

***CABINET
Agenda***

Date Monday 13 February 2023

Time 6.00 pm

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

MEMBERSHIP OF THE CABINET IS AS FOLLOWS:
Councillors Akhtar, Ali, Brownridge, Chadderton, Jabbar, Moores, Mushtaq,
Roberts and Taylor

Item No

- 5 Draft Minutes of the Policy Overview and Scrutiny Committee held on 26th January 2023 (Pages 1 - 16)
- 6 Draft Minutes of the Policy Overview and Scrutiny Committee held on 7th February 2023 (Pages 17 - 74)

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Present: Councillor McLaren (Chair)
Councillors Alyas, Dean, Harrison, C. Phythian, Wilkinson and
Williamson

Also in Attendance:

Mohon Ali	Cabinet Member for Education and Skills
Barbara Brownridge	Cabinet Member for Health and Social Care
Amanda Chadderton	Leader and Cabinet Member for Regeneration and Housing
Abdul Jabbar	Deputy Leader and Cabinet Member for Finance and Low Carbon
Shaid Mushtaq	Cabinet Member for Corporate Services
Hannah Roberts	Cabinet Member for Neighbourhoods
Elaine Taylor	Deputy Leader and Cabinet Member for Culture and Leisure
Paul Rogers	Constitutional Services
Anne Ryans	Director of Finance
Mark Stenson	Assistant Director of Finance
Bryn Cook	Head of Strategic Housing
Gerard Jones	Managing Director of Children and Young People

1 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Barnes.

2 **DECLARATIONS OF INTEREST**

Councillor Harrison declared a personal interest in Minute no.10 (BRI 612 Young Peoples Substance Misuse and Sexual Health Service) insofar as she was involved with the work of a particular company.

3 **URGENT BUSINESS**

There were no items of urgent business received.

4 **PUBLIC QUESTION TIME**

5 **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2022/23: MONTH 8 – NOVEMBER 2022**

Consideration was given to a report of the Director of Finance an update on the Council's 2022/23 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 30 November 2022 (Month 8) together with the revised capital programme 2022/23 to 2027/28, as outlined in section two of the report at Annex 2

The Cabinet Member for Finance and Low Carbon and the Director of Finance presented the report and addressed enquiries of the Committee.

With regard to the Revenue position, the forecast outturn position for 2022/23 is a projected deficit variance of £2.233m after allowing for approved and pending transfers to and from reserves. An operational deficit of £3.233m reduces by £1.000m with the anticipated effect of management actions and strengthened restrictions in relation to expenditure and recruitment. Whilst improving, it is recognised that this remains a challenging position and every effort will be made to reduce the overall variance before the year end.

The position includes additional costs and pressures that have been identified by the Authority in this financial year as a result of the lasting impact of the COVID-19 pandemic. There are currently two areas which continue to experience significant pressures attributed to the on-going impact of the pandemic; Community Health and Adult Social Care is reporting an adverse variance of £5.717m and Children's Social Care is recording £3.477m. These pressures are being offset against a corporate provision of £12.000m COVID-19 Legacy funding which was set aside during the 2022/23 budget setting process specifically to mitigate the on-going costs of the pandemic. The residual balance of £2.806m is being used to reduce the operational pressure. This will be monitored for the remainder of the financial year with action taken to address variances and take mitigating action as detailed in the report.

An update on the major issues driving the projections is detailed within Annex 1, Section 2.

The forecast pressure of £2.233m at Month 8 is a £2.219m reduction in the adverse position of £4.452m reported at quarter 2 and forecasts the impact of, as previously reported, the management actions that have been strengthened across all service areas to review and challenge planned expenditure, control recruitment and to maximise income. It is therefore anticipated that by the year end, the outturn deficit position should reduce further and that this will be demonstrated in the update report which will be presented to Cabinet at month 9.

Information on the Month 8 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report.

Against a generally improving position, the DSG is now forecasting an in-year surplus of £3.287m (£3.215m at quarter 2), which has reversed the deficit brought forward leaving a forecast year end surplus of £0.514m (£0.442m at quarter 2). Action will continue to be taken with the aim of mitigating cost pressures and delivering and maintaining a surplus position. To assist, Oldham has been invited by the Government to take part in the Delivering Better Value in SEND (Special Educational

Needs and Disabilities) Programme which will provide dedicated support for the SEND Review reforms to 55 Local Authorities with historical DSG deficit issues with the aim of putting the DSG of participating Authorities on a more financially sustainable footing.

There are currently no significant issues of concern in relation to the HRA.

The Collection Fund is forecasting an in-year surplus of £0.060m which in turn contributes to an estimated surplus of £4.179m being carried forward into 2023/24. The Collection Fund has been particularly volatile largely as a result of COVID-19. Whilst it is currently in a surplus position, it will continue to be closely monitored throughout the year as any surplus or deficit at the end of the financial year will have a direct budgetary impact in 2023/24.

In relation to the Capital position, the report outlines the most up to date capital spending position for 2022/23 to 2027/28 for approved schemes. The revised capital programme budget for 2022/23 is £59.113m at the close of month 8, a net decrease of £41.135 from the original budget of £100.248m. Actual expenditure to 30 September 2022 was £29.531m (49.96% of the forecast outturn).

It is likely that the forecast position will continue to change as the year draws to a close with additional re-profiling into future years.

In response to a query regarding the investment of Reserves, the Director of Finance informed Members that the Council's Reserves position of £85m puts the Council in a financially resilient position and that the Council's budget for 2022/23 and 2023/24 was robust.

RESOLVED: that the following be accepted and commended to Cabinet, the

1. Forecast revenue outturn for 2022/23 at Month 8 being a £2.233m adverse variance having regard to the action being taken to manage expenditure;
2. Forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund; and
3. Revised capital programme for 2022/23 and the forecast for the financial years to 2027/28 as at Month 8.

6

HOUSING REVENUE ACCOUNT ESTIMATES FOR 2023/24 TO 2027/28 AND PROPOSED OUTTURN FOR 2022/23

Consideration was given to a report of the Director of Finance which sets out for the Housing Revenue Account (HRA), the detailed budget estimates for 2023/24, the strategic estimates for the four years 2024/25 through to 2027/28 and outturn

estimate for 2022/23. The report also sets out the recommended dwelling, non-dwelling rents and service and concierge charges to be applied from April 2023.



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The report sets out the HRA 2023/24 proposed original budget and the forecast outturn for 2022/23. The opportunity is also taken to present the provisional strategic budgets for 2024/25 through to 2027/28. HRA activities are a key element of the Council's Housing Strategy (approved by Council on 10 July 2019) which aims to provide a diverse Oldham housing offer that is attractive and meets the needs of different sections of the population at different stages of their lives.

After taking all relevant issues into account, the projected financial position for 2022/23 is estimated to be a £1.796m positive variance when compared to the original budget forecast for 2022/23 approved at the Budget Council meeting, 2 March 2022. Of this variance, £0.570m is attributable to a lower than anticipated brought forward balance from 2021/22 with this being offset by £2.366m owing to the cessation of previously planned HRA funded capital schemes. The estimated balance at the end of 2022/23 is projected to be £22.279m.

The closing financial position for 2023/24 shows an estimated HRA closing balance of £20.852m which is sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2023/24 position has been presented after allowing for an increase in dwelling rents of 5%, an increase in non-dwelling rents in line with individual contracts, a nominal increase of 2% on service charges and the setting of Extra Care Housing concierge charges to fully recover costs.

In response to a question relating to the use of some of the Reserves to create more social housing. The Director of Finance and Head of Strategic Housing informed Members that there is a contribution to the capital scheme which is included which is reduced from that initially planned due to the impact of the proposed rent increase being below the level it would have applied if it had followed previous practice. However, the report does outline some initiatives which would include more social housing. One of these initiatives is to roll out the empty homes scheme where a pilot model scheme working with Homes England has been successful and the Council would be looking to expand that model with Homes England where matched funding would be required from the HRA reserves.

As part of the Autumn Statement, the Government announced plans to cap social housing rents at 7% for 2022/23. Previous policy guidance for the period 2020-2025 was that all rents were to be calculated based on a maximum of the Consumer Prices Index (CPI) rate at September of the preceding year plus 1%. The Department for Levelling Up, Communities and Housing (DLUHC) has since confirmed that due to the majority of Oldham's HRA estate being contained within two Private

Finance Initiative (PFI) schemes the Council is exempt from the social housing rent cap. Despite this Oldham Council recognise the impact on tenants that an 11.1% rent increase would bring. Therefore, Oldham's projections for the 2023/24 budget have been set assuming rental increases of just 5% which is 6.1% lower than if it were to follow the maximum uplift (September 2022 CPI rate being 10.1% plus 1%). The Council has opted to propose this reduced rate given the current healthy levels of HRA balances and the ongoing pressures, including inflation, on household incomes.

The financial projections for the HRA over the period 2022/23 to 2027/28 show an overall reduction in the level of balances from £21.721m at the start of 2022/23 to £16.253m at the end of 2027/28. HRA resources will be used to support several capital projects including the development of several sheltered housing sites and further works on green projects.

RESOLVED that the following be accepted and commended to Cabinet, the

1. Forecast HRA outturn for 2022/23 (as per Appendix A);
2. Proposed HRA budget for 2023/24 (as per Appendix B);
3. Strategic estimates for 2023/24 to 2027/28 (as per Appendix D)
4. Proposed increase to dwelling rents for all properties of 5%;
5. Proposed increase to non-dwelling rents as per individual contracts;
6. Proposal that service charges are increased by 2%; and
7. Proposal to set Extra Care Housing concierge charges to fully recover actual costs.

7 **REVENUE BUDGET 2023/24 AND 2024/25 AND MEDIUM TERM FINANCIAL STRATEGY 2023/24 TO 2027/28**

Consideration was given to a report of the Director of Finance which provide the Policy Overview and Scrutiny Committee with the budget reduction requirement and the Administration's budget proposals for 2023/24 and a forecast of the 2024/25 position having regard to the Provisional Local Government Finance Settlement (PLGFS) published on 19 December 2022. The report also presents the financial forecasts for the remainder of the Medium Term Financial Strategy (MTFS) period 2025/26, 2026/27 and 2027/28.

This report presents the Council's Revenue Budget for 2023/24 together with the budget reduction requirement and the Administration's budget proposals for 2023/24 including Council Tax intentions. It also provides a forecast of the 2024/25 position and the financial forecasts for the remainder of the MTFS period, 2025/26, 2026/27 and 2027/28. This report updates the financial position presented to Cabinet on 12 December 2022 using information from the Provisional Local Government Finance Settlement published on 19 December 2022 and the month 8 financial monitoring forecasts.

Having regard to the proposed increase in Council Tax of 3.99% in total (1.99% for general purposes and 2% for the Adult Social Care Precept), Section 17 presents the Administration's approach to balancing the budget for 2023/24 via the budget reduction process. There are a total of 45 proposals presented in accordance with Political Portfolios. These are expected to deliver savings totalling £16.313m and have an FTE impact of 7 in 2023/24. The proposals also have an impact on 2024/25 of £7.575m (and a further £1.135m in 2025/26). All the proposals are presented in summary at Appendix 5 and in detail at Appendix 6 to the report.

Assuming approval of the 2023/24 budget reduction proposals and taking into account the impact of one-off budget reduction proposals, the budget reduction requirement for 2023/24 reduces to £12.963m and 2024/25 to £10.670m. After contributions to and from reserves of £12.963m, the 2023/24 budget is balanced. After transfers to and from reserves, the remaining budget reduction requirement for 2024/25 increases to £10.801m. This sum of £10.801m will be reassessed during 2023/24 and addressed during the 2024/25 budget process.

The Committee examined the budget reduction proposals.

The Leader of the Council and Cabinet Member for Regeneration and Housing, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

COR-BR1-610 Resource review of Research and Engagement
COR-BR1-611 Realignment of Executive Assistants
PEG-BR1-606 Capitalisation of Transport officers
PEG-BR1-607 Increase capitalisation of staff time on regeneration projects

The Deputy Leader and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

COR-BR1-629 Reprofiting of the Minimum Revenue Position
COR-BR1-630 Service Inflation
COR-BR1-631 Finance Service Restructure
COR-BR1-632 Implementation auto processing/artificial intelligence
COR-BR1-633 PFI Insurance rebate/reduction in professional fees
COR-BR1-644 Improvement in the approach to Council Tax Administration and Council Tax Collection
COR-BR1-634 Procurement – Reduction in non-pay budgets

With regard to a question for clarification on Council Tax outstanding as at end of 2023, Members were informed that there was an expectancy to collect 94 per cent with approximately £7m in year arrears with every effort being made

to collect the maximum income. There is some use of external enforcement in this regard. Members noted that although collection agencies were much more professional in their work they are closely monitored where collection methods are concerned with any complaints being dealt with immediately.

The Deputy Leader of the Council and Cabinet Member for Culture and Leisure, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

COM-BR1-618 School Swimming Service
COM-BR1-619 OCL Sports Development School Coaching Service

The Leader of the Council, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance was in attendance to introduce the following proposals:

PEG-BR1-608 Employment and Enterprise – Economic Growth (Get Oldham Working)
PEG-BR1-609 Employment and Enterprise – Economic Growth (Investment)

The Cabinet Member for Education and Skills, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon, the Managing Director of Children and Young People and the Director of Finance were in attendance to introduce the following proposals:

CHS-BR1-603 Learning Services – School Improvement, School Support, Virtual School
CHS-BR1-604 Re-alignment of SEND Central Services & Support
CHS-BR1-605 School Support Services - Academisation

In response to questions, Members were informed that the SEND support team services would not be reduced and the funding for Looked After Children was sufficient.

The Cabinet Member for Health and Social Care the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

ASC-BR1-601 Adult Social Care - Direct Payments
ASC-BR1-602 Adult Social Care - Target Operating Model

Members were informed that the officers will endeavour reduce demand by intervening a lot earlier in the system to assess people and stop them getting into crisis and thus preventing extensive wrap around care

ASC-BR1-612	Sexual Health
ASC-BR1-613	NHS Health Checks
ASC-BR1-614	Public Health Budget
ASC-BR1-615	Young People's Substance Misuse & Sexual Health Service



Members were advised that although the service for BR1-612 and BR1-615 was being split up, the level of service for both areas will not change.

The Cabinet Member for Corporate Services, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

COR-BR1-620	Human Resources and Organisational Development Service Restructure
COR-BR1-621	MS Licences migration to cheaper licences for some staff
COR-BR1-622	MS Licences Improved Starter / Leaver Process
COR-BR1-623	Reduced Call Handling in Contact Centre
COR-BR1-624	Reduction in Customer and Digital Experience
COR-BR1-625	Applications Portfolio Management
COR-BR1-626	Review of CDTT Operating Model including ICT
COR-BR1-627	CDTT operating model review and implementation of Transformation changes
COR-BR1-617	Cease the Provision of a Meal prior to Council Meetings
COR-BR1-628	Democratic Services Review:

The Cabinet Member for Neighbourhoods, the Deputy Leader of the Council and Cabinet Member for Finance and Low Carbon and the Director of Finance were in attendance to introduce the following proposals:

COM-BR1-616	Reduction in Councillor Ward budgets
PEG-BR1-635	Reshape Bonfire Event
PEG-BR1-636	Don't Trash Oldham Betterment Programme
PEG-BR1-637	Refocus fly-tipping enforcement activity – Don't Trash Oldham
PEG-BR1-638	Increase Fees in Cemeteries and Crematoria Service
PEG-BR1-639	Increase Fees for Community Pitch Hire
PEG-BR1-640	Develop Building Control shared response with other Local Authorities
PEG-BR1-641	Income Generation – Trade Waste
PEG-BR1-642	Variable Lighting Strategy
PEG-BR1-643	Review Options for Future of Remaining Glasshouse Provision

Referring to a question regarding the reduction in Ward budgets, Members were informed that the Council was in a difficult financial position and that this reduction was preferable over

some of the other possible budget reduction choices.

With reference to Fees and Charges Members were advised that some Fees and Charges have been increased while some have been absorbed. School Meals and Pest Control were exceptions and had not been increased.



RESOLVED that the Policy Overview and Scrutiny Committee accepted and commended the following to Cabinet:

1. The policy landscape and context in which the Council is setting its revenue budget for 2023/24;
2. The financial forecasts for 2023/24 and 2024/25 having regard to the Provisional Local Government Finance Settlement and associated funding announcements;
3. Revisions to Budget Reductions approved in 2021/22 and 2022/23 resulting in a value of £3.655m for 2023/24 and £5.700m for 2024/25.
4. The Flexible Use of Capital Receipts at a value of £2.600m for 2023/24 and 2024/25;
5. A proposed overall 2023/24 Council Tax increase of 3.99% for Oldham Council (1.99% for general purposes and 2% Adult Social Care Precept) resulting in the charges set out at Table 15 of the report;
6. The 2023/24 Budget Reduction proposals at a value of £16.313m with a further £7.575m for 2024/25 and £1.135m for 2025/26;
7. The proposed use of £14.008m of reserves to balance the 2023/24 budget and a transfer to reserves of £1.045m for Retained Business Rates;
8. The proposal to draw on the Collection Fund for major preceptors of £128.374m for Borough Wide services and £108.995m for Council services (subject to confirmation);
9. The proposed net revenue budget for 2023/24 for the Council set at £287.027m;
10. The proposed fees and charges as set out in the schedule included at Appendix 10;
11. The proposed revisions to the Council Tax Empty Property Discount (paragraph 12.37) and Council Tax Empty Property Premium (paragraph 12.39);
12. The level of balances supporting the 2023/24 budget of £20.012m underpinned by the agreed policy on Earmarked Reserves;
13. The draft pay policy statement included at Appendix 13; and
14. The delegation to the Cabinet Member for Finance and Low Carbon and the Director of Finance to make a final decision on the feasibility of a pensions pre-payment if it represents value for money to the Council (Section 8.2-o).

COUNCIL TAX REDUCTION SCHEME 2023/24



Consideration was given to a report of the Director of Finance which presented the proposed Council Tax Reduction Scheme for 2023/24 for scrutiny prior to its consideration by Cabinet and recommendation to full Council on 1 March 2023.

Members will recall that there is a requirement to have a local Council Tax Reduction (CTR) scheme to support residents of working age on a low income who qualify for assistance in paying Council Tax. The Local Government Finance Act 2012 places a requirement that each year a Billing Authority must consider whether to revise its Council Tax Reduction scheme or to replace it with another scheme. Any change to the 2023/24 scheme must be agreed by full Council in line with budget setting and no later than 10 March 2023. For Oldham, this requires the Council to agree a revised 2023/24 scheme at the 1 March 2023 Council meeting. Any proposed change must be subject to prior consultation with the major preceptors (for Oldham this is the Greater Manchester Combined Authority), and with the public. The scheme for those of pensionable age is set by the Government and cannot be changed. The Committee will need to consider whether it is appropriate to change the CTR scheme and as a consequence undertake a major consultation, which would be very time constrained. The Council has provided further relief to CTR claimants via the Household Support Fund, its response to the Cost of Living Crisis, together with other initiatives funded from Council resources. In addition, announced within the Provisional Local Government Finance Settlement on 19 December 2022 was a new Council Tax Support Fund of £100m nationally for 2023/24. The Government expects Local Authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with Council Tax bills and a local scheme will be prepared to ensure the maximum benefit to Oldham residents. On 23 December 2022 it was announced that Oldham's allocation for this ringfenced grant is £0.573m.

A major consultation exercise undertaken at this point would risk deflecting attention from the successful delivery of other initiatives. Furthermore, the full roll out of Universal Credit (UC) is not yet completed and this adds further uncertainty when assessing the likely impact of changes to CTR relief. The Government has recently delayed the full UC roll out to 2028, but as Oldham was a pilot Authority for the scheme, the movement to the new regime within the borough is more advanced than many other areas.

Options considered in this report are leaving the scheme unchanged, increasing the maximum relief by 2.5% and reducing maximum relief by 2.5%. A 2.5% change in the relief impacts the overall Council tax collected by some £0.356m but has a marginal impact upon CTR claimants (increasing/reducing the benefit per resident by £0.03 per week).

In view of the continued uncertainty concerning Universal Credit and the marginal impact of any practical change to the CTR scheme at this stage, it is recommended that the Council maintains the current CTR scheme during 2023/24. This will provide continuity about entitlement to those residents on the lowest incomes and allow time for the impact of the roll out of UC to become clearer.

Members noted that the numbers of CTR claimants and consequently figures included in the report will change as the financial year progresses and will be updated accordingly in advance of the Council meeting on 1 March 2023.

RESOLVED that the Council Tax Reduction Scheme be unchanged for 2023/24 and therefore be commended to Cabinet.

9

CAPITAL STRATEGY AND CAPITAL PROGRAMME 2023/24 TO 2027/28

Consideration was given to a report of the Director of Finance which sets out the Capital Strategy for 2023/24 to 2027/28 and thereby the proposed 2023/24 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2024/25 to 2027/28, having regard to the resources available over the life of the programme.

The Council's Capital Strategy and capital programme are set over a five year timeframe. The proposed Capital Strategy and programme for 2023/24 to 2027/28 takes the essential elements of the 2022/23 to 2026/27 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2023/24. The Strategy does however include a longer-term vision, a forward look at those projects that are likely to run beyond the five year strategy and programme period or be initiated subsequently. This covers a timeframe for the 10 years from 2028/29 to 2037/38. The format of the Capital Strategy reflects the requirements of the latest Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The strategy therefore presents:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how the associated risk is managed; and
- The implications for future financial sustainability.

The Capital Strategy is presented at Appendix 1. It is prepared in 15 sections and ensures that Members are presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The sections are:

1. Aims of the Capital Strategy and its links to the Council's Corporate Plan and the Oldham Plan (Our Future Oldham), Creating a Better Place (CaBP) Programme, Medium Term Property Strategy (MTPS), Housing Strategy (HS) and Budget and Policy Framework
2. The Principles of the Capital Strategy
3. Priority Areas for Investment
4. Supporting Greater Manchester Devolution and Accessing Levelling Up, UK Shared Prosperity Fund (UKSPF) and Decarbonisation Resources
5. Affordability, Delivery and Risk Associated with the Capital Strategy
6. Knowledge and Skills
7. Treasury Management
8. Long Term Loans
9. Other Non-Treasury Investments
10. Capital Resources to Support Capital Expenditure
11. Capital Investment and Disposal Appraisal
12. The Prioritisation of Capital Requirements
13. The Procurement of Capital Projects
14. The Measurement of the Performance of the Capital Programme
15. The Capital Investment Programme Board (CIPB)

The Strategy is aligned with the Creating a Better Place programme which is focused on building more homes for the borough's residents, creating new jobs through regeneration and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go. This also incorporates the Medium-Term Property Strategy and Housing Strategy and aims to deliver its ambition in ways that contribute to a reduction in carbon emissions in support of the Council's Green New Deal strategy.

Section 1 of the Capital Strategy highlights the aims of the Capital Strategy and its links to the Council's Corporate Plan and the Oldham Plan (Our Future Oldham). This section of the report also describes more fully the Creating a Better Place programme (encompassing the Medium-Term Property Strategy and Housing Strategy) which is a significant element of the Council's planned Capital Expenditure over the five-year period 2023/24 to 2027/28.

Annex C of Appendix 1 sets out the proposed capital expenditure and financing for the period covered by the Capital Strategy, 2023/24 to 2027/28

The Strategy also advises that the Council is proposing to continue the use the flexibility provided by the Government to use capital receipts to fund the revenue cost of transformation. The 2023/24 revenue budget will rely on up to £2.600m of such funding from capital receipts.

Capital Programme 2022/23 to 2026/27



The 2022/23 month 8 capital monitoring position presented alongside this report includes expenditure projections that are a key determinant of the 2023/24 programme. As many schemes span more than one year, the anticipated level of reprofiling between years sets the underlying position.

The projected outturn spending position for 2022/23 is £59.113m. The People and Place Directorate which manages all of the major regeneration projects, constitutes the main area of expenditure. Grants and Other Contributions (£37.327m) followed by Prudential Borrowing provide the main source of financing (£15.533m).

Actual expenditure to 30 November 2022 was £29.531m (49.96% of the forecast outturn). This spending profile is in line with that in previous years, however the position will be kept under review and budgets will continue to be managed in accordance with forecasts.

Capital Programme 2023/24 to 2027/28

The Council has set out its capital programme for the period 2023/24 to 2027/28 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy have been influenced by the level of resources considered available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval.

As at the month 8 capital monitoring position, the anticipated expenditure over the five year life of the 2022/23 to 2026/27 strategy was £354.898m, taking 2022/23 aside (£59.113m) leaves £295.785m for the remainder of the approved 2023/24 to 2026/27 capital programme. Following the refresh of existing strategies and the Creating a Better Place programme, and moving forward the planning period by one year, the Capital Strategy for 2023/24 to 2027/28 totals £300.335m.

The capital programme includes proposed expenditure for 2023/24 of £96.509m of which £71.148m, is the largest area of expenditure being on regeneration, schools, transport and infrastructure projects within Place and Economic Growth Directorate. Total expenditure increases/decrease to £98.838m, £44.872m, £55.562m and £4.554m in 2024/25, 2025/26, 2026/27 and 2027/28 respectively.

Resources Available to Support the Capital Programme

The Government is continuing to provide significant levels of grant funding. The main sources of grant income are the Towns

Fund at £11.266m, along with Education-related Basic Need Capital grant provision of £4.662m over the life of the programme. There are also considerable resources allocated to the Council via the Greater Manchester Combined Authority (GMCA) including the Mayors Cycling and Walking Challenge Fund (£10.232m) and estimated Local Transport Programme - Highway Maintenance Grant totals £17.968m over the strategy period.

The grant funding provided by Government can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 10 of the Capital Strategy. The majority of capital Government Grant funding is un-ringfenced. Resources classified as ringfenced have to be utilised to finance particular categories of expenditure and therefore are restricted in their use. The 2023/24 capital programme relies on £18.668m of ringfenced and £10.853m of un-ringfenced grants.

As in previous years, a major source of financing remains prudential borrowing. The amount required in 2023/24 (£59.041m) includes borrowing attributed to schemes that have slipped from prior years as well as new borrowing associated with the regeneration programme. The timing of the borrowing is linked to the cash position of the Council and may therefore not mirror the spending/financing profile set out above.

On-going Review of the Capital Programme

There will be a continued review of capital spending requirements as the Council has further regeneration ambitions, but affordability and deliverability will be a key consideration in this regard. It is, however, possible that the capital position may change prior to the start of 2023/24 and during the year as:

- The outcome of specific grant bids may be announced during the last quarter of 2022/23.
- The outcome of specific grant bids will be announced during 2023/24.
- It is also likely that there will be new initiatives announced in 2023/24.
- There may also be the opportunity to bid for additional funding.
- The Council may identify other funding sources, including capital receipts, to finance additional capital expenditure.

Therefore, the overall capital programme position will be kept under review and any new information regarding funding allocations will be presented to Members in future reports.

Members were informed that the Strategy itself sets out how the Council's Capital Expenditure and Capital financing and Treasury Management will contribute to the provision of services and also incorporates an overview of how risk is managed because in the context of the planned expenditure there is always an element of risk.

Referring to a question, Members were informed that the Council was still awaiting feedback on any further opportunities to progress schemes in relation to the Towns Fund bid that was not successful.

RESOLVED that the following be accepted and commended to Cabinet

- i) The Capital Strategy for 2023/24 to 2027/28 at Appendix 1 of this report and summarised at section 2.1;
- ii) The capital programme for 2023/24 and indicative programmes for 2024/25 to 2027/28 at Annex C of Appendix 1 and summarised at sections 2.2 to 2.6 of this report; and
- iii) The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1.

10

TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

Consideration was given to a report of the Director of Finance which present to Policy Overview and Scrutiny Committee, the strategy for 2023/24 Treasury Management activities including the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

The report outlines the Treasury Management Strategy for 2023/24 including the Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

The Council is required through regulations supporting the Local Government Act 2003 to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. It is also required to produce an annual Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out the Council's policies for managing its investments and for giving priority to security and liquidity of those investments.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2021 (the Code) also requires the receipt by full Council of a Treasury Management Strategy Statement.

The Strategy for 2023/24 covers two main areas.

1) Capital Issues:

- The Capital expenditure plans and the associated Prudential Indicators
- The Minimum Revenue Provision (MRP) Policy Statement 2)

2) Treasury Management Issues:

- The Current Treasury Position
- Treasury Indicators which limit the treasury risk and activities of the Council
- Prospects for Interest Rates
- The Borrowing Strategy
- The Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Investment Strategy
- The Creditworthiness Policy
- The Policy regarding the use of external service providers.

The report therefore outlines the implications and key factors in relation to each of the above Capital and Treasury Management issues and makes recommendations with regard to the Treasury Management Strategy for 2023/24.

The report includes the most recently available economic background commentary which reflects the position at 22 December 2022.

The Treasury Management Strategy was considered by the Audit Committee on 16 January 2023 as it is the body charged with reviewing Treasury Management reports and making recommendations to the responsible body (i.e., Council). The Audit Committee was content to recommend the report to Cabinet and Council for approval.

The proposed Treasury Management Strategy was presented to the Policy Overview and Scrutiny Committee to enable scrutiny of the report so that any comments may be incorporated into the report before it is considered by Cabinet on 13 February 2023 and Council on 1 March 2023.

RESOLVED that the following be accepted and commended to Cabinet

1. Capital Expenditure Estimates as per paragraph 2.1.2;
2. MRP policy and method of calculation as per Appendix 1;
3. Capital Financing Requirement (CFR) Projections as per paragraph 2.2.3;
4. Projected treasury position as at 31 March 2023 as per paragraph 2.4.3;
5. Treasury Limits as per section 2.5;
6. Borrowing Strategy for 2023/24 as per section 2.7;
7. Annual Investment Strategy as per section 2.11 including risk Management and the creditworthiness policy at section 2.12; and
8. Level of investment in specified and non-specified investments detailed at Appendix 5

The meeting started at 6.00 am and ended at 7.50 pm



Present: Councillor McLaren (Chair)
Councillors Alyas, Barnes, Dean, Harrison, C. Phythian,
Wilkinson and Williamson

Also in Attendance:

Cllr Chris Gloster	Deputy Leader of the Liberal Democrats and Shadow Cabinet Member for Finance and Low Carbon
Andy Cooper	Senior Finance Manager
Cllr Max Woodvine	Deputy Leader of the Conservative Group and the Shadow Cabinet Member for Finance and Low Carbon
Cllr Luke Lancaster	Conservative Member
Chris Kelsall	Assistant Director of Finance
Paul Rogers	Constitutional Services
Anne Ryans	Director of Finance
Mark Stenson	Assistant Director of Finance

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2 **DECLARATIONS OF INTEREST**

There were declarations of interest.

3 **URGENT BUSINESS**

There were no items of urgent business received.

4 **PUBLIC QUESTION TIME**

There were no public questions received

5 **LIBERAL DEMOCRATS BUDGET AMENDMENT PROPOSALS 2023/24**

Consideration was given to a report outlining the Liberal Democrat Budget Amendment Proposals 2023/24 which presented to the Policy Overview and Scrutiny Committee, the Liberal Democrats suggested amendments to the Administration's Budget proposals for 2023/24 and offered some forward-looking proposals to achieve savings in future years.

The Deputy Leader of the Liberal Democrats and Shadow Cabinet Member for Finance and Low Carbon, Councillor Chris Gloster presented the report.

The report identified additional savings totalling £0.921m in 2023/24, £0.942m in 2024/25 and £0.278m in 2025/26 which could be considered individually or collectively. Also identified were initial investments to 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 to the report. Business Cases for the individual budget reductions can be found at Appendix B to the report.

OPP- BR1-201- Additional Vacancy Management Factor

An assurance was requested that vital services for residents and indeed some of the key professional oriented services of the Council will not be impacted by these proposals taking into account the budget proposals already being put forward.

Councillor Chris Gloster informed the Committee that no negative responses had been received to their proposals as shown on BR1-201. He informed Members that the proposals had been costed and are workable with safeguards. With regard to specific vacancies to deliver the budget reduction, there were numerous vacancies throughout the Council. He referred to Building Control where vacancies meant that agency staff were being utilised which was very expensive.

Reinstate Parish Council Grant Funding - Paragraph 3.14 refers

Given that only a quarter of the Borough falls within the remit of a Parish Council, the disproportionate nature of the investment of £30,000 to assist Parish Councils in their community work was raised. Such investment was considered unfair as some parts of the Borough do not have Parish Councils nor do they have the ability to create a Parish Council.

Councillor Chris Gloster informed Members that the proposal was phased over 2 years and as the Council and Administration are facing financial challenges then it falls on the community and Parish Councils to be responsible for undertaking work that cannot be carried out by this Council.

OPP-BR1-204 – Reduction in Training Budget

A challenge to the proposal was made. It was suggested that the Council, given the particular pressures being faced by all services, needs to invest in the workforce particularly as there will be forthcoming changes to Local Government functions. Therefore, this budget reduction would have a compound effect on an existing reduction in the training budget and will have a negative impact on the workforce and future ability to recruit.

Councillor Chris Gloster informed the Committee that training can, given modern technology, be provided in different ways, e.g., on-line/teams calls and therefore there is scope for further reductions in this area.

OPP-BR1-202/203 - Mileage Budgets/Car Allowances Review



Oldham
Council

Reference was made to the need for a review of car allowances.

Councillor Chris Gloster informed the Committee that there is a projected underspend of £144,000 in this financial year with regard to car allowances and the proposal represents a reduction of one third of that sum. He informed the Committee that a review of Essential Users is necessary to ensure that the right people get the allowance and that there may be scope for further change when the review takes place.

OPP-BR1-206 External Placement Cost Avoidance

Concerns were expressed about this proposal with regard to the need to explore all aspects of bringing an additional 4 children back into the borough. Children had been placed externally because of a need for specific care which cannot be provided in the Borough. Also, in some instances, these placements are made to distance children from problems in the Borough. It might be that the expertise that is available in the External facilities may have to be brought into the Borough in the future resulting in initial additional costs.

Councillor Chris Gloster informed Members that all factors had been taken into account and made reference to the costings shown in BR1-206. He advised that it is an achievable target and pays for itself.

Members were informed that reducing the demand for expert external help by creating internal capacity is currently being proposed in the already approved investment in Children's Social Care.

It was suggested by a Member that as the Administration already has an agreed investment £14.7m in Children's Services including the increased use of foster carers, then the use of foster carers would be a better approach.

Councillor Chris Gloster informed the Committee that there is a shortage of foster carers so there is a need for different types of care, temporary or permanent. Currently this Council uses external units.

Resolved: That the Committee referred the Liberal Democrat revenue and capital budget reduction and investment proposals to Cabinet for consideration mindful of the issues highlighted by the questions/comments raised by the scrutiny process.

6

CONSERVATIVE BUDGET AMENDMENT PROPOSALS 2023/24

Consideration was given to a report on the Conservative Budget Amendment Proposals 2023/24 which presented to the

Committee a series of amendments in addition to those proposals already presented by the Administration to the Scrutiny Committee on the 2023/24 Budget.



Deputy Leader of the Conservative Group and the Shadow Cabinet Member for Finance and Low Carbon Councillor Woodvine presented the report.

Councillor Woodvine advised that the report proposed, for the second consecutive year, a freeze in Council Tax for General Purposes. He also advised that while the Conservatives in Opposition do support spending on Adult Social Care across the Borough, they do not support some of the Administration's policy priorities.

The proposed amendments to the Administration's 2023/24 Budget contained in this Report take into consideration the international situations such as the Russo-Ukrainian War, the United Kingdom's (U.K.) withdrawal from the European Union (EU), and the Covid-19 pandemic that have made the financial situation for all Local Authorities worse than in previous times. While the Conservative Group understood and appreciated the difficulties so many Councils are facing, financially, they do believe further economies could be made in Oldham.

The Conservative Group also believes the generous Local Government settlement set out by the U.K. Government in Westminster had improved the financial situation very positively. In addition, thanks to the investment from His Majesty's Government in the form of the Household Support Fund Grant and the Council Tax Support Fund, which have eased the burden for families and individuals experiencing cost-of-living pressures, the Conservative Group proposes to replenish reserves by discontinuing the Administration's plans to replicate the same service covered by these grants.

Also taken into consideration during the production of the proposed amendments in the report are the parameters in which Oldham Council have to work within. That is, direction set by His Majesty's Government, in policy areas such as Education, and the strategic oversight of the Greater Manchester Combined Authority across the Metropolitan County. The main purpose of the proposals in the report ensure that the people living in Oldham do not have to pay a penny more as they compete with the pressures of the cost-of-living situation. The priority of the Conservative Group at this time is to keep taxation at the lowest possible level.

The proposals, while making further Budget reductions, do not directly impact any of the Council's statutory services and residents should not feel any direct result of them – that has been the priority of the Conservative Group. The Conservatives in Opposition are retaining resource in statutory services, which residents expect to be delivered well, but asking this Council to feel the pinch for itself and giving residents much-needed relief in freezing Council Tax in these inflationary times.

The Conservative Group consider this is achievable through significant savings proposals identified within two years which will reduce the Council's base budget requirement by over £3m on an annual basis (of which £2.748m will be delivered in 2023/24). This includes a partial reversal of the Administration's response to the cost of living pressures, which will save some £1.290m in 2023/24. These savings will enable a reduction in the ruling Administration's proposed use of reserves of some £0.662m in 2023/24 (and a further £0.345m in 2024/25). This increased financial resilience can be used to reduce Council Tax increases in future years.

OPP-BR1-302- Discontinuation of District Partnerships

In response to a question, Councillor Woodvine, informed the Committee that this was expenditure which is currently spent on staff and is considered to be an ineffective use of Council money. He made reference to details of the proposal at paragraphs 3.11 – 3.15 in the report. He felt that Councillors should take over the direct responsibility to carry out the work of the District Partnerships and this would prove better value for money. In presenting this budget proposal, the Conservatives did not believe it would have an adverse impact on the community.

One Member felt that whilst they agreed in part with the proposals there was an element where responses to individuals would be impacted by the abolition of all District Partnership working.

A Member suggested that removing Ward Councillor budgets will have a negative impact on small projects which Councillors would support to the extent that the projects would not be possible in the future.

Members were reminded that the Council has moved into Place Based Working and the District Partnerships, in particular, with the coordinator are essential to take forward the Place Based operating model. It was therefore considered that this will save the Council a significant amount of money in bringing services together locally and by those services being integrated. Reference was made to the Youth Involvement Officer who has brought in significant external funds by working with Councillors and assisted the voluntary sector prepare funding bids. These would all be lost. How would these funds be replaced?

Councillor Woodvine responded and informed the Committee that the Conservatives do not believe the District Partnerships are effective and the £1.6m is a straightforward way of economising.

The Chair requested detail of how the District Partnership functions will be allocated amongst the workforce. He was of the view that if volunteer groups are utilised, they will need support in delivering projects and how will that be addressed?

Councillor Woodvine informed Members that the Conservatives see the primary functions as Case Work and Coordination. Case Work can be done by direct liaison between elected Members and staff in respective Directorates. Elected Members will work in all areas including doing case work and coordination. Voluntary Groups will not have these responsibilities.

OPP-BR1-301 Reduction in Executive Management costs through deletion of posts

Concern was expressed at this proposal. A Member asked whether a workload study been carried out and how would the work that these officers undertake be allocated including the delivery of Strategic Change?

Councillor Woodvine informed the Committee that the work would be allocated to the Directors. There would be no reduction in the accountability as this would be taken on at Director level and Directors would be accountable to the Chief Executive. No workload assessment had been undertaken at this stage.

Freezing Council Tax

A Member suggested that freezing Council Tax will have a negative impact on some Statutory and some Non-Statutory services which are necessary for the people of Oldham. Vulnerable people need direct support, people need the support of the Welfare Rights Service which will be impacted.

Part of the recent national finance settlement and the Government expectation that Council Tax increases would be maximised was highlighted by a Member.

In response, the point was made that whilst Council Tax increase maximisation maybe national government policy, the proposal was a local decision.

The Committee was informed that the Council Tax freeze for General Purposes will help people keep more of their income and give some financial benefit in the light of the cost of living pressures. The freeze would be for one year after which it would be reviewed. It was emphasised that the Conservative reductions are in addition to the proposals which have already been suggested by the Administration which will impact on the community.

Cost of Living Initiative

A Member asked, when referring to the provision of some elements of the Cost of Living Initiative while it's being wound down, which aspects of the scheme would this money support and how would the priorities be determined?

Councillor Woodvine informed the Committee that the elements to be continued were those aspects that have already been

committed by the Administration. The whole initiative would be ceased in the next financial year.

A Member highlighted that the current £3m initiative is to help people in the economic crisis and a significant number of people have benefitted substantially from this. It was suggested that by proceeding with the proposal to freeze Council Tax, it would benefit people around 10-20p a week.

Councillor Woodvine informed the Committee that all householders would have more money in their pockets without the Council Tax increase. £3m will not tackle the cost of living problems completely. He believed that £3m is targeted ineffectively.

Resolved: That the Committee did not accept the Conservative Party budget reduction proposals and did not commend them to Cabinet.

7 **POLICY OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2022/23**

The Committee considered its Work Programme for 2022/23.

Resolved:

That the Policy Overview and Scrutiny Committee Work Programme for 2022/23 be noted.

8 **KEY DECISION DOCUMENT**

The Committee reviewed the Key Decision Notice which provided an opportunity for the identification of items or policy or service developments, not otherwise listed on the Committee Work Programme.

Resolved:

That the report and the Key Decision Notice be noted.

The meeting started at 6.00 pm and ended at 7.20 pm

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Report to the Policy Overview and Scrutiny Committee

Liberal Democrats Budget Amendment Proposals 2023/24

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

07 February 2023

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 2023/24 and offers some forward-looking proposals to achieve savings in future years.

Executive Summary

The report presents to the Committee a number of 2023/24 budget amendments in addition to those proposals already presented by the Administration to this Select Committee at its meeting on 26 January 2023.

This report identifies additional savings totalling £0.921m in 2023/24, £0.942m in 2024/25 and £0.278m in 2025/26 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 considers and recommends that:

1. The Investment and Savings proposals for 2023/24 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 2023/24

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 with the Chief Executive describing setting the budget for 2023/24 as the most challenging budget round the Council has faced for a significant number of years. There are a number of Local Authorities in discussion with and/ or have Inspectors appointed by the Department of Levelling Up, Housing and Communities with regard to their long-term financial sustainability. During the 2022/23 financial year both Thurrock and Croydon Councils have issued Section 114 notices highlighting extreme financial pressures. Alongside Slough Borough Council who issued a Section 114 Notice in a previous financial year, the financial position of these three Authorities is likely to be very challenging for the foreseeable future.
- 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 these budget amendments, 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 whilst providing support for the most vulnerable members of our community during this cost of living crisis.
- 1.5 In preparing the Opposition Budget, the Liberal Democrats would like the Committee, once again, 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 influenced by the legacy of COVID-19. The sustained impact of the pandemic together with the removal of on-going general grant support for COVID-19 by Central Government is having a profound and far-reaching impact on the Council in terms of service delivery.
- 2.2 Macro and micro economic factors together with global events have also contributed to the challenge of setting a balanced budget, these include:
 - Inflation; the Consumer Prices Index (CPI) for December 2022 was 10.5%, almost double the 5.4% recorded at the same point 12 months earlier
 - Increases in interest rates
 - The impact of Brexit - affecting trade arrangements with countries which remain within the European Union
 - The war between Russia and Ukraine
 - Central Government policy changes

-
- 2.3 Considering these factors and existing budget constraints, the Administration has presented a series of savings proposals as part of the 2023/24 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 2023/24. In doing so the Liberal Democrats recognise the future savings required to reduce the continued reliance on reserves as set out in the Medium-Term Financial Strategy are a challenge. Each year the Council continues to utilise reserves to balance the budget which has a negative effect for future years however we are assured at this stage that the Council has appropriate plans in place to improve its long-term financial resilience reducing its reliance on one off resources.
- 2.4 The proposal by the Administration to increase Oldham Council's element of Council Tax by 1.99% for 2023/24 as well as a 2% increase for the Adult Social Care Precept; 3.99% in total, which is 1% less than the permitted maximum expected by Central Government is accepted by the Liberal Democrats. Whilst acknowledging that a 3.99% Council Tax increase will be challenging for the Residents of the Borough in the middle of a cost of living crisis, it is important to note that the spending power of the Council in terms of Central Government support for Local Authorities is predicated on Councils levying the maximum permissible increase of 4.99%. In this way an increase that is anything lower than the currently proposed 3.99% will seriously restrict the Council in its ability to support and provide the necessary services to the Residents of the Borough, in particular the provision of non-statutory services that provide direct support to the most vulnerable citizens; potentially including but not limited to cost of living initiatives, the provision of welfare rights, support and inclusion services as well as community and outreach services.
- 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 are 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. 2023/24 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 2023/24 to 2027/28
 - 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 2023/24 to 2027/28

- 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 social deprivation for residents, improving safety, regenerating the borough and supporting vulnerable children. Further details of these proposals are included below with a summary shown in Table 1.

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

- 3.4 The investment builds on what has been a 'cornerstone' Liberal Democrat priority over a number of years. Proposed expenditure of £2.000m; £1.000m in each of 2023/24 and 2024/25 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

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

Local Traffic Safety Schemes

- 3.6 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 paragraphs 3.16 to 3.18.

Roads

- 3.7 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

- 3.8 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.

B - Create a specific investment fund for the Borough's Public Rights of Way

- 3.9 The proposal is to create a specific fund to remediate and invest in the public rights of way throughout the Borough: £0.200m in total allocated evenly between 2023/24 and 2024/25. 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 whilst complementing the GM Cycling and Walking Bee Networks initiative.

C - Create a specific investment fund to develop and improve Recreational and Green Spaces

- 3.10 It is proposed that capital resources of £0.850m are invested in projects to promote recreation and enhance green spaces in 2023/24.

D – Increase internal placement sufficiency within Children’s Social Care

- 3.11 To build on the current Children’s Social Care Investment Programme by creating more internal residential placement capacity placement. The proposal is to establish a second, four bed, Council owned and managed residential home to provide residential care for Children Looked After (CLA) who would otherwise be placed in an expensive external placement, most likely outside of the Borough. The capital investment required is £0.500m to enable the purchase of a suitable property and make the necessary adaptations. The revenue consequences in terms of cost and cost reduction are dealt with in Sections 3.25 and 4.9

Summary Capital Investment Proposals

- 3.12 The additional capital investment required to deliver the revised programme would total £2.450m. The Liberal Democrats, based on the Fund for Emerging Priorities reported to POSC on 26 January, are proposing to fully reallocate the 2023/24 resource of £1.492m in the Administration’s Capital Strategy. The proposed programme therefore requires additional Prudential Borrowing of £0.958m in 2023/24. The expenditure proposals total £1.100m in 2024/25 and are fully funded from the Emerging Priorities allocation of £15.624m. The table below summarises the Liberal Democrats Alternative Capital Programme.

Table 1 - Liberal Democrats Alternative Capital Programme 2023/24 to 2027/28

Capital Proposals	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Funding						
Fund for Emerging Priorities	1,492	15,624	13,836	4,885	0	35,837
Prudential Borrowing	958					958
Total Funding	2,450	15,624	13,836	4,885	0	36,795
Proposals						
A. Footways, Roads, Local Traffic Safety Schemes, Disabled Parking	1,000	1,000				2,000
B. Public Rights of Way	100	100				200
C. Recreational and Green Spaces	850					850
D. Placement Sufficiency-Children’s Social Care	500					500
Total Proposed Capital Expenditure	2,450	1,100	0	0	0	3,550
Balance of Fund for Emerging Priorities	0	14,524	13,836	4,885	0	33,245

The Liberal Democrat Alternative Revenue Budget 2023/24 to 2025/26

Investment Proposals

- 3.13 The Liberal Democrats are proposing a range of additional budget reduction proposals for 2023/24 which will make £0.921m available for investment with a further £0.942m in 2024/25, and £0.278m in 2025/26 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.

Reinstate Parish Council Grant funding (£0.030m)

- 3.14 The Liberal Democrats propose to reinstate a prior reduction of Parish Council Grant funding for both Saddleworth and Shaw & Crompton Parish Councils at an initial value of £0.015m in 2023/24 with a further £0.015m in 2024/25. 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.

3.15 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 initial full reinstatement and a further increase to this funding to ensure activities such as the following can continue:

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

“20’s Plenty” (£0.250m)

3.16 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 20 mph maximum speed limits wherever pedestrians, cyclists or other vulnerable road users mix with motor vehicles.

3.17 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.

3.18 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 mph zones for traffic, especially in front of Schools and other high-risk areas.

Free Bulky Waste Collection (£0.200m)

3.19 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 proposed 2023/24 standard charge of £22.00 to collect 3 bulky items the amount proposed would fund 174 collections per week, approximately 35 collections per day. The investment complements the initiatives aimed at tackling environmental crime and complements the Don’t Trash Oldham campaign, which is expected to cease in its current format on 30 September 2023.

Youth Services (£0.050m)

3.20 Investment in youth services is a Liberal Democrat priority. The proposal is to increase the revenue budget for the Youth Service by £0.050m. This will be used for enhanced delivery of the District and Detached youth work offer including venue costs, activity costs and resources to support the increased youth work provision in each district of the borough and provide a quality youth work offer to young people that supports and promotes positive emotional health and wellbeing.

Investment in Crime and Safety (£0.200m)

- 3.21 An investment of £0.200m is proposed to support measures aimed at reducing crime and improving safety for the residents of the Borough.

Whit Friday Band Contest (£0.011m)

- 3.22 A sum of £0.011m to support and facilitate the running of the annual Whit Friday band contest, one of the higher profile events within the Borough, attracting visitors and providing a major boost for local businesses.

Revenue Fund to support Recreational and Green Spaces (£0.050m)

- 3.23 A revenue fund of £0.050m to support and supplement the capital expenditure proposals outlined in section 3.10.

Highways and Road Safety Schemes (£0.100m)

- 3.24 A revenue fund of £0.100m to support and supplement the capital expenditure proposals outlined in section 3.4, to support the transport infrastructure of the Borough.

Children's Social Care- Residential Home (£0.901m)

- 3.25 Children's Social Care has for the past two years in particular experienced significant financial pressure, in part but not wholly due to the increased demand for services which rose significantly in the first winter of the pandemic in 2020 and continued to rise incrementally thereafter. One of the key manifestations of this demand has been the number of children placed in external residential care, often outside of the borough. The capital proposal is therefore to establish a second, Council owned and operated residential children's home, creating an additional 4 places on top of the 4 that will be provided through the Children's Investment Programme approved by Cabinet on 12 December 2022. It is intended that the facility will be operational from the 1 April 2024 with annual running costs of £0.901m. The majority of this cost is the cohort of staff required to run and manage the establishment together with other operational running costs including living expenses for the occupants plus maintenance of the property.

Transfer to/ from Reserves (net nil)

- 3.26 In order to present a fully financed and balanced revenue budget it is proposed that the balance of revenue funding identified through the alternative budget reduction proposals which has not been allocated to investment proposals in 2023/24; a sum of £0.045m, is transferred to a dedicated reserve and then released in 2024/25 to fully fund the revenue investment proposals in that financial year.

Revenue Costs of Prudential Borrowing (£0.067m)

- 3.27 The total cost of the Capital proposals in 2023/24 is £2.450m, the primary source of funding is the Fund for Emerging Priorities (£1.492m). To avoid reductions to any of the schemes proposed by the Administration, the shortfall of £0.958m will be financed by Prudential Borrowing. The revenue costs associated with this borrowing are £0.067m and commence in 2024/25; the year following the one in which the borrowing was undertaken.

Revenue Fund for Emerging Priorities and Inflationary Pressures (£0.282m)

- 3.28 There is a small amount of funding initially remaining unallocated in 2024/25 (£0.004m), with a further £0.278m in 2025/26. The amounts will be held to support emerging priorities and to

offset inflationary pressures in the event of a slow economic recovery from the current cost of living crisis.

4. Liberal Democrat Alternative Budget Reduction Proposals

- 4.1 The Liberal Democrats are proposing a range of challenging budget reduction proposals, totalling £2.141m over the three year period 2023/24 to 2025/26, 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 (£0.570m)

- 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. Applying a vacancy management factor of 0.75% would generate a saving of £0.570m. 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 (£0.050m)

- 4.4 A lump sum car allowance of £500 is paid annually to essential car users. The Council will pay car allowances totalling £0.321m in 2022/23, with 641 staff members in posts which attract car allowances in the period April – December 2022 (701 for the equivalent period in 2021).
- 4.5 Analysis of the data shows that in the period April 2022 to December 2022, 302 (47%) of those individuals in roles with the Essential Car Allowance have recorded/claimed zero miles (380= 54% to December 2021). For the same period 38 (6%) recorded/claimed for 1 to 100 miles (62= 9% to December 2021) and 301 (47%) recorded/claimed for 101 and above miles (259= 37% to December 2021)). 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, and the analysis above supports the view 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 £0.013m would be generated in 2023/24 with full year effect being applied in 2024/25.

OPP-BR1-204 - Reduction in the General Training Budget (£0.080m)

- 4.7 The Liberal Democrats were pleased to note the Administration's willingness to finally adopt the proposal included in previous opposition budgets and made a budget reduction of £0.050m in the general training budget for 2022/23. The Liberal Democrats are mindful of a wider 2023/24 budget reduction; COR-BR1-620, which proposes a restructure to the Human Resources and Organisational Development Portfolio. However, it is proposed that a budget reduction of £0.080m is implemented in 2023/24 specifically in relation to the General Training Budget in the belief that there is scope for further reductions in this area.

OPP-BR1-205 - Reconsideration of Council priorities with regards to the Communications and Research Service (£0.278m)

- 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 £0.300m. 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 5.4 posts which may include redundancies, however, due to staff consultation timelines only a part year effect would be achieved in 2023/24. This would generate a saving of £0.295m. It is also proposed to generate revenue of circa £0.005m by optimising income generation opportunities across the Council's media channels. The Communications and Research Service has put forward a budget reduction of £0.022m for 2023/24 (with a further £0.022m in 2024/25), achieved by a review of the Research and Engagement function, for this reason the proposed reduction of £0.300m is reduced accordingly to £0.278m of which £0.208m will be achieved in 2023/24 with an additional £0.070m in 2024/25.

OPP-BR1-206 – External Placement Cost Avoidance within Children's Social Care (£1.113m)

- 4.9 The plan to open a second residential home for Children Looked After will enable four children currently placed in external residential care to be brought back into the borough and cared for in a Council run facility. The average cost of an external placement is currently £5,075 per week and there are 18 placements with weekly costs in excess of the average where the current highest weekly cost for a placement is £9,373. Targeting those higher cost placements will enable 4 packages of care at an average weekly cost of £5,350 to be recommissioned with a potential annual saving of £1.113m. Work will need to begin to identify and smoothly transition the move in the latter part of 2023/24. Experience shows that full occupancy on 1 April 2024 is a challenging proposition. It is therefore assumed that all 4 beds will be utilised by the end of quarter 1 in the year of opening.

5. Items for Future Consideration

1) Hire out office space externally

A 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. Whilst acknowledging that the estate is being rationalised, the Council should look into the potential of hiring its meeting room space, including the modern

facilities in the newly established Spindles, longer term proposals for Henshaw House and to maximise opportunities at satellite buildings and Town Halls.

2) 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 CIC and Oldham Community Leisure, and other partners, such as our two local colleges, the Oldham Integrated Care Board, the NHS Acute and Primary Care Trusts and social landlords.

We have called for an increase in Council local spending from the initial 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 average for Local Spend was 55% in 2021/22, but mindful that the position reported at quarter 2 in 2022/23 was 49% against a target of 55%. In addition, we note that the Council is looking to increase this figure with the implementation of the Social Value Portal for contracts above £0.100m 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-19 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.

3) 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 does have an allocation over the life of the current Capital Programme, however, notwithstanding the current commitments identified at this present time, it is felt that more can be done.

6. Review of previous Liberal Democrat Budgets

- 6.1 At its meeting on 8 February 2022 the Performance, Overview and Scrutiny Committee, in considering the 2022/23 Liberal Democrat Budget Reduction proposals, referred the Liberal Democrat revenue and capital budget reduction and investment proposals to Cabinet for consideration, however without any available funding Cabinet was not in a position to give its support to the Alternative Investment proposals. The Committee once again shared the concerns in relation to the lack of review of mileage budgets.

6.2 It should however be noted that items which have previously been rejected or referred for consideration have subsequently been adopted or proposed 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 variable lighting strategy in relation to street lighting
4. Increasing the Council Tax Premium on Empty properties

A proposed/ pending review of reward and recognition packages, to include essential car user allowances has still not been brought forward.

In addition, some of the other 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 funding for such activities from existing budgets in 2020/21 through to 2022/23 and again in 2023/24.

6.3 One area which will again be highlighted separately, as detailed in paragraphs 4.4 to 4.6, is that, despite the reduction in the value of allowances being paid to date there has still been no wider review of reward and recognition packages. Service data still suggests that in this tough financial climate this is an area 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 2023/24 to 2027/28, revenue investment proposals and revenue savings proposals for 2023/24 to 2025/26, the options available to the POSC are to:

- Accept and recommend to Cabinet all of the recommendations of the report
- Accept and recommend to Cabinet 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 POSC 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 and/ or potential redundancies 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 e.g., regeneration, new investments and combating climate change and carbon neutral initiatives.

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 (andy.cooper@oldham.gov.uk)

25. Appendices

25.1 Appendix A: Summary of 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 2023/24 £000	FTE Impact 2023/24	Budget Proposal 2024/25 £000	Budget Proposal 2025/26 £000	Cumulative Budget Impact £000	EIA Required?
Alternative Budget Investment Proposals								
A	Specific fund to invest in Footways ,Roads, Local Safety Schemes and Disabled Parking across the Borough		1,000		1,000	0	2,000	No
B	Specific fund for improving Public Rights of Way throughout the borough		100		100	0	200	No
C	Specific fund for developing and improving Recreational and Green spaces throughout the borough		850		0	0	850	No
D	Increase internal placement sufficiency within Children's Social Care		500		0	0	500	No
Total Cost of Alternative Capital Programme			2,450	0	1,100	0	3,550	
	Reinstate Parish Council Grant funding		15		15	0	30	No
	"20's Plenty"		250		0	0	250	No
	Free Bulky Waste Collection		200		0	0	200	No
	Youth Services		50		0	0	50	No
	Investment in Crime and Safety		200		0	0	200	No
	Whit Friday Band Contest		11		0	0	11	No
	Revenue Fund to support Recreational and Green Spaces		50		0	0	50	No
	Highways and Road Safety Schemes		100		0	0	100	No
	Children's Social Care - Residential Home		0		901	0	901	No
	Transfer to/ from Reserves		45		(45)	0	0	No
	Revenue costs of Prudential Borrowing		0		67	0	67	No
	Revenue Fund for Emerging priorities and Inflationary pressures		0		4	278	282	No
Total Revenue Budget Investment Proposals			921	0	942	278	2,141	
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	Vikki Morris	(570)		0	0	(570)	No
OPP-BR1-202	Reduction in mileage budgets to reflect change in work practices	Vikki Morris	(50)		0	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	Vikki Morris	(13)		(37)	0	(50)	No
OPP-BR1-204	Reduction in the General Training Budget	Vikki Morris	(80)		0	0	(80)	No
OPP-BR1-205	Reconsideration of Council priorities with regards to the Communications and Research Service	Jeni Harvey	(208)	(5.4)	(70)	0	(278)	No
OPP-BR1-206	External Placement Cost Avoidance	Julie Daniels	0		(835)	(278)	(1,113)	No
Total Budget Reduction Suggestions			(921)	(5.4)	(942)	(278)	(2,141)	No
Surplus Budget/Total FTE Impact			0	(5.4)	0	0	0	

Appendix B

Business Cases for Alternative Budget Reduction Proposals

Budget reductions

BR1 - Section A

Service Area:	Corporate Services
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 has not been implemented since 2021/22 and is not proposed for 2023/24.

To assist in reducing the number of agency staff and consultants used across the Council further, the Liberal Democrats propose that a saving for 2023/24 should be applied at a rate of 0.75% to all Council mainstream employee budgets, with the exception of Children's Social Care, which has a vacancy management factor built into the Investment Plan approved by Cabinet on 12 December 2022. The proposed 0.75% vacancy management factor would generate a saving of £0.570m in 2023/24.

2022/23 Service Budget and Establishment	£000
Employees	75,999
Other Operational Expenses	0
Income	0
Total	75,999

Current Forecast (under) / overspend	(12,770)
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Number of posts (Full time equivalent)	0
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	2023/24	2024/25	2025/26
Proposed Budget Reduction (£000)	(570)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2023/24 or is it ongoing?	On-going
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
Service staffing budgets will have to be managed within available resources. There is no anticipated impact on service delivery but this will however need to be managed at a service level and mitigating actions may be required.
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 2023/24 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 2023
Vacancy management targets are reviewed in line with any organisational change prior to the commencement of the 2024/23 financial year.	February/March 2023
Vacancy management targets are applied to individual budgets prior to the commencement of the 2023/24 financial year.	March 2023
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, excluding Children's Social Care. The 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 delivery of this budget proposal would require careful monitoring and management across the organisation.

Signed RO	2/2/2023
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Signed Finance	2/2/2023
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Additional information (if required)

BR1 - Section A

Service Area:	Corporate Services
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 on 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.

2023/24 Service Budget and Establishment	£000
Employees	N/A
Other Operational Expenses	189
Income	N/A
Total	189

Current Forecast (under) / overspend	(144)
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Number of posts (Full time equivalent)	N/A
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	2023/24	2024/25	2026/27
Proposed Budget Reduction (£000)	(50)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2023/24 or is it ongoing?	On-going
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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 a regular requirement are 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.	7 February 2023
Review of Cost Centres which should be excluded from the budget reduction proposal.	February – March 2023
The budget reduction is implemented.	April 2023

Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	April-23	June-23
Trade Union	April-23	June-23
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

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 2023/24 will highlight if there are any challenges to the delivery of the proposal.

Signed RO	2/2/2023
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Signed Finance	2/2/2023
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Additional information (if required)

There are many groups of roles across Council services that require travel as part of their day to day job description requirements, such as town planners, environmental health staff etc. and not just Social Workers. If staff were asked to use public transport as an alternative, this may drive up costs.

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 2022 to December 2022 the Council had 641 staff members employed in roles that paid the Essential Car Allowance.

Analysis of the data shows that in the period April 2022 to December 2022, 302 (47%) of those individuals in roles with the Essential Car Allowance have recorded/claimed zero miles. For the same period 38 (6%) recorded/claimed for 1 to 100 miles and 301 (47%) 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 a £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 100 employees. Due to consultation requirements, only a part year reduction of £0.013m would be generated in 2023/24 with an additional saving of £0.037m in 2024/25.

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.

2022/23 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	462
Income	0
Total	462

Current Forecast (under) / overspend	(18)
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Number of posts (Full time equivalent)	0
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	2023/2024	2024/2025	2025/2026
Proposed Budget Reduction (£000)	(13)	(37)	-
Proposed Staffing Reductions (FTE)	-	-	-

Is your proposal a 'one-off' in 2023/24 or is it on-going?	On-going
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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.	7 February 2023

Communicate to all staff the requirement to claim mileage in a timely manner.	April – May 2023
Finalise new scheme / allowances (or removal of)	June – September 2023
Consult with affected employees and Trade Unions	October – December 2023
Implement new scheme	January 2024

Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	October 2023	December 2023
Trade Union	October 2023	December 2023
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 would generate a saving of £0.050m, due to the need to consult this would be phased over 2023/24 (£0.13m) and 2024/25 (£0.037m). 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

2/2/2023

Signed Finance

2/2/2023

Additional information (if required)

BR1 - Section A

Service Area:	People Services
Budget Reduction Title:	Reduction in the General Training Budget

Budget Reduction Proposal - Detail and Objectives:

The general training budget for 2022/23 is £0.322m, following the application of an approved Administration Budget Reduction of £0.050m.

The Liberal Democrats propose to make a permanent reduction of £0.080m from 2023/24 by utilising the apprenticeship levy wherever possible and taking advantage of remote courses and training which have become more prevalent mainly as a result of the pandemic.

Since 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.

The Liberal Democrats are mindful of a wider budget reduction; COR-BR1-620, proposed by the Administration, which proposes a restructure to the Human Resources and Organisational Development Portfolio. It will however retain the proposed reduction of £0.080m in relation to the General Training Budget in the belief that there is scope for further reductions in this area

2022/23 Service Budget and Establishment	£000
Employees	N/A
Other Operational Expenses	322
Income	N/A
Total	322

Current Forecast (under) / overspend	0
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Number of posts (Full time equivalent)	N/A
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	2023/24	2024/25	2025/26
Proposed Budget Reduction (£000)	(80)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2023/24 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, this would include Foster Carers & Members who receive training via the training budget. 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 £0.080m 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.	7 February 2023
Implementation.	1 April 2023
N/A	N/A

N/A	N/A
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Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	1 st April 23	31 st May 23
Trade Union	1 st April 23	31 st May 23
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

The implementation of this proposal would create an ongoing saving of £0.080m from the central training budget from 2023/24. An Administration proposal, COR-BR1-620 (£0.100m in 2023/24), proposes a restructure to the Human Resources and Organisational Development Portfolio. The proposed reduction of £0.080m is specifically in relation to the General Training Budget.

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 the training budget in 2022/23 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	2/2/2023
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Signed Finance	2/2/2023
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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. There has been a significant increase in demand for statutory and mandatory training as services return to full compliance post pandemic. Costs of training suppliers has increased in line with general cost of living rises, and there are still requirements to hold significant amounts of training in person, such as Resuscitation training etc.

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 £0.278m over a two year period.

This reduction would be met by generating £0.273m through ceasing the publication of '@Oldham Council, Working for You' and deleting/ disestablishing 5.4 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

2022/23 Service Budget and Establishment	£000
Employees	959
Other Operational Expenses	74
Income	(4)
Total	1,029

Current Forecast (under) / overspend	(20)
Number of posts (Full time equivalent)	19.00

	2023/24	2024/25	2025/26
Proposed Budget Reduction (£000)	(208)	(70)	0
Proposed Staffing Reductions (FTE)	(5.4)	0	0

Is your proposal a 'one-off' in 2023/24 or is it ongoing?	On-going
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Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
Such significant savings to the Communications would destabilise the service's ability to deliver effective communications to the people of Oldham, and mean some core communications activity could not be delivered.
Future expected outcomes
<p>Reducing the number of staff by 5.4 would mean that the Communications service would have to focus only on some 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. 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 team would also be unable to carry out campaigns work for essential areas such as adoption, foster carer recruitment, social work recruitment and more, which could severely impact on our ability as a Council to deliver critical services such as caring for vulnerable young people.</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
Such a significant reduction in the Communications budget would mean non-essential communications internally would have to be ceased. This would lead to the organisation as a whole being less informed and less able to be effective ambassadors who understand our values and behaviours, or our aims and objectives for the borough – hampering colleagues' ability to serve local leaders and put residents first.
Workforce
Removing almost a third of the staffing in the service would create increased pressure on staff that remain, as well as removing technical specialisms such as design, video production and web expertise.
Communities / Service Users
<p>Reduced communications activity – including social media – would leave residents less well informed about what the Council provides, including critical information such as making safeguarding referrals, getting help with housing, or accessing the range of support available through the Cost of Living crisis.</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>

Partner Organisations

Reduced partner communications would leave partners unclear of the role of the Council on key partnership projects, and less able to collaborate effectively.

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 £0.278m across 2023/24 and 2024/25.	

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.	7 February 2023
Staff and Trades Union consultations.	March to May 2023
Implementation of proposal.	From July 2023
N/A	N/A

Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	March 2023	May 2023
Trade Union	March 2023	May 2023
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
<p>This option would result in a reduction of 5.4 posts within the Communications and Research service and the cessation of the Oldham Council Working For You publication, which would generate a saving of £0.273m 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 £0.278m over a two year period. The proposal may incur redundancy costs which would be funded centrally.</p> <p>The Communications and Research Service has put forward a budget reduction of £0.022m for 2023/24 (with a further £0.022m in 2024/25), achieved by a review of the Research and Engagement function, for this reason the initially proposed reduction of £0.300m in a full year is reduced accordingly to £0.278m.</p> <p>Due to the requirement for consultation with Trades Unions and staff, the whole of the reduction cannot be achieved in the first year. The profiling to incorporate this process is therefore the realisation of £0.208m in 2023/24 and £0.070m in 2024/25.</p>

Signed RO	2/2/2023
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Signed Finance	2/2/2023
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Additional information (if required)

BR1 - Section A

Service Area:	Children's Social Care
Budget Reduction Title:	External Placement Cost Avoidance

Budget Reduction Proposal - Detail and Objectives:

Children's Social Care has for the past two years in particular experienced significant financial pressure, in part but not wholly due to the increased demand for services which increased significantly in the first winter of the pandemic in 2020 and have continued to rise incrementally thereafter. One of the key manifestations of this demand has been the number of children placed in external residential care, often outside of the borough. The proposal is therefore to establish a second, Council owned and operated residential children's home, creating an additional 4 places on top of the 4 that will be provided through the Children's Investment Programme approved by Cabinet on 12 December 2022.

The capital investment required is £0.500m to enable the purchase of a suitable property and make the necessary adaptations, with works scheduled to be undertaken in 2023/24 in readiness for operations to commence at the start of 2024/25.

The revenue costs, which will start to be incurred in 2024/25, total £0.901m and are in the main staff plus living expenses for the residents and property running and maintenance costs

The plan to open a second residential home for Children Looked After will enable four children currently placed in external residential care to be brought back into the borough and cared for in the Council run facility. The average cost of an external placement is currently £5,075 per week. There are 18 placements with weekly costs in excess of the average and the current highest weekly cost for a placement is £9,373 per week. Targeting those higher cost placements will enable 4 packages of care at an estimated average weekly cost of £5,350 to be recommissioned with a potential annual saving of £1.113m. Work will need to begin to identify and smoothly transition the move in the latter part of 2023/24, experience shows that full occupancy on the date of opening is a challenging proposition, it is therefore assumed all 4 beds will be utilised by the end of quarter 1 in the year of opening, the saving is therefore phased £0.835m in 2024/25 and £0.278m in 2025/26.

2022/23 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	7,385
Income	
Total	7,385

Current Forecast (under) / overspend	5,154
Number of posts (Full time equivalent)	

	2023/24	2024/25	2025/26
Proposed Budget Reduction (£000)	0	(835)	(278)
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2023/24 or is it ongoing?	Ongoing
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Section B

What impact does the proposal have on the following?

Property
Review of existing residential assets and their purpose, identify suitable asset from Council stock or wider housing market
Service Delivery
Increase focus on earlier intervention, prevention and internal placement provision including Fostering and Adolescent Support Unit
Future expected outcomes
Increased internal placement capacity alongside timely planning and scrutiny to return children back to the Borough when it is safe to do so
Organisation
N/a
Workforce
Increased employment opportunities within Childrens Social Care. A cohort of staff will be required to run the new facility
Communities / Service Users
Opportunity for Oldham Looked After Children to be cared for within the Borough
Oldham Cares
N/a
Partner Organisations
N/a

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)	Yes
All i.e. Oldham Cares	
Other Council departments (if yes please specify below)	No
All	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements

Increase residential capacity will reduce the number of external placements; mitigating new placements where possible to allow current placements to expire due to age or step down will improve the quality of care and outcomes for Children Looked After (CLA) as they are more likely to be placed within the LA boundary and therefore in receipt of Oldham's wrap round health and social care offer.

Section C

Key Risks and Mitigations

Risk	Mitigation
Construction Risk: Unable to locate suitable premises, planning permission not granted, construction delays	Early engagement, consult with relevant Council services, multi-disciplinary work group established
Over ambitious plan to establish two new residential homes in the same financial year	See above, plus there will be cost, planning and design and build synergies from undertaking two projects in parallel, in the worst case opening could be phased to accommodate any delays.
The higher cost placements are children with higher degrees of complexity, the external placements targeted may not be appropriate for the accommodation being created, or over time may become inappropriate for the CLA's needs.	Continue to conduct placement review panels to ascertain the appropriateness of all current external placements. Begin the selection/ identification process well in advance of 1 April 2024. If necessary look to CLA with less complex needs
Internal provision does not provide enough fostering capacity, this will lead to increased reliance on external provision where fostering placements are not found	The Children's Social Care investment plan introduces a range of measures to recruit and retain internal fostering provision

Key Development and Delivery Milestones

Milestone	Timeline
Identify and purchase suitable property	1 March 2023- 31 May 2023
Construction Phase: Obtain necessary approvals, design and build	1 June 2023 to 31 March 2024
Identify suitable placements to enable as close to full occupancy as possible from 1 April 2024	1 Jan 2024 to 31 March 2024

Recruitment and training in advance of opening on 1 April 2024	1 Jan 2024 to 31 March 2024
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Section D

Consultation required?	Yes
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	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	1 March 2023	31 May 2023
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
<p>The proposed reduction is linked to the commissioning of a second, 4 bed, residential children's home in the borough, the programme would run in tandem with the home proposed in the Children's Social Care Investment programme. Procurement, adaptation and commissioning the facility will take place in 2023/24 in readiness for opening on 1 April 2024. Annual revenue costs are expected to be £0.901m per annum.</p> <p>The increased capacity will enable four children currently placed in external residential care to be brought back into the borough and cared for in the Council run facility. The average cost of an external placement is currently £5,075 per week. Of the current 52 placements there are 18 placements with weekly costs in excess of the average and the current highest weekly cost for a placement is £9,373 per week. Targeting</p>

those higher cost placements will enable 4 packages of care at an average weekly cost of £5,350 to be recommissioned with a potential annual saving of £1.113m. Work will need to begin to identify and smoothly transition the move in the latter part of 2023/24. As experience shows that full occupancy on 1 April 2024 is a challenging proposition, it is therefore assumed all 4 beds will be utilised by the end of quarter 1 in the year of opening, with 75% occupancy in year 1. The saving is therefore phased £0.835m in 2024/25 and £0.278m in 2025/26.

Signed RO	02/02/2023
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Additional information (if required)

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