuries in areas with 20 mph areas and the chance of a fatality is 7 times less likely when travelling at 20 mph compared to 30 mph.

3.22 In order to promote these benefits within the borough the Liberal Democrats propose to create a reserve fund to increase signage, education and implement light-touch policing around the introduction of 20 mile per hour zones for traffic, especially in front of Schools and other high-risk areas.

Early Help and Preventative Services (£0.100m)

3.23 The Administration budget includes a reduction £0.200m linked to Early Help Remodelling, that was approved as part of the 2021/22 budget, the Liberal Democrats see this service as pivotal in managing demand for social care services and for this reason will effectively reverse half of the proposed reduction by investing £0.100m in integrated children and family's intervention services. This will in certain circumstances prevent the need for more costly and long-term interventions and provision of care.

Bulk Waste Collection (£0.200m)

- 3.24 The Liberal Democrats consider it important to offer the most vulnerable, infirm and those without access to their own transport one free collection of waste per annum, based on the current charge of £30 per collection the amount proposed would fund 128 collections per week, approximately 25 collections per day. The investment complements the initiatives aimed at tackling environmental crime and complements the Don't Trash Oldham campaign.

Youth Services (£0.100m)

- 3.25 Investment in youth services is a Liberal Democrat priority. The proposal is to specifically provide a ring-fenced funds for Districts to commission and host events and activity programmes aimed at enriching the lives of young people of all ages

Crime and Safety (£0.150m)

- 3.26 An investment of £0.150m is proposed to support measures aimed at reducing crime and improving safety for the residents of the Borough

4. Liberal Democrat Alternative Budget Reduction Proposals

- 4.1 The Liberal Democrats are proposing a range of challenging budget reduction proposals, totalling £1.000m which will reduce spend on non-essential or non-statutory services in order to reprioritise the funds into proposals which will improve the lives of people in the borough. Brief summaries of the savings proposals are provided below with full proformas at Appendix B.

OPP-BR1-201 - Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants (£0.550m)

- 4.2 The Liberal Democrats are proposing to apply a vacancy factor to all mainstream employee budgets based on the assumption that some posts would become vacant or would be held vacant during that financial year due to staff turnover and to assist in reducing the number of agency staff and consultants used across the Council further. Applying a vacancy management factor of 0.75% would generate a saving of £0.550m. There is some risk with this proposal as it comes on top of a previously approved vacancy factor which is embedded in the budget. It will therefore need to be carefully managed to ensure delivery.

OPP-BR1-202 - Reduction in mileage budgets to reflect change in work practices (£0.050m)

- 4.3 The Liberal Democrats propose to reduce mileage budgets by £0.050m on a pro rata basis across the Council, excluding adult social care and children's social care cost centres. The Liberal Democrats propose that due to the increase in Council employees working from home and the increase of Teams based meetings, the requirement to travel using a personal vehicle has reduced, which in turn should result in a saving for the Council.

OPP-BR1-203 - Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage (£0.037m)

- 4.4 A lump sum car allowance of £500 is paid annually to essential car users. The Council will pay car allowances totalling £0.351m in 2021/22, with 701 staff members in posts which attract car allowances in the period April – December 2021.
- 4.5 Analysis of the data shows that in the period April 2021 to December 2021, 380 (54%) of those individuals in roles with the Essential Car Allowance have recorded/claimed zero miles. For the same period 62 (9%) recorded/claimed for 1 to 100 miles and 259 (37%)

recorded/claimed for 101 and above miles. It should be noted that anecdotal evidence suggests that officers do not always claim mileage travelled, particularly where the value is low.

- 4.6 The Liberal Democrats believe that a review of the posts which attract essential car user status should be undertaken with the intention of removing the lump sum payment from posts where users routinely record zero, or very few miles. Removal of the allowance from 100 employees would result in a £0.050m saving. Due to the consultation requirements only a part year saving of £0.037m would be generated in 2022/23 with full year effect being applied in 2023/24.

OPP-BR1-204 - Reduction in the General Training Budget (£0.100m)

- 4.7 The Administration are proposing a reduction of £0.050m in the general training budget as part of a wider option 'Human Resources and Organisational Development'. Whilst the Liberal Democrats are pleased to note the Administration's willingness to adopt the proposal included in the 2021/22 opposition budget, the party will retain the reduction of £0.150m that was put forward last year, netted down to £0.100m by deducting the Administration's proposal of £0.050m

OPP-BR1-205 - Reconsideration of Council priorities with regards to the Communications and Research Service (£0.250m)

- 4.8 As in the previous year, and with no action from the Administration, the Liberal Democrats still feel that there is further scope in this area to reduce spend on what is a non statutory service and to re-prioritise this to other areas, as such the Liberal Democrats propose to redesign the Communications and Research team generating a total budget reduction of £0.250m in 2022/23. This will enable the reprioritisation of funding towards front line services. This reduction would be generated by halting production of the publication Oldham Council: Working for You and by disestablishing 5.18 posts which may include redundancies. This would generate a saving of £0.245m. It is also proposed to generate revenue of circa £0.005m by optimising income generation opportunities across the Councils media channels.

5. Items for Future Consideration

1) Hire out office space externally

A recent survey by Deloitte found the majority of CEO's (97%) are planning to make the changes brought about by the Covid-19 pandemic permanent, including increased working from home. Although a combination of office and homeworking will be needed it is reasonable to assume there will be increased demand for occasional office space and meeting rooms where external organisations require space for one off larger meetings or team away days. Conversely, if the Council also take advantage of the increased capability for flexible working, such as working from home and virtual meetings, there will also be a decrease in demand internally for meeting rooms. The Council should look into the potential of hiring its meeting room space, such as the Lees and Chadderton suites, externally in order to create an income generation opportunity.

2) Increasing the Council Tax Premium on empty properties

As at 1 April 2020 flexibility was introduced to charge Council Tax of 200% on empty homes of 5 years duration and in April 2021 a charge of 300% on empty homes of 10 years duration, this has not been introduced in Oldham. The Liberal Democrats propose that the potential to charge the full premium on the properties described above is investigated as an incentive to bring the empty homes back into the housing market.

3) Local Spending

The Liberal Democrats support a steady increase in the percentage of Council expenditure made with businesses based in our Borough and also an increased percentage of Council job vacancies made available to local residents. These aspirations also embrace spending and hiring by MioCare and Oldham Community Leisure, and other partners, such as our two local colleges, the Oldham Clinical Commissioning Group, the NHS Acute and Primary Care Trusts and social landlords.

We have called for an increase in Council local spending from the 52% reported in the 2019/20 financial year to at least 60% and for efforts to be made to encourage local residents to apply for Council jobs especially those at entry level. We are encouraged to note that the current rolling monthly average for Local Spend is 55%. In addition, we note that Council is looking to increase this figure with the implementation of the Social Value Portal for contracts above £100k and a programme of engagement events with local suppliers within cohorts of spend, supporting them on how to submit tenders and giving them visibility of the future pipelines of tenders coming up within their specific industry, clearly work needs to continue to meet the stated criteria. This combined approach should yield an increase in local spend to circa 60%.

By retaining Council Tax and other revenue within the Borough, through awarding contracts where-ever possible to local businesses and by employing local people, the Liberal Democrats believe the Council and its partners can establish a virtuous circle 'making every Oldham pound go further' as this money will in turn be spent in local shops and hospitality businesses. This helps create a local economy that will recover more quickly after the Covid pandemic and is also more environmentally sustainable, as it reduces commuting and the transport miles associated with the supply of goods and provision of services by contractors outside of the borough.

In addition, to support local spending, the Liberal Democrats would welcome consideration of a "local impact" measure when considering budget cuts, this would assess whether a savings options would disproportionately impact Oldham suppliers or the local economy.

4) The Remediation of Brownfield Land

The Liberal Democrats believe that the administration should be prepared to repurpose a further significant sum from the capital programme to pay for the remediation of brownfield land sites for housing development, if either no money, or an insufficient sum, is made available to the authority from the Greater Manchester Brownfield Fund. The Flexible Housing Fund has an allocation of £70m over the life of the current Capital Programme with only small number of potential commitments identified at this present time.

6. Review of previous Liberal Democrat Budgets

- 6.1 Unlike in the previous year, it was disappointing to note that at its meeting on 9 February 2021 the Overview and Scrutiny Performance and Value for Money Select Committee, in considering the 2021/22 Liberal Democrat Budget Reduction proposals, resolved that none of the savings' options would be recommended to Cabinet for adoption. The Chair did however note that the Committee had not objected to the proposals and the Cabinet could be advised to bear these proposals in mind. In particular the concerns about the review of mileage budgets were shared by the Committee. Following that decision, without any available funding the Committee was not in a position to give its support to the Alternate Investment proposals.

6.2 It should however be noted that items which have previously been rejected or referred for consideration have subsequently been adopted in full or in part by the Administration, these include:

1. Income targets with regard to Section 38 and Section 278 inspections within the Highways service
2. Levels of expenditure within General Training budgets
3. A proposed/ pending review of reward and recognition packages, to include essential car user allowances.

In addition, some of the previous recommendations have not been actioned, in part this delay may be due to Covid-19, for example the Government provided significant funding through the Holiday Activity and Food Programme in order to provide meals and activities for disadvantaged children during school holidays, therefore it was unnecessary to identify the amount from existing budgets in 2020/21, 2021/22 and again in 2022/23.

6.3 One area which will be highlighted separately however, as detailed in paragraph 4.10 and 5.2, to date there has been no reduction in the payments of lump sum car allowances either individually or as part of a wider review of reward and recognition packages. Service data suggests the number of individuals in receipt of allowances has increased year on year. In this tough financial climate these are the areas which need to be considered in order to protect front line services.

Summary

6.4 After considering all investment and savings proposals there is a balanced position as can be seen in Appendix A.

7. Director of Finance Comments

7.1 I confirm in my role as Responsible Officer under Section 151 of the Local Government Act 1972 that the budget amendments as presented are robust and deliverable.

7.2 As it is an alternative set of budget options the opportunity for testing the risks associated with the proposals are more limited and it is therefore necessary to afford a level of caution in presenting these alternatives. (Anne Ryans)

8. Options/Alternatives

8.1 With regard to the consideration of the Liberal Democrat's alternative Capital Programme for 2022/23 to 2026/27, revenue investment proposals and revenue savings proposals for 2022/23 and 2023/2, the options available to the Select Committee are to:

- Accept all of the recommendations of the report
- Accept some of the recommendations of the report and reject others
- Reject all of the recommendations of the report

9. Preferred Option

9.1 The preferred option is that the Select Committee accepts all of the recommendations.

10. Consultation

10.1 Service Managers have been involved in compiling the proposals and the proposals have been agreed within the content of the business cases attached at Appendix B.

11. Financial Implications

11.1 The financial implications are included within the report.

12. Legal Services Comments

12.1 There are no immediate legal issues arising from the report save that where the proposals involve a change to officer's employment terms and conditions appropriate HR processes will need to be followed in accordance with the Council's policies and procedures.

13. Co-operative Agenda

13.1 Revenue and Capital Investment and Savings proposals have been considered in conjunction with the Council's Co-operative Agenda and there are no adverse impacts.

14. Human Resources Comments

14.1 The Opposition proposals are noted.

14.2 In response to the workforce specific proposals, it is the HR and OD Service's view that a reduction to the General Training Budget will impact the delivery of key organisational priorities such as transformation activity and integration across the wider public service system. The removal of car allowance, if treated as a standalone activity, is unlikely to align with work ongoing to determine future ways of working and this should therefore be incorporated into this wider workstream. Additional options with workforce implications will be assessed should they be approved and discharged in accordance with the organisation's policies and procedures.

15. Risk Assessments

15.1 The risks of deliverability have been considered and as it is an alternative set of budget proposals the opportunity for testing the risks associated with the proposals are more limited and as advised above, it is therefore necessary to afford a level of caution in presenting these alternatives.

16. IT Implications

16.1 There are no specific IT requirements associated with the proposals that have not already been considered.

17. Property Implications

17.1 The Council's approach to its Medium - Term Property Strategy will involve the workstreams associated with i.e., regeneration, new investments and combating climate change and carbon neutral initiatives. It is acknowledged that the business cases for the health centres have been prepared in draft.

18. Procurement Implications

18.1 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.

19. Environmental and Health & Safety Implications

19.1 There are no adverse environmental or Health and Safety implications associated with the proposals.

20. Equality, community cohesion and crime implications

20.1 There are no adverse equality, community cohesion or crime implications associated with the proposals.

21. Equality Impact Assessment Completed

21.1 These are not required at the present time for these proposals.

22. Key Decision

22.1 No.

23. Key Decision Reference

23.1 Not a Key Decision.

24. Background Papers

24.1 The following is a list of 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 the Act:

File Ref:	Background papers are contained in Appendices A and B
Officer Name:	Andy Cooper
Contact No:	0161 770 4925

25. Appendices

25.1 Appendix A: Summary Alternative Budget Proposals.
Appendix B: Business Cases for Alternative Budget Reduction Proposals.

Summary of Alternative Budget Proposals

APPENDIX A

Proposal Reference	Proposal Name	Responsible Officer	Budget Proposal 2022/23 £000	FTE Impact 2022/23	Budget Proposal 2023/24 £000	Cumulative Budget Impact £000	EIA Required?
Alternative Budget Investment Proposals							
A	Expedite the work around Green Energy and invest in solutions to address Climate Change and to ensure carbon neutrality		400	0.00	900	1,300	No
B	Specific fund to invest in Footways ,Roads, Local Safety Schemes and Disabled Parking across the Borough		2,000	1000.00	0	2,000	No
C	Specific fund for improving Public Rights of Way throughout the borough		100	100.00	0	100	No
Total Cost of Alternative Capital Programme			2,500	1,100	900	3,400	
	Reverse the Administration's reduction in Parish Council Grant funding		15	0.00	0	15	No
	Increase the investment in tackling environmental crime to combat issues such as fly tipping, littering and dog fouling across the Borough		200	0.00	0	200	No
	"20'is Plenty"		222	0.00	13	235	No
	Investment in Early Help Services		100	0.00	0	100	No
	Free Bulky Waste Collection		200	0.00	0	200	No
	Local Bid-back Fund for Youth Services		100	0.00	0	100	No
	Investment in Crime and Safety		150	0.00	0	150	No
Total Revenue Budget Investment Proposals			987	0	13	1,000	
Alternative Budget Reduction Proposals							
OPP-BR1-201	Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants	Corporate	(550)	0.00	0	(550)	No
OPP-BR1-202	Reduction in mileage budgets to reflect change in work practices	Paul Dernley	(50)	0.00	0	(50)	No
OPP-BR1-203	Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage	Paul Dernley	(37)	0.00	(13)	(50)	No
OPP-BR1-204	Reduction in the General Training Budget	Paul Dernley / Julia Veall	(100)	0.00	0	(100)	Yes
OPP-BR1-205	Reconsideration of Council priorities with regards to the Marketing and Communications Service	Jeni Harvey	(250)	(5.18)	0	(250)	Yes
Total Budget Reduction Suggestions			(987)	(5.18)	(13)	(1,000)	
Surplus Budget/Total FTE Impact			0.0	(5.18)	0.0	0	

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Appendix B

Business Cases for Alternative Budget Reduction Proposals

Budget reductions

BR1 - Section A

Service Area:	Corporate
Budget Reduction Title:	Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants

Budget Reduction Proposal - Detail and Objectives:

In previous years the Administration agreed to apply a vacancy factor at a rate of 1.5% to all mainstream employee budgets based on the assumption that some posts would become vacant or would be held vacant during that financial year due to staff turnover, this option was not taken in 2021/22 and is not proposed for 2022/23.

To assist in reducing the number of agency staff and consultants used across the Council further, the Liberal Democrats propose that a saving for 2022/23 should be applied at a rate of 0.75% to all Council mainstream employee budgets. This 0.75% vacancy management factor would generate a saving of £0.550m.

2020/21 Service Budget and Establishment	£000
Employees	73,301
Other Operational Expenses	0
Income	0
Total	73,301

Current Forecast (under) / overspend	0
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Number of posts (Full time equivalent)	0
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	2022/23	2023/24	2024/25
Proposed Budget Reduction (£000)	(550)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2022/23 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
There is no anticipated impact on service delivery. Service staffing budgets will have to be managed within available resources.
Future expected outcomes
None.
Organisation
There is no anticipated impact on the organisation. Service staffing budgets have to will be managed within available resources.
Workforce
None.
Communities / Service Users
None.
Oldham Cares
There is no anticipated impact on Oldham Cares apart from Council staffing budgets within Adult Social Care carrying and managing the vacancy factor.
Partner Organisations
None.

Who are the key stakeholders?

Staff	Yes
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External partners (if yes please specify below)	No
N/A	
Other Council departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements

Potential reduction in the number of interim and agency staff used across the authority which may reduce expenditure.

Section C**Key Risks and Mitigations**

Risk	Mitigation
Service budgets will overspend in 2022/32 due to non-achievement of the vacancy management target.	There is an expectation that a percentage of posts will be vacant in year through natural turnover of staff, and that services through to directorates will manage recruitment and cover arrangements accordingly.
Individual budget areas with low staff turnover will fail to meet the vacancy target.	Information on the achievement of vacancy management targets will be made available at service and directorate level to allow a wider analysis of progress against targets and allow offsets between over and under achieving service / directorate areas.
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Vacancy management targets are calculated, and allocations communicated to service and budget managers.	February 20022
Vacancy management targets are reviewed in line with any organisation change prior to the commencement of the 2022/23 financial year.	February/March 2022
Vacancy management targets are applied to individual budgets prior to the commencement of the 2022/23 financial year.	March 2022
N/A	N/A

Section D

Consultation required?	No
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	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

Is there potential for the proposed budget reduction to have a disproportionate adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy / maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA required? (choose YES if any of the above impacts are YES)	No
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Section E

Finance comments
This proposal is to introduce a 0.75% Vacancy Factor across mainstream salary budgets within the organisation. Application of any Vacancy Factor carries risks of non-delivery and service overspend as detailed in Section C of this pro-forma and the higher the applied Vacancy Factor, the higher the associated risk to financial and service performance. The previous vacancy management factor applied by the Administration was 1.5% in 2019/20. The delivery of this budget proposal would require careful monitoring and management across the organisation.

Signed RO	02/02/2022
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Signed Finance	03/02/2022
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BR1 - Section A

Service Area:	Corporate
Budget Reduction Title:	Reduction in mileage budgets to reflect changes in work practices

Budget Reduction Proposal - Detail and Objectives:

The Liberal Democrats propose to reduce mileage budgets by £0.050m and a pro rata basis across the Council, excluding adult social care and children's social care cost centres.

Mileage can currently be claimed for work related travel except for travel from Oldham town centre to the following destinations (unless there are mitigating circumstances):

- Manchester City Centre
- Failsworth District Centre
- Royton District Centre
- Rochdale Town Centre
- Ashton Town Centre

Line managers must agree beforehand that using a personal vehicle is the most appropriate way to travel to a destination.

The Liberal Democrats propose that due to the increase in Council employees working from home and the increase of Teams based meetings, the requirement to travel on council business using a personal vehicle has reduced.

2022/23 Service Budget and Establishment	£000
Employees	N/A
Other Operational Expenses	188
Income	N/A
Total	188

Current Forecast (under) / overspend	(124)
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Number of posts (Full time equivalent)	N/A
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	2022/23	2023/24	2024/25
Proposed Budget Reduction (£000)	(50)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2022/23 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
Council staff may have to consider alternate forms of transport if required to travel for work requirements.
Future expected outcomes
Budgets would be amended to reflect the decreasing demand for mileage claims.
Organisation
None.
Workforce
There is the potential that the workforce would evaluate whether travel is necessary or whether meetings could take place via Microsoft Teams.
Communities / Service Users
None.
Oldham Cares
None.
Partner Organisations
None.

Who are the key stakeholders?

Staff	Yes
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External partners (if yes please specify below)	No
N/A	
Other Council departments (if yes please specify below)	Yes
All Council departments	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements

Budgets would be reduced to reflect the decrease in mileage claims.

Section C

Key Risks and Mitigations

Risk	Mitigation
Staff continue to claim mileage for non-essential travel.	Adequate communication to all staff detailing the new policy along with regular budget monitoring to ensure any potential areas of overspend can be identified early and raised with budget holders.
Essential travel is restricted due to lack of travel budgets.	Budgets where essential travel is assumed to be regular requirement is excluded from the budget reductions, for example Adults and Children's social care.
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to the Policy Overview Scrutiny Committee.	8 February 2022
Review of Cost Centres which should be excluded from the budget reduction proposal.	February – March 2022
The budget reduction is implemented.	April 2022.

Section D

Consultation required?	No
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	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

Is there potential for the proposed budget reduction to have a disproportionate adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy / maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA required? (choose YES if any of the above impacts are YES)	No
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Section E

Finance comments
This proposal would result in a budget reduction of £0.050m across mileage budgets, excluding social care and grant funded cost centres. Budget monitoring during 2022/23 will highlight if there are any challenges to the delivery of the proposal.

Signed RO	01/02/2022
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Signed Finance	02/02/2022
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BR1 - Section A

Service Area:	Human Resources and Organisational Development
Budget Reduction Title:	Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage

Budget Reduction Proposal - Detail and Objectives:

An Essential Car Allowance of £500 is paid to staff members who are employed in positions which are designated as requiring a car as essential to completing the duties of the post. The money is paid over 12 months at £41.66 a month.

For the period April 2021 to December 2021 (a period involving extensive home working) the Council had 701 staff members employed in roles that paid the Essential Car Allowance.

Analysis of the data shows that in the period April 2021 to December 2021, 380 (54%) of those individuals in roles with the Essential Car Allowance have recorded/claimed zero miles. For the same period 62 (9%) recorded/claimed for 1 to 100 miles and 259 (37%) recorded/claimed for 101 and above miles.

It should be noted that anecdotal evidence suggests that officers do not always claim mileage travelled, particularly where the value is low.

The Liberal Democrats have proposed generating circa £0.050m saving by reducing the number of posts that attract an essential car user payment. A saving of £0.050m would equate to removal of allowance from circa 100 employees. Due to consultation requirements, only a part year reduction of £0.037m would be generated in 2022/23 with an additional saving of £0.013m in 2023/24.

There is a local agreement with Trades Unions regarding the assessment of entitlement and application of the Car Allowance Scheme. The scheme comprises a series of factors, including mileage, and allocates points per factor. Consultation with Trades Unions and Individuals would need to take place before staff terms and conditions could be amended.

2020/21 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	351
Income	0
Total	351

Current Forecast (under) / overspend	11
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Number of posts (Full time equivalent)	0
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	2022/2023	2023/2024	2024/2025
Proposed Budget Reduction (£000)	(37)	(13)	-
Proposed Staffing Reductions (FTE)	-	-	-

Is your proposal a 'one-off' in 2022/23 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
As Essential user status bestows free parking on Council property, budget is provided to the Property Team. Removal of Essential user status would lead to a reduction in the Property Team budget.
Service Delivery
Employees may refuse to use their own vehicles to complete their duties which may result in service delay, especially in the areas of social care. The removal of allowances in certain areas could have a detrimental impact on recruitment and retention, for example Social Workers where recruitment is already difficult.
Future expected outcomes
Potential to increase travel costs associated with other methods e.g. taxi, public transport.
Organisation
None.
Workforce
Certain individuals will have Car Allowance removed. Car parking costs would also increase for those individuals who are reclassified from Essential Users. The contractual change may not be accepted by the individual resulting in their dismissal and re-engagement.
Communities / Service Users
Potential for delays in receiving support in certain areas, e.g. social care.
Oldham Cares
None.
Partner Organisations
The alignment of practice within Team Oldham organisation should be considered as part of the exercise.

Who are the key stakeholders?

Staff	Yes
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	Yes
External partners (if yes please specify below)	No
N/A	
Other Council departments (if yes please specify below)	Yes
People and Place - Property	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements

Achievement of a budget reduction.

Section C**Key Risks and Mitigations**

Risk	Mitigation
The allowance may be taken from users who travel a significant number of miles but have not claimed recompense in the past.	Communicate to claimants the requirement to claim mileage on a regular basis. This would develop an accurate baseline on which to conduct the exercise. The claiming of mileage previously unclaimed will come at an initial cost.
Where allowance is removed there may be an increase in costs associated with other modes of transport, e.g. taxis, public transport.	None.
There is a requirement to undertake appropriate consultation and seek agreement from Trades Unions.	Excellent working relationships with Trades Unions should facilitate and appropriate agreement. In the event agreement is not possible, individual consultation will be required and dismissal and re-engagement processes invoked at last resort.
Services areas where the allowance is paid may be experiencing recruitment and retention difficulties as a result of the proposal. Areas such as Children's Social Work already experience significant difficulties in recruiting and this may exacerbate the issue.	The revised scheme must account for critical areas.
The savings are indicative at this point and have not been modelled on the final scheme (as this is presently not finalised). The full savings may therefore not be realised.	The revised scheme / removal of the allowance will account for the required savings and seek to deliver.
The organisation and services have not yet developed the post-Covid operating model which may further increase remote working and reliance on car travel to visit service users.	Proposals should be developed in synergy with targeted working styles.

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to the Policy Overview and Scrutiny Committee.	8 February 2022
Communicate to all staff the requirement to claim mileage in a timely manner.	April – May 2022

Finalise new scheme / allowances (or removal of)	June – September 2022
Consult with affected employees and Trade Unions	October – December 2022
Implement new scheme	January 2023

Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	October 2022	December 2022
Trade Union	October 2022	December 2022
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

Is there potential for the proposed budget reduction to have a disproportionate adverse impact on any of the following?

Disabled people	N/A
Particular Ethnic Groups	N/A
Men or Women (including impacts due to pregnancy / maternity)	N/A
People who are married or in a civil partnership	N/A
People of particular sexual orientation	N/A
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	N/A
People on low incomes	N/A
People in particular age groups	N/A
Groups with particular faiths and beliefs	N/A

EIA required? (choose YES if any of the above impacts are YES)	N/A
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Section E

Finance comments

The reduction in the number of essential users for car allowances by 100 employees could generate a saving of £0.050m (phased over 2022/23 and 2023/24). The achievement of this budget reduction will be reliant on successful negotiation with Trades Unions and the management of any consequences such as additional alternative travel arrangements.

Signed RO	01/02/2022
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Signed Finance	03/02/2022
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BR1 - Section A

Service Area:	People Services
Budget Reduction Title:	Reduction in the General Training Budget agreed in 2018/19 to be made permanent

Budget Reduction Proposal - Detail and Objectives:

The general training budget for 2021/22 is £0.372m.

The Liberal Democrats propose to make a permanent reduction of £0.100m from 2022/23 by utilising the apprenticeship levy wherever possible, this is in addition to the Administration proposal to make a £0.050m reduction. The combined effect would be to reduce the general training budget to £0.222m annually.

From 2017/18, all employers with an annual pay bill of more than £3.000m are required to pay an apprenticeship levy. The levy is payable at 0.5% of the total pay bill. Oldham Council pays this levy to HMRC who hold the monies in a digital fund. These monies are available for 2 years from the date of payment with any unspent funds being retained by HMRC.

The apprenticeship levy pays for apprenticeship training and assessment for apprentices that work at least 50% of the time in England, and only up to the funding band maximum for that apprenticeship. There are several approved providers and courses which can be assessed through this levy.

The proposed reduction would require all future training requirements, which cannot be funded via the apprenticeship levy, to be reviewed to ensure that best value is being secured. Priority would be provided to statutory and mandatory training. Any additional training and development would be assessed on the basis of value provided to the organisation, managing any identified risks to the Council in terms of building capability across all service areas.

2020/21 Service Budget and Establishment	£000
Employees	N/A
Other Operational Expenses	372
Income	N/A
Total	372

Current Forecast (under) / overspend	0
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Number of posts (Full time equivalent)	N/A
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	2022/23	2023/24	2024/25
Proposed Budget Reduction (£000)	(100)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2022/23 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
Any reduction in the budget would impact on front-line service delivery. The type of training funded by the training budget only covers statutory and mandatory training, such as First Aid training, manual handling, HGV training etc. This would undermine services ability to have suitably trained staff to deliver front-line services, as well as potentially compromising services ability to demonstrate compliance for registration such as CQC, Ofsted etc. In some service areas, this would also make it difficult to recruit to roles where we provide the on-the job training, as we would be unlikely to be able to attract already qualified candidates due to significant market pressures e.g. HGV licence holders.
Future expected outcomes
The proposal would significantly detriment the ability to deliver core services and impact on our legislative and statutory requirements to suitably train and skill our workforce.
Organisation
The proposal would significantly detriment the ability to deliver core services and impact on our legislative and statutory requirements to suitably train and skill our workforce.
Workforce
Reduced investment in the development of employees will have an impact on both individuals and the wider organisation. The reduction in development activity may increase levels of employee turnover and reduce the ability to attract new talent, especially in hard to fill roles and those where the Council needs to grow new skillsets.
Communities / Service Users
The proposal would impact on staff within service provision and therefore would impact on communities and service users. Where possible, the Council always aims to use local suppliers of training and a further reduction in budget spend could therefore impact on local businesses.
Oldham Cares
The investment in workforce is being treated as a system wide issue and so the Council's approach is likely to have a knock-on impact and affect the investment and commitment that our partners in the Oldham Cares space feel they need to make.
Partner Organisations
Similar issues to those mentioned under the Oldham Cares paragraph.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes, in part
Local business community	Yes
Schools	No
Trade Unions	Yes
External partners (if yes please specify below)	Yes
Any training providers the Council currently use	
Other Council departments (if yes please specify below)	Yes

All	
Other (if yes please specify below)	No
N/A	
Benefits to the organisation/staff/customers including performance improvements	
A £0.100m budget reduction and the achievement of improved value by driving down supplier costs and/or demand. A greater focus on internal training delivery and self-directed learning will also be adopted.	

Section C

Key Risks and Mitigations

Risk	Mitigation
General training provision will reduce, limiting the statutory and mandatory development of employees.	Training would have to be prioritised based on greatest need/greatest impact to service provision/compliance requirements. Services would be required to support training funding.
Early years settings development training (to assist with Ofsted requirements) would be impacted.	Any future training requirements would have to be funded direct from Children's Budgets.

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Policy Overview and Scrutiny Committee.	8 February 2022
Implementation.	1 April 2022
N/A	N/A
N/A	N/A

Section D

Consultation required?	No
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	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

Is there potential for the proposed budget reduction to have a disproportionate adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy / maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA required? (choose YES if any of the above impacts are YES)	No
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Section E

Finance comments
This implementation of this proposal would create an ongoing saving of £0.100m from the central training budget from 2022/23 (cumulative £0.150m including the Administration's proposal). However, the prioritisation of statutory and mandatory training through the Development Academy may encourage services to source additional training requirements from service budgets with the potential of creating pressures in these areas. The forecast outturn for 2021/22 is a balanced position although it is possible that at the year-end there may be some under spending, possibly as a result of a shift in demand and delivery methods as a result of COVID-19

Signed RO	02/02/2022
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Signed Finance	02/02/2022
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Additional information (if required)

It should be noted that the Apprentice Levy cannot be used to fund general training. As a result, there can be no offsetting of general training budget by Apprentice Levy funds.

Currently the training budget is used to fund mandatory and statutory training for services only.

BR1 - Section A

Service Area:	Communications and Research
Budget Reduction Title:	Reconsideration of Council priorities with regards to the Communications and Research service

Budget Reduction Proposal - Detail and Objectives:

The Communication team's role is to ensure that information and key messaging about Council services, decisions and campaigns are equally accessible to all of the borough's residents, our staff and our partners. Oldham Council has a centralised Communications and Research team with staff delivering digital, design internal communications, media relations, marketing and social media content creation with business partner support to each directorate.

As more information moves online and residents become increasingly technologically advanced the need to produce hard copy publications reduces. As such the Liberal Democrats propose to reduce the service budget for the Communications and Research team by £0.250m in 2022/23.

This reduction would be met by generating £0.245m through ceasing the publication of '@Oldham Council, Working for You' and deleting/ disestablishing 5.18 FTE posts.

Alongside the above reductions, it is proposed to generate revenue of circa £0.005m through income generation activities across the full range of Council media channels

2021/22 Service Budget and Establishment	£000
Employees	946
Other Operational Expenses	75
Income	(4)
Total	1,017

Current Forecast (under) / overspend	(167)
Number of posts (Full time equivalent)	19.50

	2022/23	2023/24	2024/25
Proposed Budget Reduction (£000)	(0.250)	0	0
Proposed Staffing Reductions (FTE)	(5.18)	0	0

Is your proposal a 'one-off' in 2022/23 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
In 2019/20 the Communications and Research service was restructured, to deliver a saving of £250,000 in 2019/20 and a further £250,000 in 2020/21. Adding additional savings to the Communications budget so soon after significant cost-cutting measures have been taken would potentially destabilise the service's ability to deliver effective communications to the people of Oldham.
Future expected outcomes
<p>Reducing the number of staff by 5.18 would mean that the Communications service would have to focus only on essential elements of the service, which are chiefly reactive communications such as responding to media enquiries.</p> <p>This would mean the team would be unable to proactively engage with residents and communities via social and digital media; produce videos, undertake as much research and public engagement, or put out press releases with positive news stories about the council's work.</p> <p>This could then lead to a knock-on reputational risk due to a reduction in positive, proactive, communications teamed with far less direct engagement with residents and communities.</p> <p>The aim of launching the Oldham Council: Working for You council newspaper was primarily to provide essential information, such as contact numbers and guidance on help and support available to households, to those without access to the Internet.</p> <p>Ceasing the publication of Oldham Council: Working for You could therefore lead to people who do not have access to our website or social media channels being unable to access the information they need, and struggling to get in touch with Council departments.</p>
Organisation
Significant reduction in staff communications would lead to the organisation as a whole being less informed and less able to be effective ambassadors who understand our values and behaviours, plus our aims and objectives for the borough. This would also make leadership more difficult.
Workforce
The workforce has recently undergone a major review and some staff are newly appointed. Removing almost a third of the staffing in the service would create increased pressure on staff that remain, as well as removing technical specialisms.
Communities / Service Users
<p>Reduced communications activity – including social media – would leave residents less well informed about what the Council provides, including benefit and housing advice, as well as risking crucial public health messages not reaching our communities.</p> <p>Adding advertising to the website would also have a detrimental effect on the customer experience. At present, the Communications team focuses on trying to simplify web content and create interfaces that are designed to assist the resident in their tasks.</p> <p>Selling advertising space would undermine that effort, decrease usability and make it more difficult for service users – particularly our most vulnerable residents – to complete tasks online.</p>

Oldham Cares
Significant reduction in communications advice to core council activities would occur - such as promoting economic regeneration or supporting the transformation of health and social care. This provides real risks for the council to deliver on its outcomes.
Partner Organisations
Reduced partner communications would leave partners unclear of the role of the Council on key partnership projects.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	Yes
Schools	Yes
Trade Unions	Yes
External partners (if yes please specify below)	Yes
All i.e. Oldham Cares	
Other Council departments (if yes please specify below)	Yes
All	
Other (if yes please specify below)	No
N/A	
Benefits to the organisation/staff/customers including performance improvements	
A budget reduction of £0.250m for 2022/23.	

Section C

Key Risks and Mitigations

Risk	Mitigation
The Communications and Research team will be unable to meet demand.	Priorities would have to be reviewed and activity reduced simply to support statutory services.
Proactive communications would be vastly reduced.	A tightly defined and agreed set of core priorities would have to be agreed across the organisation with an acceptance that many existing communications activities would cease.

A reduction in communication opportunities could lead to some areas delivering their own messaging.	Utilise other avenues for communication within the organisation or partners.
Inappropriate advertisements appearing on the Council website through automatic advertising placement.	Increased officer time would need to be spent managing this aspect of the website, to ensure no adverts appear on the site that are controversial or inappropriate. The cost of this may outweigh revenue brought in by the advertising.

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Policy Overview and Scrutiny Committee.	8 February 2022
Staff and Trades Union consultations.	February /March 2022
Implementation of proposal.	From April 2022
N/A	N/A

Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	February 2022	March 2022
Trade Union	February 2022	March 2022
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

Is there potential for the proposed budget reduction to have a disproportionate adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy / maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA required? (choose YES if any of the above impacts are YES)	No
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Section E

Finance comments
This option would result in a reduction of 5.18 posts within the Communications and Research service and the cessation of the Oldham Council Working For You publication, which would generate a saving of £0.245m in a full financial year. There is also an additional proposal to generate additional income estimated at £0.005m per annum and therefore the total budget reduction would be £0.250m. The proposal may incur redundancy costs which would be funded centrally.

Signed RO	01/02/2022
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Signed Finance	02/02/2022
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Report to the Policy Overview and Scrutiny Committee

Conservative Budget Amendment Proposals 2022/23

Portfolio Holder: Councillor D. Arnott

Officer Contact: Lee Walsh, Finance Manager

08 February 2022

Reason for Decision

The report presents to the Policy Overview and Scrutiny Committee the Conservative Group suggested amendments to the Administration's Budget proposals for 2022/23.

Executive Summary

The report presents to the Policy Overview and Scrutiny Committee a number of 2022/23 budget amendments in addition to those proposals already presented by the Administration to this Committee at its meeting on 27 January 2022.

This report proposes no general increase in Council Tax together with a freeze on the price of school meals until at least September 2023. These proposals are designed to support hard-pressed families deal with cost of living pressures caused by wholesale energy price increases and worldwide disruption to supply chains caused by the COVID-19 pandemic.

These proposed amendments to the Administration's 2022/23 budget proposals together with further investment in fly tipping enforcement will be financed from additional savings totalling £0.892m in 2022/23 which can be considered individually or collectively. It is also proposed that there is a partial reversal of the Administration's Development Fund proposals which will save £0.500m per annum. Finally, there will also be an additional contribution from reserves of £0.986m to support these proposals.

Recommendations

That the Policy Overview and Scrutiny Committee recommends that:

1. The proposal to implement no general increase in Council Tax, freeze the price of school meals until September 2023 and invest an additional £0.300m in fly tipping enforcement is commended to Cabinet.

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2. The Administration's proposal to spend an additional £0.300m per annum on District Partnership Working and £0.200m per annum on Customer Engagement is reversed; saving a total of £0.500m per annum.
 3. The savings proposals totalling £0.892m for 2022/23 set out at paragraphs 3.7 to 3.16 in the report together with a further contribution from reserves of £0.986m are commended to Cabinet.

Policy Overview and Scrutiny Committee

Conservative Group Budget Amendment Proposals 2022/23

1. Background

- 1.1 The Council is required by legislation to produce a balanced budget each financial year. Aside from the legal requirements, financial plans are important because they set out the financial management of the Council's policies and guide officers on the areas where they should prioritise resources.
- 1.2 In the current economic environment, it is becoming more challenging to deliver a balanced budget. With several Local Authorities having approached the Government for financial assistance or having issued Section 114 notices banning all non-essential spending, the safe stewardship of the Councils resources and supporting deliverable priorities has become ever more important.
- 1.3 The Conservatives have produced a series of budget amendments to revise key decisions set out by the Administration. The Administration's proposals do little to alleviate the cost of living pressures many families are facing; especially from higher gas and electricity bills as well as increases in the price of many other goods and services caused by worldwide supply chain disruption exacerbated by the COVID-19 pandemic.
- 1.4 In producing this budget amendment, the Conservatives are offering several common-sense savings proposals totalling £0.892m for 2022/23 and a partial reversal of the Administration's Development Fund investment proposals saving £0.500m per annum. This together with an additional contribution from reserves of £0.986m will allow the Council to reverse the 1.99% general increase in Council Tax proposed by the Administration. The Conservatives are also proposing to postpone the proposed 10p increase in school meal prices and will invest a further £0.300m to support enforcement activity to prevent fly tipping within the Borough.

2. Current Position

- 2.1 The context of the whole budget setting process remains overwhelmingly impacted by the legacy of the COVID-19 pandemic. Although the impact of the latest Omicron variant seems to be waning, the implications for service delivery; particularly Adults and Children's social care are likely to continue for many years to come. Nonetheless, that is why the Government is finally grappling with the issue of funding for social care; an issue ignored by many previous Governments for far too long. The proposals set out in the Adult Social Care Reform White Paper "People at the Heart of Care" sets out a 10-year vision for Adult Social Care and provides information on funding proposals that will be implemented over the next three years.
- 2.2 Whilst acknowledging that the Council also has to deal with the challenge of rising energy prices and the wider impact of supply chain disruption caused by the COVID-19 pandemic, the Conservatives believe the Council can do more to alleviate the cost of living pressures many local residents are facing. As the worldwide economy seeks to recover from the worst pandemic in more than 100 years, some level of disruption is inevitable. Unfortunately, this is manifesting itself in supply shortages in some key industries which is leading to higher price inflation, not just in the UK but also in other developed nations such as the United States. The Conservatives believe the Council should do more to mitigate the impact of inflation on local residents by freezing the level of Council Tax for general purposes and postponing the proposed increase in school meal prices.
- 2.3 The Administration has presented a series of savings proposals as part of the 2022/23 budget setting process which the Conservatives are taking as the starting point for the proposed

amendments set out in this report. The Conservatives recognise that, especially for the forthcoming budget, difficult choices need to be made to deliver a balanced budget that can be presented to Council. In doing so the Conservatives recognise the future savings required to reduce the future reliance on reserves as set out in the Medium Term Financial Strategy are a challenge but are assured at this stage the Council has appropriate plans in place to improve its long-term financial resilience reducing its reliance on one off reserves.

3. 2022/23 Proposals

3.1 The Conservatives propose a range of specific budget amendments to be considered this year. These are split into the following areas:

- Helping residents with cost of living pressures
- Additional Investment
- Development Fund Initiatives
- Budget Reduction proposals

Helping Residents with Cost of Living Pressures

3.2 The Conservatives proposal to implement no increase in Council Tax for General Purposes will reduce Council Tax revenue by £1.969m per annum from 2022/23. Whilst this means it is necessary to identify additional savings proposals to offset these revenue losses, the Conservatives believe the need to help local residents with cost of living pressures should be the overriding priority.

3.3 Similarly, the proposal to postpone the proposed 10p increase in school meals prices by 12 months to September 2023 will reduce fees and charges income by £0.109m per annum from 2022/23 and a further £0.045m per annum from 2023/24. Again, the Conservatives believe this is necessary to help hard-working families deal with cost of living pressures.

Additional Investment

3.4 The Conservatives believe more needs to be done to identify and prosecute those responsible for blighting our local areas through illegal waste disposal and fly tipping activities. We are therefore proposing to boost investment in fly tipping enforcement activity by £0.300m per annum.

Development Fund Initiatives

3.5 To help finance the proposals set out at paragraphs 3.2 to 3.4, the Conservatives recommend the reversal of two Development Fund investment initiatives proposed by the Administration which will reduce expenditure by a total of £0.500m per annum:

- District Partnership Working (£0.300m per annum)
- Improved Customer Engagement (£0.200m per annum)

3.6 Whilst the Conservatives recognise the importance of district partnership working and providing residents with appropriate access to services, we believe it would be more cost-effective to see how the existing Creating a Better Place Strategy, further investment in digital technology and Place-Based working impact on these service areas prior to committing to additional growth in revenue budgets over and above the resources these service areas already receive.

Budget Reduction Proposals

- 3.7 The Conservatives are proposing a range of budget reduction proposals which will reduce spend on non-essential services in order to help fund our priority of helping residents deal with cost of living pressures. An explanation of these savings proposals is provided below.

Inclusion of an Additional Vacancy Management factor within the budget estimates to achieve greater efficiency including limiting the present use of agency staff and consultants (£0.550m)

- 3.8 In a previous budget, the Administration has applied a vacancy factor at a rate of 1.5% to all mainstream employee budgets based on the assumption that some posts would become vacant or would be held vacant due to staff turnover.
- 3.9 To assist in reducing the number of agency staff and consultants used across the Council further, the Conservatives propose that a further vacancy factor of 0.75% is applied to all Council mainstream employee budgets. This would generate a saving of £0.550m. Whilst there is some risk with this proposal as it comes on top of the existing vacancy factor previously approved, it will need to be carefully managed to ensure delivery.

Reduction in the amount of stationery purchased across the authority (£0.010m)

- 3.10 The purchase of stationery is completed by individual teams across the organisation on an ad hoc basis which does not always ensure best value for money through economies of scale.
- 3.11 The purchase of stationery could be centralised in specific locations across the borough i.e. at the Civic Centre. This would ensure that better value for money was being achieved through increased understanding of which items are required, volumes etc. Also, the continuation of hybrid working arrangements (including homeworking) will further reduce demand for stationery as staff make more use of the digital alternatives that are available through Office 365 and similar software that is licensed for use by Council employees. As such, the Conservatives propose a budget reduction of £0.010m for 2022/23.

Reduction in car allowances and mileage budgets to reflect changes in work practices (£0.087m)

- 3.12 The Conservatives propose to reduce mileage budgets on a pro rata basis across the Council (excluding adult social care and children's social care). With the increase in Council employees working from home and the increase of Teams based meetings, the requirement to travel using a personal vehicle has reduced, which in turn should result in a saving for the Council.
- 3.13 With regard to staff classified as 'essential car users', a lump sum allowance of £500 is paid annually to this group of employees. Analysis undertaken previously indicates there are a number of employees who are claiming little or no mileage despite their role being designated that of an essential car user. The Conservatives believe that a review of the posts which attract essential car user status should be undertaken with the intention of removing the lump sum payment from posts where users routinely record zero, or very few miles.
- 3.14 The review of car allowances and mileage budgets would result in a £0.087m saving. Due to staff consultation requirements only a part year saving is reflected for 2022/23. A further saving of £0.013m should be achievable for 2023/24.

Reconsideration of Council priorities with regards to the Communications and Research Service (£0.245m)

- 3.15 Whilst the Administration has reviewed the Communications and Research service as part of its Design and Assurance work completed in previous years, the Conservatives feel that there is further scope in this area to reduce spend on this non statutory service and re-prioritise this to other areas.
- 3.16 As such, the Conservatives propose to redesign the Communications and Research team generating a total budget reduction of £0.245m in 2022/23. This reduction would be generated by halting production of the Borough Life magazine and disestablishing 5.18 FTE posts which may involve redundancies.

4. Items for Future Consideration

1) Advertising on Council Roundabouts, Car Parks and Verges

Many other Councils including neighbouring Bury Council generate additional income through sponsored signage on roundabouts, car parks and verges. Whilst it is appreciated there are legal, planning and highway safety issues to address as well as the need to provide up-front investment, the Conservatives believe this could provide an additional source of revenue to help address the challenge presented in the Administration's Medium Term Financial Strategy report. The Conservatives urge the administration to investigate the viability of this proposal

2) Review of Member Allowances

Whilst the level at which Member allowances are set is clearly a matter for the Independent Remuneration Panel, we would urge the panel to review the level of allowances paid for the positions of Deputy Executive Members (Cabinet) and District Executive Chairs to provide assurance that the allowances are commensurate with the responsibilities of these positions relative to other positions which attract an additional allowance over and above the basic allowance paid to all elected Members.

5. Summary of Proposals

- 5.1 Bringing together all of the proposals set out in section 3 of this report together with a contribution from reserves of £0.986m, a balanced position can be achieved without the Administration's proposed increase in Council Tax for general purposes. The proposals set out in this report are summarised at **Appendix One**.

6. Director of Finance Comments

- 6.1 I confirm in my role as Responsible Officer under Section 151 of the Local Government Act 1972 that the budget amendments as presented are robust and deliverable.
- 6.2 As it is an alternative set of budget options the opportunity for testing the risks associated with the proposals are more limited and it is therefore necessary to afford a level of caution in presenting these alternatives. The use of additional reserves to balance the budget is possible but it increases the budget challenge for 2023/24.

(Anne Ryans)

7. Options/Alternatives

7.1 With regard to the proposals set out in this report, the options available to the Policy Overview and Scrutiny Committee are to:

- Accept all of the recommendations of the report.
- Accept some of the recommendations of the report and reject others.
- Reject all of the recommendations of the report.

8. Preferred Option

8.1 The preferred option is that the Policy Overview and Scrutiny Committee accepts all of the recommendations.

9. Consultation

9.1 Service Directors and Heads of Service have been involved in compiling the proposals set out in this report.

10. Financial Implications

10.1 The financial implications are included within the report.

11. Legal Services Comments

11.1 There are no immediate legal issues arising from the report save that where the proposals involve a change to officer's employment terms and conditions, appropriate HR processes will need to be followed in accordance with the Council's policies and procedures.

12. Co-operative Agenda

12.1 The proposals included within this report have been considered in conjunction with the Council's Co-operative Agenda and there are no adverse impacts.

13. Human Resources Comments

13.1 The proposals included within this report are noted.

13.2 In response to workforce specific proposals, it is the HR and OD Service's view that the removal of car allowance, if treated as a standalone activity, is unlikely to align with work ongoing to determine future ways of working and this should therefore be incorporated into this wider workstream. Additional options with workforce implications will be assessed should they be approved and discharged in accordance with the organisation's policies and procedures.

14. Risk Assessments

14.1 The risks of deliverability have been considered and as it is an alternative set of budget proposals the opportunity for testing the risks associated with the proposals are more limited and as advised above, it is therefore necessary to afford a level of caution in presenting these alternatives.

14.2 In addition, whilst the budget is already being balanced by the use of one-off measures, increasing this still further increases the Councils financial challenge.

15. IT Implications

- 15.1 There are no specific IT requirements associated with the proposals that have not already been considered.

16. Property Implications

- 16.1 There are no specific property implications associated with the proposals set out in this report.

17. Procurement Implications

- 17.1 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.

18. Environmental and Health & Safety Implications

- 18.1 There are no adverse environmental or Health and Safety implications associated with the proposals.

19. Equality, community cohesion and crime implications

- 19.1 There are no adverse equality, community cohesion or crime implications associated with the proposals.

20. Equality Impact Assessment Completed

- 20.1 These are not required at the present time for these proposals.

21. Key Decision

- 21.1 No.

22. Key Decision Reference

- 22.1 Not a Key Decision.

23. Background Papers

- 23.1 The following is a list of 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 the Act:

File Ref: Background papers are contained in Appendix One
Officer Name: Lee Walsh, Finance Manager

24. Appendices

- 24.1 Appendix One: Summary of Amendments to the Administration's Revenue Budget Proposals.

Conservative Group

Summary of Amendments to the Administration's Revenue Budget Proposals

	2022/23 £000	2023/24 £000
<u>Budget Pressures - Foregone Income/Additional Costs</u>		
<u>Helping Residents with Cost of Living Pressures</u>		
No General Increase in Council Tax	1,969	
Postpone school meals price increase for 12 months	109	45
	2,078	45
<u>Additional Investment</u>		
Fly Tipping Enforcement	300	
Total Additional Budget Pressures	2,378	45

<u>Measures to Balance the Budget</u>		
<u>Reversal of Administration Development Fund Proposals</u>		
District Partnership Working	(300)	
Improved Customer Engagement	(200)	
	(500)	0
<u>Budget Reduction Proposals</u>		
Additional Vacancy Management Factor	(550)	
Stationery Budgets	(10)	
Car Allowances and Mileage Budgets	(87)	(13)
Marketing and Communications	(245)	
	(892)	(13)
Contribution from reserves required to maintain a balanced revenue budget position	(986)	(32)
Total Measures to Balance the Budget	(2,378)	(45)

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